

HON ANDREW LITTLE, MINISTER OF DEFENCE

Defence Assessment 2021 Cabinet paper

September 2023

This publication provides documents on Cabinet's October 2021 noting of the *Defence Assessment 2021: He moana pukepuke e ekengia e te waka: A rough sea can still be navigated*.

The pack comprises the following documents:

- Defence Assessment 2021 minute of decision [ERS-21-MIN-0039]
- Defence Assessment 2021: He moana pukepuke e ekengia e te waka: A rough sea can still be navigated Cabinet paper [ERS-21-SUB-0039]

This pack has been released on the Ministry of Defence website, available at: www.defence.govt.nz/publications.

It has been necessary to withhold certain information in accordance with the following provisions of the Official Information Act 1982. Where information is withheld, the relevant sections of the Act are indicated in the body of the document. Where information has been withheld in accordance with section 9(2) of the Act, no public interest has been identified that would outweigh the reasons for withholding it.

Information is withheld where making it available would be likely to prejudice:

- the security or defence of New Zealand or the international relations of the Government of New Zealand [section 6(a)]
- to enable the continued effective conduct of their duties through the free and frank expression of opinion [s9(2)(g)(i)]



Cabinet External Relations and Security Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Defence Assessment 2021

Portfolio Defence

On 26 October 2021, the Cabinet External Relations and Security Committee:

- 1 **noted** that *Defence Assessment 2021: He moana pukepuke e ekengia e te waka: A rough sea can still be navigated* (the Defence Assessment), attached to the paper under ERS-21-SUB-0039, has been prepared by the Secretary of Defence, in consultation with the Chief of Defence Force, under section 24(2)(c) of the Defence Act 1990;
- 2 **noted** the key findings of the Defence Assessment:
 - 2.1 New Zealand's strategic environment has become substantially more challenging, and this trend is likely to continue and further accelerate in coming years;
 - 2.2 the two major challenges that will have the greatest impact on New Zealand's security interests over the next 20 years are strategic competition s6(a) and the intensifying and wide-ranging impacts of climate change;
 - 2.3 New Zealand's defence policy approach should shift from a predominantly reactive risk management-centred approach to one based on a more deliberate and proactive strategy, s6(a)
 - 2.4 New Zealand's defence policy and strategy should focus on New Zealand's immediate region, and in particular in the South Pacific;
- 3 **noted** that the Ministry of Defence will, in consultation with the New Zealand Defence Force (NZDF) and other agencies, s6(a)
- 4 **noted** that the Ministry of Defence and NZDF intend to use the Defence Assessment as the basis for the further development of policy, as well as for engagement with security partners on the challenges identified in the strategic environment;
- 5 s6(a), s9(2)(g)(i)

- 6 **directed** the Ministry of Defence and NZDF, in consultation with other agencies as appropriate, to report back to the Cabinet External Relations and Security Committee with proposed terms of reference for a comprehensive defence policy review, which would enable the development of strategy, capability and resourcing options to deliver on government policy over the coming years.

Janine Harvey
Committee Secretary

Present:

Rt Hon Jacinda Ardern (Chair)
Hon Grant Robertson
Hon Kelvin Davis
Hon Andrew Little
Hon David Parker
Hon Nanaia Mahuta
Hon Poto Williams
Hon Kris Faafoi
Hon Peeni Henare

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Officials Committee for ERS

Released by the Minister of Defence

DEFENCE ASSESSMENT 2021: HE MOANA PUKEPUKE E EKENGIA E TE WAKA: A ROUGH SEA CAN STILL BE NAVIGATED

Proposal

1. This paper provides Cabinet with the findings of *Defence Assessment 2021: He moana pukepuke e ekengia e te waka: A rough sea can still be navigated*, and sets out further policy work to be undertaken to develop options for Government's defence policy settings over coming years.
2. A parallel paper provides related advice. *Priorities for the Defence Portfolio* aligns the Defence portfolio with the Government's broader priorities, and provides a framework – including the set of Defence principles – to guide Defence policy and activities. This paper identifies in particular the need to prioritise people, infrastructure and Pacific engagement.

Relation to government priorities

3. *Objective 1: To keep New Zealanders safe from COVID-19*: The impact of COVID-19 on New Zealand's strategic environment and defence policy settings was considered in the development of *Defence Assessment 2021*.
4. *Objective 3: To lay the foundations for a better future*: The approach to New Zealand's defence policy outlined in the Assessment will better enable Defence to support New Zealand's interests into the longer term.

Background

5. Section 24(2)(c) of the Defence Act 1990 provides for the Secretary of Defence to prepare defence assessments, in consultation with the Chief of Defence Force. These defence assessments enable Defence to provide Government with reviews of the global strategic landscape and advice on shaping New Zealand's defence policy settings and Defence activities to best support New Zealand's interests in relation to that environment.
6. Larger defence assessments like *Defence Assessment 2021* are one part of the strategic defence policy process, and often precede comprehensive reviews, directed by Government, of New Zealand's defence policy settings. These reviews, which typically take the form of Defence White Papers, enable the detailed development of strategy, capability and resourcing options for consideration by Government.

New Zealand's security interests are being increasingly challenged

7. *Defence Assessment 2021* finds that New Zealand's strategic environment has become substantially more challenging, and that this trend is likely to continue and further accelerate in coming years. New Zealand faces a future strategic environment that will be much worse than that of the recent past.

8. The Assessment has identified two major challenges that will have the greatest impact on New Zealand's security interests over the next 20 years:

- strategic competition [redacted] s6(a) and
- the intensifying and wide-ranging impacts of climate change.

