

**DEFENCE REVIEW 09**

**SUBMISSION BY THE  
ROYAL NEW ZEALAND RETURNED AND  
SERVICES' ASSOCIATION**

References: A. "Defending New Zealand" - A Statement by the RNZRSA, 2005  
B. "Defence Review 2009" - Public Consultation Document

**Introduction**

1. In April 2005 we published a comprehensive statement on defence policy (Reference A). It was registered as ISBN 0-476-01497-2 in a print edition, and ISBN 0-476-01498-0 in electronic form. The two printed copies appended to this submission exhaust supplies of that edition; but the electronic edition remains downloadable from [http://www.rsa.org.nz/about/nws2005may/defence\\_statement.html](http://www.rsa.org.nz/about/nws2005may/defence_statement.html)
2. The statement was drafted after extensive consultation within the RSA organisation, and had widespread support culminating in formal approval by the National Executive. As it was valid four years ago, so we believe it remains valid today with only minor change. We therefore offer it as the backbone of our submission to Defence Review 2009. Some explanation and amplification of the document is appropriate, however; and that is what this brief paper will do.
3. Reference B contains a questionnaire to assist the consultation process. Because we could add little to the coverage already contained in Reference A, however, in preference for a narrative style we beg leave not to follow that exact format here.

**Resourcing**

4. We do not intend to dwell upon, nor even to update, the calculations on defence expenditure contained at Reference A. The ratio of defence expenditure to GDP has its uses, but it is only one statistic among many. With an important exception, in itself it does not and cannot tell us anything useful about how much we ought to be spending. The exception lies in giving us some idea of how we compare with our friends and like-minded nations. Although we have almost always spent proportionally less than others on our defence forces, the margin has now grown to disproportionate size. How the two neighbours New Zealand and Australia can come to such different positions on the same set of facts is particularly difficult to understand – we cannot both be right. Our conclusion is that even if the Australians are over-spending, we are under-spending significantly.
5. The fundamental questions involved here cannot be answered without a thoroughgoing assessment of future strategic security needs, leading on to an expression of sensible defence policy goals, thence in turn to determinations of the size, shape and capabilities our defence forces should have. Only when all that is done is it possible to know what is needed to meet the policy goals, and the costs. To think first of the guns, ships and planes that might be needed may be appealingly popular, but it tries to drive the

process backwards by placing form before function. This is unlikely to yield sensible results. As Reference A had it, it “puts the cart ahead of the horse – equipment ahead of purposes – which greatly confuses the horse.”

6. All of that said, a number of things should be borne in mind about Chapter 7 of Reference A on “Affordability” and the associated Appendix 1 on the structure of the accounts. One is that the total appropriation for defence is not an accurate measure of net defence expenditure (or fiscal impact). Our everyman’s explanation of how the accounts should be interpreted shows that because GST and the Capital Charge are returned to the Crown, the net fiscal impact of defence expenditure is much less than the appropriation. If we do not understand this and use the gross figure as an indication of net cost, we delude ourselves. But whether we include or exclude these amounts in our analyses, what is beyond dispute is that our expenditure-to-GDP ratio has fallen steadily in recent years and, as we have already pointed out, now lies well below the proportion of national wealth that our friends in the developed world choose to spend on defence.

7. Another concern is associated with the manner in which the Appropriations are constructed. By and large, we believe, the level of funding is worked out on the basis that the government purchases agreed outputs from the Defence Force. Ordinarily the price reflects the costs of maintaining units at an agreed level of readiness. Should those units be required operationally, the price changes as well as the activity. We also understand, however, that not uncommonly the additional cost is required to be met from savings elsewhere in the Vote. This we would deplore – it can lead directly or indirectly to incapacity in deployable units to meet the demands of sustaining the deployment(s) concerned. We touch on over-stretch issues elsewhere in this paper.

