

Hugh White

Smart approach stretches the defence dollar

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New Zealand's Prime Minister, Helen Clark, is a strong-minded woman who sticks to her guns. Back in 2001 she slashed her country's tiny air force and navy, and committed the money she'd saved to enhancing her lightly armed but well-trained infantry.

There were howls of protest from admirals and air marshals, but she has delivered what she promised. New Zealand's army is still very small, but it is a well-trained, well-equipped and workmanlike force with a lot of operational experience. And they are handy soldiers to have at your side in a fight.

Now Clark has backed her vision of New Zealand's defence with some serious extra money. This week the Labour Government announced that it would increase defence spending by \$NZ4.6 billion (\$4.3 billion) over the next 10 years. It now spends about \$NZ1.2 billion a year — so even allowing for some creative accountancy that is a very big increase indeed.

Most of the money will not be spent on significant new equipment, but on the basic sinews of capability — meeting the rising costs of personnel and operations. This week's measures show a serious and sober plan to sustain a modest but effective level of capability over the longer term.

Clark won't get much credit for this from Australia's defence establishment. Her decision to cut back the New Zealand navy and air force was seen by many people here as a further step down the path set by the anti-nuclear policies of her predecessor David Lange, condemning New Zealand to strategic irrelevance.

I do not think that was right. Clark's decision was a realistic response to simple economic facts. Even if New Zealand spent as much of its gross domestic product on defence as Australia does, its smaller economy simply could not sustain a modern, operationally meaningful front-line combat air force. Nor could it afford an operationally independent fleet of modern warships. So it has made perfect sense to concentrate on the key niches in which it thinks it can make the best contribution.

Having decided to specialise, choosing to focus on highly trained, deployable light infantry makes a lot of sense too. These are the types of forces most in demand in peacekeeping and other contemporary operations around the world. They are capabilities that draw on New Zealand's existing strengths and its deep military traditions. And they are the kinds of land forces which would be most useful in a range of different contingencies in this part of the world.

What's more, New Zealand's defence system has done an impressive job of managing its relatively slender resources to deliver maximum capability for the dollar. On a number of fronts, Wellington's defence bureaucrats could teach their counterparts in Canberra something about how to make a defence dollar stretch further. For example, we both

bought Seasprite helicopters at about the same time. New Zealand's simple variants are now in service and working well. Our more complex machines are in deep trouble.

Of course, this is not to say that New Zealand's defence policy would be right for Australia. I do not think it would be. New Zealand has abandoned any serious effort to sustain the kind of high-tech air and naval capabilities which are critical to Australia's ability to defend our continent and to play a wider strategic role in the Asia-Pacific. I do not think Australia can afford to do that. And New Zealand can only afford to do that because it knows Australia will not.

Does that mean New Zealand is getting a free ride? Well, maybe. But it did not feel that way in September 1999, when Wellington was the first to offer a significant contribution to the Interfet mission in East Timor. It offered more troops and sent them faster, and they performed better than anyone in Australia had expected.

And today one can argue that New Zealand's light infantry are exactly the right capability for it to contribute to our shared defence effort. This is the kind of force that Australia is most likely to run out of in many regional scenarios.

Of course, it would be better for us both if New Zealand did more. But Australians need to realise that our trans-Tasman cousins do see the world differently from us.

From their small islands, New Zealanders see a world of few threats, with little danger that their defence forces will need to do much more than peacekeeping, and place a lot of faith in the UN. From our big continent, Australians see a world of bigger threats and tougher choices, and we tend to still see armed force as a key arbiter in international affairs.

These are not recent or superficial differences. They go deep into our respective histories. In the 1930s New Zealand was mad for the League of Nations while Australia was very suspicious. In the 1950s Australia pushed ANZUS while New Zealand had to be dragged into it. And in the 1960s we said yes to Pine Gap while the Kiwis said no to an American Omega navigation station.

Despite the Anzac Day rhetoric, we are different countries with different strategic cultures. It makes sense to recognise and accept that, and to build on what we have in common. Helen Clark's extra money for her niche defence force is something we should welcome.

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