9. The global COVID-19 pandemic has intensified and accelerated pre-existing trends, [redacted] s9(2)(g)(i), s6(a) in addition to its very substantial direct impacts on human health, wellbeing and security. A wide range of other complex disruptors and security trends are also affecting New Zealand's strategic interests.

10. The most significant impacts of strategic competition and climate change on New Zealand's defence interests will be in the South Pacific. [redacted] s6(a)

A more proactive defence policy would help New Zealand respond to greater challenges

11. New Zealand's defence policy settings have remained broadly stable over at least recent years. As with New Zealand's overall national security posture, New Zealand's long-standing approach to defence policy has centred on risk management. But an approach developed for a less threatening world will not necessarily support New Zealand's interests into the future.

12. Defence policy, more than many other elements of national security policy, must clearly focus on addressing the primary challenges to New Zealand's interests. Rigorous prioritisation of Defence policy is needed to ensure operational activities and capability planning are targeted to achieve greatest benefit.

13. The Assessment recommends New Zealand's defence policy approach should shift from a predominantly reactive risk management-centred approach to one based on a more deliberate and proactive strategy, with explicitly prioritised policy objectives. A more strategy-led approach would better enable Defence to pre-empt and prevent, as well as respond to, security challenges. A more proactive and prioritised defence policy would enable Defence, as part of broader national efforts, to shape the strategic environment to protect and promote New Zealand's interests, as well as maintain readiness to respond to contingencies.

[redacted] s6(a)

s6(a)

s6(a)

Next Steps

18. *Defence Assessment 2021* identifies strategic challenges to New Zealand's security interests of a kind that we have not had to confront in decades. Defence will need to operate differently and more strategically in response to this changed and changing environment, in concert with other New Zealand agencies and international partners.

19. Defence intends that the Assessment will be used to update Defence's policy guidance and develop a more proactive strategy, but further policy work is required to more fully develop New Zealand's overall defence policy settings.

s6(a), s9(2)(g)(i)

In the short term, any changed defence policy approach would need to be delivered using the existing force structure, and into the medium term with capabilities already in the acquisition process.

21. To ensure Defence is well-placed into the longer term will require comprehensive consideration of all elements of defence policy: objectives, strategy, capability and resourcing. The public articulation of this work is generally referred to as a Defence White Paper, though this is not the only choice. It is nonetheless an

¹ See sections 2.2.2 and 2.2.4 in particular.

integrated examination of options for how Defence will deliver outcomes for Government.

22. I recommend that officials draft a proposal for a process, which will enable Defence to deliver a comprehensive defence policy review. This process would include comprehensive analysis to support a fully costed set of strategy and capability options to deliver on Government policy over the coming years.

23. The proposal, in the form of a Terms of Reference, which I would discuss and circulate with Cabinet colleagues, would contain options for the delivery and timing of the review process.

24. This further Defence policy work will both feed into and draw from the national security strategy development being led by the Department of the Prime Minister and Cabinet.

Financial Implications

25. There are no financial implications from this paper.

Other Implications

26. There are no legislative, gender, disability, climate change, or human rights implications resulting from this proposal.

Consultation

27. *Defence Assessment 2021* was developed using input from a range of government agencies, in particular the New Zealand Defence Force, but also: the Department of the Prime Minister and Cabinet (National Security Group, National Assessments Bureau, Policy Advisory Group); the Government Communications Security Bureau; the Ministry for Primary Industries; the Ministry of Business, Innovation and Employment; the Ministry of Foreign Affairs and Trade; the New Zealand Customs Service; New Zealand Police; the New Zealand Security Intelligence Service; and the Treasury. The development of the Assessment also drew on perspectives from a small panel of selected academics and experts.

s9(2)(g)(i)

29. This Cabinet paper has been consulted with Department of Prime Minister and Cabinet, Ministry of Foreign Affairs and Trade and The Treasury.

Communications

30. The Ministry of Defence, in consultation with the Defence Force

s6(a)

Proactive Release

31. This cabinet paper will be proactively released, with appropriate redactions.

Recommendations

The Minister of Defence recommends that the Committee:

1. **note** *Defence Assessment 2021: He moana pukepuke e ekengia e te waka: A rough sea can still be navigated* provides the advice of the Secretary of Defence, in consultation with the Chief of Defence Force;
2. **note** the key findings of the Defence Assessment:
 - Our strategic environment has become substantially more challenging, and this trend is likely to continue and further accelerate in coming years;
 - The two major challenges that will have the greatest impact on New Zealand's security interests over the next 20 years are strategic competition, s6(a) and the intensifying and wide-ranging impacts of climate change;
 - New Zealand's defence policy approach should shift from a predominantly reactive risk management-centred approach to one based on a more deliberate and proactive strategy, s6(a) and
 - Our defence policy and strategy should focus on New Zealand's immediate region, and in particular in the South Pacific;
3. **note** the Ministry of Defence will, in consultation with the Defence Force and other agencies, s6(a);
4. **note** Defence intends to use the *Defence Assessment 2021* as the basis for further development of policy, as well as for engagement s6(a)
s6(a)
s6(a), s9(2)(g)(i)
6. **direct** Defence to develop terms of reference for Cabinet consideration to undertake a comprehensive defence policy review, which would enable the development of strategy, capability and resourcing options to deliver on Government policy over the coming years.

Authorised for lodgement

Hon Peeni Henare
Minister of Defence