## **Timeline**

8. A related factor arises – the timeline. The Terms of Reference of Defence Review 2009 span out to 2035. This of course reflects the well-known truth that for a number of reasons, including expense, military equipment is required to last a long time in service. We must therefore choose wisely. Challenging though the disciplines may be, the conclusions we arrive at now must answer the question “[is this] fair to generations yet to come – those who will bear the consequences if what we now decide turns out to be a mistake? That is scarcely a bequest for which we would be thanked” (Reference A). Put in another way, the decisions we take now must be taken in the context that we are speaking of commitments that need to make sense across not just one but at least eight election cycles.

## **Process**

9. We do not believe it is our place to determine the detail or scale of equipment that the Defence Force might need. Neither is this a matter for the general New Zealand community to decide. Rather it is for the current experts to decide; those in uniform. It is they who will have to use the equipment in the field. It is they, not the politician nor the civilian analyst, who will suffer the immediate consequences if in harm’s way the equipment turns out not to be up to the task. Consequently it is the military that is best equipped to advise Ministers what equipment is necessary to accomplish the tasks assigned by policy. For these reasons, as at Reference A, we will not attempt to suggest equipment specifications, or numbers.

10. That said, it is entirely within the competence of the community, including ourselves, to decide what we want our Armed Forces to do; and to require governments to provide for them accordingly. But that is where we stop – with an outline first of policy and then of the capabilities required to meet it, leaving the uniformed professionals to develop sizes, shapes and equipments.

11. The final choices in these matters will of course always lie with Ministers. But how should policy itself be developed for Ministers to consider in order that capabilities can be determined and size, shape and equipment proposals also be presented to them for decision? It is long established that, in a democracy, civilian rather than uniformed policy advice should predominate. But good policy is not created in a vacuum. Policy-making is not the exclusive preserve of civilian advisers. It is absolutely necessary that those who develop policy are kept fully informed of the degree to which it can be implemented with the tools the policy itself prescribes. The only people who can provide this information are those who operate the equipment – the uniformed soldier, sailor or airman. Thus the policy machinery must include both civilian and uniformed policy-makers.

12. In our view, this is where we went wrong 20 years ago. The higher Defence machinery had come to be seen as an unreconstructed monolith within which the “uniforms” had “captured” the policy process. Whatever the truth or otherwise of this assertion, the solution decided upon at the time was misguided. Among other things it took the organisational principle of separating policy from operations to extraordinary extremes, and set out to separate civilian policy advice and military implementation entirely. It divided the Defence bureaucracy into two discrete Departments of State for the purpose. From the outset it was plain that this could not work as it stood. Over time, those who were required to make it work found expedient solutions which, of necessity, compromised the assumptions upon which the arrangement had been based.

13. That the flaws in the system were serious and heavy was amply shown in the “Review of Accountabilities and Structural Arrangements between the Ministry of Defence and the New Zealand Defence Force” of September 2002, by D.K. Hunn. Particularly at Chapter 6 and Annex I, this report very clearly opted for a model in which the two Defence Houses were stitched back together again. But it has not yet been done. We believe most strongly that it should be.

14. In our view the broad weakening of the defence policy machinery that began two decades ago opened the system up to confusions between policy and politics. Among other things it paved the way for Parliament itself to try its own hand at policy-making through a Select Committee. As we pointed out in Reference A, this resulted in judgements being made upon a partisan political basis, which encouraged political compromise rather than genuinely workable policy. Moreover, it invited politicians to worry about the nature and quantity of defence equipment without the necessity of consulting professional advice, and without sound capability requirements derived from coherent and achievable policy goals. This was indeed a case of cart before horse. And, regrettably, it set the scene for much that has happened in defence policy, and the structure and capabilities of our forces, ever since.

15. We reiterate – in our view, two aspects of our higher-level policy machinery need attention. One is that it is high time the separate Ministry of Defence and New Zealand

Defence Force were married together again. The other is that the Secretary of Defence and the Chief of Defence Force must be given room to fulfil their functions as principal statutory advisers in an unfettered way. The question to be answered here is "who exactly do we want to be laying the foundation of our national security?". To skip over this important question is to risk having the unqualified propose the unsubstantiated to the unaware. Strong, coherent and rational policy advice in an area as important as this surely is to be encouraged, not avoided.

## **Provisioning**

16. Whatever the nature and capabilities of supplied equipment may be, it is essential that adequate provisioning to use it is also available. The Kiwi military has long had a reputation for scrounging equipment from others in the field. The implications would not be particularly serious were it not for the fact that the condition is pandemic. We sent our troops to Egypt half-trained and ill-equipped. We sent them to Korea without adequate cold-weather gear. Making up deficiencies was also part of serving in Viet Nam. During the Gulf War our options were severely restricted for lack of chemical and biological protection gear. When we sent troops to Bosnia in the 1990s we had inordinate difficulty not only with exhausted armoured personnel carriers but also in providing them with the additional cladding needed. And we went to East Timor in 1999 with troops who had not had live firing training at section and platoon levels in two years.

17. Of course, all of this encourages a second great Kiwi skill - turning No 8 wire to any purpose. But our soldiers, sailors and airmen should not have to do so (or should have to do it only in extremis). They should instead be adequately provided for in the first place. This is especially important in the modern era, since we have lost our earlier status as a most-favoured nation able to call upon the stockpiles of others at will. We really must get over the attitude that adequate provisioning is a disposable concern – a mere military hankering for toys for the boys. It is not. Failure to provide adequately will put at unnecessary risk young New Zealanders who accept military duty wherever it may take them. In any case, perhaps we should think of the singular advantage that would accrue to having proper equipment to begin with and then adding our No 8 wire skills on top.

18. In making these remarks we note that the principle involved here applies not only in "conventional" battle but also holds good in today's conditions of operational asymmetry – perhaps even more so. The current controversy in Britain over the equipment provided for operations in Afghanistan, particularly vehicles, makes the point well enough.

## **Preparedness**

19. Thus far we have talked about the need for properly-provisioned kit, although we have also touched upon the need for systematic training. Even the best equipment is useless without skilled people to operate it – and we mean here both individual and group skills, since group responses will often be the more important in determining outcomes in the heat of battle.

20. Preparedness embraces both kit and training, the latter including group, manoeuvre and command training. "Military manoeuvres" is a term often used disparagingly. But training and exercises in manoeuvre have a deadly serious, essential purpose. Only where we have fully-trained, experienced personnel can we expect the best to be gained

from the equipment we provide – which, experience shows, will have to be used at short notice and often in circumstances not anticipated.

21. The demands of preparedness are heavy; we know this from our own experience. At the time of World War I Minister of Defence James Allen was thought to be exaggerating when he predicted that the replacement effort needed to sustain the Expeditionary Force overseas would be 100 per cent per year. He was right and his critics were wrong. And that was where the period of deployment was “for the duration”. Today, where rotation periods can be three or six months, the demands upon trained manpower are commensurately higher. Time and space must be set aside for training of all kinds between rotations. For expedient reasons it is all too easy to make light of this need, and to end up redeploying tired troops, or those who have lost their edge for lack of re-training.

22. It is not wasted time or effort to ensure that once our personnel are brought to operational pitch they stay there. Our size, shape and practices must allow for this to be done. Not only that, it must be done before deployment so that we do not send personnel away not properly equipped for the conditions, or only partly-trained. We shall comment further on this later in the paper – suffice it to say here that an over-stretched defence force will not be an effective defence force. And under this heading we would strongly suggest that attempting to patch over-stretch by employing personnel out of their normal roles or specialties at the tactical level is not to be commended.

23. Otherwise we very much applaud the efforts now being made to give substance to the old catchphrase “One Army” in the sense that Territorials in the Army (and indeed, Territorials and Reserves in all three Services) are beginning to be used to good effect. Indeed, at Reference A pp 35 and 36 we said this:

“..... mobilisation, technology and planning, and .... technical compatibility and training, have implications for Territorials and Reservists as well. Maintaining a substantial Territorial component to support and sustain army operations, for example, has a number of attractions, not least in cost. But we do need to be sure that we have the purposes of maintaining territorial and reserve forces both clear and correct. And we also need to be sure that adequate resources are put into technical as well as basic military training, for it would be pointless to depend upon Territorial and Reserve components not capable of dealing with the technology when required. “

We will need to ensure that the present momentum is maintained. As we also said at Reference A, in particular it is important that Territorials (and Reservists) are much, much more likely to provide useful and necessary manpower supplements across-the-board (as has been done in East Timor and in the Solomons) than to provide formed units ready for action. That is, we would not want to see the Territorial and Reserve forces returned to the former expansion model. But the change also has implications for training given to and the expertise required of Territorials; and the levels of commitment required of them, their organisational arrangements, and their tasks. We are now on the right track, and we need to ensure that we stay on it.

### **Allied; or Alone?**

24. At the time of writing, a topical issue is the possibility of a joint ANZAC response

force. In principle this is a good idea. After all it is not new. We could say it was born on the beaches at Gallipoli more than 90 years ago; but that might be too obvious. It would also ignore the fact that on the Western Front during World War 1 there was no integrated ANZAC force, notwithstanding that both nations were there. And, during World War 2 a serious division of opinion between the two countries opened up when Australia brought its troops home from North Africa in 1942 to meet the Japanese threat, where New Zealand left its 2NZEF in place. The divergence was very keenly felt by Australia, and led to a sharp written rebuke from Prime Minister Curtin to Prime Minister Fraser. Yet, from the other end of the telescope, the episode also proves that it is possible for New Zealand to assert its own course despite assumptions of common peril. This suggests, perhaps, that we should not assume commonly-held perspectives either. Neither is it a mere historical curiosity, since even today it seems that our two nations closely situated at the bottom of the world take a very different view of the stability of the strategic outlook. Setting aside that we cannot both be right, perhaps we might see truth in Palmerston's observation to the effect that national interest is more powerful than either alliance or its absence.

25. Even so, we were alongside Australians in Malaya and Malaysia. Although we were not integrated there, in Viet Nam our forces were very thoroughly – and deliberately - integrated. Latterly we also had a small fighter-bomber force stationed in Australia to serve Australian needs. In all three Services, integration at the tactical level is not particularly difficult, given willingness. Only at higher levels can it become a little more sticky. In recent years, military cooperation between the two countries has gone under names such as Closer Defence Relations (CDR), and “complementarity”. But this has not advanced much beyond generalities or preliminary – and comforting – rhetoric. If the new proposal takes this further in a structured and useful way, we can only applaud.

26. At some point, however, issues of sovereignty will arise and will need to be addressed. And here it will be necessary for us not to assume that it is an issue of concern only to us the smaller partner, arising out of worry that our interests could unwittingly be submerged by the larger partner. The reality is that it will be as much an issue for Australia as it is for New Zealand. The above-mentioned disagreement in 1942 illustrates that it is possible for our interests to diverge.

27. These reflections bring up the matter of alliance generally. In connection with the ANZAC proposal it has been said that it does not place New Zealand's independent foreign policy at risk, nor signal a return to alliance. It is worth exploring whether such pigeon-holing matters.

28. We have already pointed out an occasion where New Zealand and Australia disagreed at a time when a common allied view might have been a fair assumption. But disagreeing with a partner and having disagreement accommodated is not uncommon. It happened after the campaign in Greece and Crete in 1941 when Fraser made it clear both to Churchill and to Freyberg what the limits were for the use of New Zealand troops under British command. It happened during the Suez crisis of 1956 when, upon learning that HMNZS Royalist was about to be used as a part of the Royal Navy's Mediterranean combat fleet, the Holland Government withdrew the ship. It happened again during “confrontation” with Indonesia when RNZAF Canberra bomber aircraft were withdrawn from Labuan on the orders of the Holyoake Government. And it happened during the Viet Nam war where the Holyoake Government insisted that New Zealanders deployed with the Australians or the Americans were available for operations only within the borders of what

was then South Viet Nam; this was accommodated without difficulty.

29. The point here is twofold. First, and contrary to the rhetoric, being in an alliance does not require national interests to be subsumed as a matter of course. On the other side of this coin, however, neither does not being in an alliance necessarily mean we can escape pressure from others to respond militarily. Proof may lie in a fair bet that we would not even consider sending the SAS back to Afghanistan unless we had been asked to do so by the United States – with which we are manifestly not allied at present (neither, one expects, would we have sent them the first time in the absence of an invitation from our non-ally to do so). In making political decisions about with whom our forces may associate, we wonder whether worrying about implications for our independence really matters. We suspect not; or not always. At least we doubt that the point should be used as a circuit-breaker in the decision process. The evidence seems to be that whether we are allied or not, the over-riding criterion is an assessment in Palmerstonian style of our best interests in the circumstances of the time.

30. The other issue turns on the fact that a partnership has to be satisfactory to each partner; the decision is not ours alone. It could easily be that the Australians will place limits upon the shape of the proposed ANZAC force for reasons of their own sovereignty. At one end of the scale a mere token contribution would have limited usefulness for Australia and would most likely not be agreed to by them - the New Zealand contribution would need to be sufficient to avoid any hint that this side of the Tasman might be interested in offloading costs or otherwise gaining something for nothing. At the other end of the scale, too much might cramp Australia's own sovereign options uncomfortably. These observations may be self-evident, but their point is that Australia will have at least as much interest in the size and shape of the combined force as we will – though for rather different reasons.

31. We will need to contribute, and to do so meaningfully. More generally in the context of the broader world beyond Australia, should we choose to fend for ourselves there would be certain implications for how we might size, shape and equip our armed forces. Alternatively, should we choose to work with friends, then they would ask of us what they thought was realistic in pulling our weight in ways of value to them. And they would do this on the basis of the same strategic information that we have, and in full knowledge of our small size, oceanic place and tender economy. It is difficult to suppose that the results in these two cases would be radically different. The demands upon us to determine what we need to do in our own interests will not vary greatly whether we do it for ourselves or are asked to contribute in the common interest by friends.

### **Defending Interests, or Defending Shores?**

32. At the most basic level, many New Zealanders express attitudes to defence policy in the form of a question - who is likely to attack us? It is a question that must be answered, and the most obvious answer is “nobody”. But this is an unsatisfactory answer – just as the question is an unsatisfactory question.

33. The question itself invokes the strategic truths that our shores are protected by the world's largest moat, and that because of our positioning and our small size we do not present a worthwhile target to anybody. Many would envy these advantages. As we point out at Reference A however, what we found it necessary to do in the 20<sup>th</sup> Century belies

such comfortable assumptions. We went to war in various forms in far-flung places not to protect our shores from invaders in the first instance, but to protect our interests. Little has changed in that regard. We are in Afghanistan, East Timor, the Solomons and elsewhere not because any of them will invade us but because it is in our interests to be there. What this means in practice is that although we must ensure our forces are capable of operating effectively in our own region in the first instance, they must also be capable of operating in more testing conditions farther afield.

34. These two requirements can pull in different directions. Some elements of our current policies contain unresolved examples. The Defence Policy Framework of 2000 proposed that we are not likely to be involved in widespread armed conflict. Although we of the RSA have never quite understood this (not least because it is scarcely compatible with Australian conclusions on the same information), we appear to have accepted that our army is unlikely to need the protection of an air force, or at least of our own air force. Yet we have provided it with air defence weapons, which seems to put the premise into doubt. And in another example, it is not easy to determine why we might strap surplus short-range air-to-surface missiles to naval helicopters. That it can be done is beyond doubt, but what practical military utility might be served in the benign South Pacific is not well explained; and in any other circumstances the need to use such a weapon implies challenges in target selection and in protecting the launching helicopter that could make its use problematical.

35. As we said at Reference A, we believe that “Our armed forces should .... be shaped, sized and equipped for the defence of New Zealand in keeping with the geography of our region, which is characterised in the main by distance and by ocean. Forces shaped sensibly in such a way would also be flexibly capable of use anywhere for our defence in an allied context, though always according to sovereign mandate.” The equations involved here cannot be modified by wishful thinking. We live in an ocean of vast size, which we must cross to go anywhere. Yet our future will be decided not by what happens in our region, but by the behaviour of others in the rest of the world outside the South Pacific. Happily, if we can cope with the moat appropriately, we will cope with wider calls. If we fail to take into account not just the great spatial character of our region, which is mostly sea and air, we will fall short of requirements in the wider field in defence of our interests.

### **The Character of Warfare**

36. Much of current policy seems to rest upon a two-layer proposition that we will not descend into world war again, and that wars between States are a thing of the past. On the evidence the first layer of this is reliable – or at least we may hope it is - especially since nuclear weapons have throttled the likelihood of unrestricted warfare almost entirely. But the RSA has a great deal of trouble with the second layer. How does one define a war between States? Can the risk of war between India and Pakistan, triggered in particular by what is going on in Afghanistan and its spillover into the struggle for control of the Swat, really be discounted? And Afghanistan itself has drawn a number of States into active warfare, including ourselves. So it was in Iraq; and in a number of other places over recent years including the Balkans, Iran and Israel. A serious question arises here. What does the assertion that wars between States are over actually mean for the defence planner?

37. We think it is no more than an appealing fiction. States are still involved, in some cases in considerable scale. The course of history is dominated by warfare and the historical causes of war have not gone away. Not much has changed in that regard. Clearly the nature of the wars that are occurring has changed. It is less clear, however, that the changes call for radical surgery in the shape and capability of our forces. Today's wars are certainly asymmetric in that one side generally has the technology and weight of arms, where the other has much less of both. But they are also asymmetric in other ways. They may take place locally and be mistaken for local wars, but they are being fought for global objectives. The comforting "no wars between States" rubric is immediately seen to be misleading because the survival of States as we know them is very much at stake despite the theatre of fighting being limited. Others put this in a different way, saying that at the tactical level there is unlikely to be much difference between fighting State or non-State forces, according to senior US and UK generals now in the thick of it. Not only that, we now hear less of impenetrable new jargon such as "network-centric" and "effects-based warfare". They may be valid modern concepts, but always in addition to rather than instead of the basic principles of warfare first distilled and expressed a century ago. The operational and policy levels should recognise these realities of the tactical level.

38. There is another subtle asymmetry. Some of the States involved have the technology and weight of arms to end the war suddenly and completely. But none has used the capacity; in a sense the war's very asymmetry prevents it. This may tend to suggest that we should re-shape ourselves to fight on the same terms as the terrorist groups – boots on the ground, with hand-held weapons. And, to a degree, the need for boots on the ground (which is the case in all wars of all kinds) is emphasised. Technology cannot achieve a result on its own, and the dogged infantryman continues to be needed at least as much as he has ever been, anywhere. But this is not the same as saying that boots on the ground can do it alone either. The truth is they cannot. Instead, all-arms technology is needed to enable them to do their task even though the forces ranged against them may in some ways be primitive. And so once again we arrive at conclusions little different from those reached by others at other times and in other circumstances. Armies win wars, or lose them on the ground. Air forces and navies make it possible for them to win. This is so even in conditions of significant asymmetry – and perhaps is even more so because of it.

39. We mentioned earlier that we must train for the conditions and avoid over-stretch. The variability of today's operational conditions means we must train and equip for conventional battle and scale down for lesser conditions as they are encountered. It is not possible to do this the other way around – to pitch our preparedness at the low end of asymmetry and scale up should the conditions on the ground demand it. We say, therefore, that maintaining a capacity to send SAS into warfare, however appropriate, does not constitute either a rounded or an adequate defence capability. The "niche force" idea that permeated New Zealand policy processes at the end of the 20<sup>th</sup> Century is flawed, and dangerous. So is its successor "depth not breadth", which also requires guesses about what forces will be useful in an uncertain future.

40. The world is not benign. Nor is it possible always to limit the effects when it behaves badly. There are no opportunities selectively to specialise in niches. We simply do not know what niche will be useful in a future conflict and what will not. If history tells us anything, it would be how very easy it can be to over-rate our skill at predicting the future. As in the peace after World War I when the so-called ten-year rule hid the realities

of what was happening and made matters worse than they would otherwise have been, so it is in the modern world that unbridled faith in our ability to see into the future can be misleading today<sup>1</sup>. A prime contemporary example, one of several over the years, is our reacting not into the Pacific but into Afghanistan because something unexpected had happened in New York.

41. Another factor that is not as well-recognised as it should be is how far the scale of operational deployments over the past decade and a half has risen. Over that time we have been creating operational veterans at a faster rate than at any other period since World War II.

42. The only reason we have armed forces at all is because we cannot tell what the future will bring. And for the same reasons of uncertainty we also need enough balance in our combat forces to provide future governments – and the people of New Zealand whose forces they are – flexible options of response, most likely in contribution alongside others, but on our own if necessary. Above all we must retain the resilient capacity to right matters quickly when our guesses go wrong. We need conventional depth to provide this; and we need conventional breadth to provide a sensible range of options to give us flexibility to cope with events we had not expected. And to give us the necessary depth and breadth we need sufficient personnel, individual and group training programmes, and equipment to avoid the operational stretch that has occurred as deployment pressure increases while resources do not move in sympathy.

### **Funding by Efficiency**

43. Not too long ago Michael Heseltine as British Secretary of State for Defence remarked to the Commons that the idea it might be possible to fund a new aircraft carrier by using envelopes twice or saving on paper clips was nonsense. Of course it is not nonsense that the military must be cost-conscious and efficient. But it must also be effective. In this regard it will be necessary from time to time to consider basing and similar issues. Some equipment holdings might also need review – for example, to answer the widespread impression that we have more light armoured vehicles than are strictly necessary. But where bases are closed or equipment holdings are adjusted it is critically important that the business case is carried right through, that commensurate savings are indeed realisable in the foreseeable future, and that the proceeds are actually delivered to the Defence Force in perpetuity rather than just recalled to the Treasury in another Budget round. If this is not done in a clear and visible fashion, the most likely result will be even greater resistance to efficiency changes the next time. Of course there is also a limit to the number of times this savings pitcher may be taken to the well; a limit which some argue has already been reached.

44. One area in which a constant watch may be necessary is in “headquarters creep”, especially in senior Headquarters. Although our forces are now at their lowest number since 1939, we appear to have significantly more senior positions than we did then. This is not of course a call to return to the unprepared conditions of 1939, but it suggests that a review might be timely. It would be useful to examine in detail the arrangements and

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1 It is not out of place to remark the comment by the British Treasury as the ten-year rule began to break down in the 1930s: “... this must not be taken to justify an expanding expenditure by the Defence Services without regard to the very serious financial and economic situation which still obtains ...” Plus ça change ...

divisions of function that have resulted in a large Joint Force Headquarters at Trentham and a large Defence Headquarters not far away. Repairing the organisational fracture between the NZDF and the MOD would be a part of this, as would the roles and functions of the single-service staffs. But, as Heseltine had it, although efficiencies are always necessary they will not have a major impact on operational affordability.

### **“Whole of Government”**

45. In this context the concept of “whole of government” sometimes has appeal. By and large it is an admirable and practical way of ensuring that Defence resources are available to the nation in a range of circumstances. But we need to beware the subtle erosion of military capability that results when we argue that the significant costs of maintaining the military can be better digested if their duties are extended to border control and watch over the EEZ. We would be concerned if in the name of broad-based security, or of economy, this went so far as to elbow aside the fundamental purposes of the armed forces. Soldiers, sailors and airmen can help policemen and customs officers and border guards of course, but cannot become them either by training or by our constitution. Military equipment can be used in other roles, but is intended for war-fighting; and if we get this equation the wrong way around under a whole of government approach we will serve neither defence nor border control. We should not allow perceptions to grow that (for example) painting a ship grey or giving it a raked bow makes it a warship. Neither, we should imagine, would such New Zealand-centric activities be of great moment to the Australians in the context of the proposed ANZAC force. As we put it at Reference A:

“Air transportation, patrolling the EEZ in small craft and keeping the peace in lands of distress are all admirable activities. But they are not the basis of armed forces capability. Peacekeeping aside, they can be done (and are done elsewhere) by civilian or paramilitary agencies. Nothing in them will compensate for the absence of training or experience in combat operations, nor confer the professional wisdom that governments must call upon to discharge the responsibility of judging combat conditions soundly and with confidence, in national terms. The alternative is to rely wholly upon assumptions of trust in the operational judgements of other people’s generals. That is a prospect about which Gallipoli, Greece, Crete and Singapore might have taught us something, we would dare to hope.”

### **Conclusions**

46. The function of an army is to take ground and hold it. This is simple to say and difficult to do, but is beyond what navies and air forces can do. The task requires an army. Yet, as we have seen often enough in recent times, in turn an army requires the support of both air and naval forces if it is to do its task with minimum casualties, or even do it at all.

47. Each of an army, a navy and an air force is essential to the others. There will be circumstances when single-service responses will be both appropriate and best. But, for developed nations which claim independent defence policies there must be naval, air and land combat capabilities, all three. Without these we could never deploy our army into combat conditions except as supplicant to others to protect it. This is not the stuff of independence, nor of sovereign credibility, but of dependency.

48. We believe there are five main areas where we should be concentrating. These are

that we cannot keep deploying units at the current rate without also increasing resources; that it is essential to decide policy before setting the size, shape and capabilities of our forces; that this will be very much aided if the Ministry and the NZDF are rejoined organisationally; that the transition from single-service command to joint-force command might yet need review; and that there are very real risks in over-specialisation where the nation needs conventional, flexible, general purpose forces instead.

49. That said, we stand by our conclusions set out in Chapter 6 of Reference A. We need an army, an air force and a navy, each with appropriate combat capability, and each well provisioned both in equipment and in training. Their business is war-fighting, the nature of which might have changed names in the recent past but, to those engaged in it, has changed very little. A balance of combat capabilities is required for flexibility and for credibility; niches require guesses and offer neither of these characteristics. The points summarised below are the leading conclusions of Reference A, re-ordered and edited slightly, with some additions:

- The proportion of GDP New Zealand is devoting to defence, including all capital funding currently foreshadowed, is one-third to one-half of that which the country found affordable over the last 50 years of the 20<sup>th</sup> century. This puts us among the bottom 10% of all nations in those terms.
- The tempo has risen sharply over the past two decades without matching increases in resources; this cannot continue.
- The time is long past when national emergency mobilisation could provide New Zealanders with improvised ways of meeting the unexpected. Our forces must therefore be forces-in-being, including Territorials and Reserves.
- The resulting modest prescriptions are eminently affordable for a nation sitting at about the middle of the OECD tables, and which other nations count not among the poor but among the comfortably well-off.
- Recent policies have been based upon assertions of benign conditions which are inconsistent not only with experience but also with contemporary evidence.
- We need to look to our own defence at home, within the South Pacific region, and farther afield in tune with our widely-spread national interests.
- To attract the help of others in protecting those interests where we cannot act alone, we need to work in proportionate scale but in common with nations to which we are linked not just by society and language, but also by geography, history, similar institutions, experience and outlook. The range would include Australia and the United States.
- Whatever the detail of understandings with others may be, we need to ensure that our sovereign option to deploy or not to deploy, to participate or to decline participation, to assist or not to assist, are retained by the New Zealand Government in full and without qualification.

- Our armed forces should therefore be shaped, sized and equipped to make realistic and convincing contributions to the defence of New Zealand's interests, in keeping with the geography of our region which is characterised in the main by distance and by ocean. Forces shaped sensibly in such a way would also be flexibly capable of use anywhere to help protect our interests in an allied context, though always according to sovereign mandate.
- This requires a balance of force which includes a combat army to take and hold ground; and warships and aircraft with combat capability able to defend the homeland, to protect the adjacent seaways, to contribute more distantly to the security of our interests at sea and in the air and to protect and to facilitate army operations on land wherever needed.
- Terrorism must be dealt with, but as an additional threat which, at the tactical level, can be little different from conventional warfare notwithstanding its “asymmetry”.
- From capable military forces kept for defence purposes we can also provide peacekeeping services and para-military support to others. Similarly such forces can assist other government agencies as necessary – but these are not the principal purposes of raising and maintaining armed forces. A great disservice is done to the nation if we size, shape and equip our armed forces as though civil assistance was their determining purpose.