

When Cooperation Trumps Convergence: Emerging Trends in Australia-New Zealand Defence Relations

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The Australia-New Zealand defence relationship has been transformed. Parallel overseas commitments by Australia and New Zealand under the leadership of major allies encouraged strategic convergence in earlier years. But they were not driven to work directly together. Today, while there are noticeable differences in the defence outlooks of the two countries, they enjoy a robust pattern of direct cooperation. Alliance shocks in the late 1960s and mid-1980s helped generate this partnership, which has come into its own in the last decade as Canberra and Wellington have responded jointly to Pacific security challenges. This Trans-Tasman cooperation will continue, but the neighbourhood challenges which drive it will not be easily resolved.

An internationally renowned strategic analyst, let's call him Professor Y, is invited to compare Australian and New Zealand defence priorities and sketch out the implications for their bilateral relationship. Professor Y focuses on the major force structure choices being made by the two countries and concludes they are heading in rather different directions and that the prospects for significant collaboration are diminishing. As a leading example, he cites the Joint Strike Fighter (Australia's leading project in total expenditure terms) which is slated to replace the ageing F-111 and the less venerable F/A-18 aircraft. By contrast, he notes that New Zealand has dispensed with and not replaced its A4 Skyhawk aircraft. Professor Y observes that the Howard government is busy procuring Air Warfare Destroyers, which may eventually be fitted for a missile defence role. While Australia is thereby extending its fleet of surface combatants (to say nothing of its Collins Class submarines), New Zealand's Labour-led coalition government has opted for a multi-purpose vessel instead of a third ANZAC Class frigate. He also notes that Australia's investment in early warning and aerial refuelling aircraft has no real parallel on the New Zealand scene.

Professor Y also notices a defence expenditure gap between the two antipodean neighbours. Not only is it the case that Australia's expenditure on defence as a percentage of its domestic product close to double New Zealand's (rounded up to 2 percent versus rounded down to 1 percent respectively). He also observes that Australian planners can draw such resources from an economy which is even larger than the 5:1 population ratio between the two countries. The good professor observes the additional

multiplier effect of Australia's active alliance relationship with the United States and draws a contrast with the suspension of formal alliance ties between Washington and Wellington since the mid-1980s. He cites as evidence of continuing Trans-Tasman divergence the Howard government's decision in 2003 to join the invasion against Saddam Hussein's Iraq and the Clark government's disinclination to support such military action.

But Professor Y has a colleague, Dr X, who offers a different interpretation. Dr X focuses on the recent operational deployments by the two countries which display remarkable patterns of convergence and cooperation. In terms of convergence, she notes their respective commitments to Afghanistan since the 9/11 terrorist attacks on the United States (including special forces, reconstruction teams and contributions to naval task forces) which have boosted the profile of both countries in Washington. In terms of both convergence and direct cooperation, Dr X points out the joint Australian and New Zealand commitments in Bougainville, East Timor and the Solomon Islands. She observes the emphasis given to South Pacific security challenges in the annual meetings of Australian and New Zealand political leaders. Dr X also notes the emphasis both governments have given to strengthening their capabilities to deploy and sustain land forces for stability missions in the immediate neighbourhood (including the Howard government's recent announcement that it will raise two extra army battalions). Dr X concludes that the security relationship between Australia and New Zealand has a busy agenda and good prospects for the future.

It would be tempting to use this hypothetical exercise to extend (or even resolve) the debate over whether the Australian and New Zealand paths are diverging more than they are converging. But the health of the Trans-Tasman defence relationship, and in particular the extent of direct cooperation between the two countries, does not depend on degrees of convergence. Indeed as the following analysis in this article will demonstrate, there have been significant earlier periods where Australia and New Zealand have had relatively convergent stances in terms of their defence commitments and strategies, but where this has not necessarily encouraged direct cooperation between them. This situation held most of all when the two Trans-Tasman countries made a series of parallel commitments to fight in forward theatres under the leadership of their main allies, Britain and (increasingly) the United States. Such activity enhanced Canberra and Wellington's respective alliance relationships with these larger powers, and encouraged similar approaches to defence investment. But this similarity (representing convergence in approach) did not necessarily translate into Australia-New Zealand cooperation.

Much of this activity was associated with the Cold War in Asia, (and earlier in both World Wars) and had come largely to an end by the late 1960s. But there is a contemporary version in the rather parallel commitments Australia and New Zealand have made in Afghanistan—and in doing so supporting

the leading role being taken by a much larger ally and friend, the United States. Again such convergence is not necessarily the strongest encouragement to direct Australia-New Zealand cooperation: here our learned Dr X risks falling into the convergence-divergence trap set by Professor Y's comments. It is her comments about the extent of Trans-Tasman coordination in Pacific security which highlight the real focus for direct cooperation. Here Australia and New Zealand are not working to support the same great power at a distance. Instead they are the leading players in their own neighbourhood security environment and need each others' assistance in so doing.

This is the heart of today's visible pattern of Trans-Tasman defence and security collaboration which, importantly, does not require identical paths in force structure development and defence philosophy. It indicates that there can be effective cooperation despite divergence. But the differences in the approaches being taken by the two countries will even find expression in their cooperative activity in the immediate region, despite the security interests they share. What Professor Y and Dr X have observed can therefore exist side by side. Even so, this situation depends on a steady stream of security challenges occurring in the closer region which will place a premium on such collaboration. Unfortunately for a number of Pacific countries, but perhaps fortuitously for Australia-New Zealand strategic cooperation, there seems every chance that their neighbourhood will not disappoint on this score.

Parallel and Largely Separate: Earlier Years¹

Looking back from today it might be thought that defence cooperation between Australia and New Zealand is as natural as the sporting competition which has existed between them for so long. This notion is fed by the quasi-mythology surrounding the Australia New Zealand Army Corps (ANZAC) tradition. But the heroic acts on the hillsides of Gallipoli in 1915 were not followed by a strong pattern of direct cooperation following the Great War.² Similarly, while the two neighbours met in the penultimate year of the second global conflict to establish the Canberra Pact, the vision of that 1944 instrument for a Pacific security zone which they would jointly oversee³ did not bear much fruit either.

¹ A slightly more extensive treatment of this earlier period will be offered in Robert Ayson, 'The Australian-New Zealand Connection', in Brendan Taylor (ed.), *Friendships in Flux? Australia as an Asia-Pacific Power*, London: Routledge, forthcoming, 2007, upon which this article is based.

² Ian McGibbon, 'Australian-New Zealand defence cooperation', in Ian McGibbon (ed.), *The Oxford Companion to New Zealand Military History*, Auckland: Oxford University Press, 2001, p. 46.

³ See Hedley Bull, 'Australia-New Zealand Defence Cooperation', in Ken Keith (ed.), *Defence Perspectives: Papers read at the 1972 Otago Foreign Policy School*, Wellington: Price Milburn, 1972, p. 108; J. A. Nockels, 'Australian-New Zealand defence cooperation in the Asia-Pacific region', in Desmond Ball (ed.), *The ANZAC Connection*, Sydney: George Allen & Unwin, 1985,

Instead it was as team members of the larger British and US-led enterprises in East Asia⁴ that precipitated the two countries' major combat commitments, force structure purchases and strategic guidance in those post-war (and increasingly Cold War) years. This encouraged little focus on the bilateral alliance relationship between the two Australasian countries. ANZUS itself is an example of this tendency. Relatively scant attention has been paid to the fact that under the 1951 Treaty the two Australasian neighbours remain committed to each other to 'act to meet the common danger' in the event that either country is attacked directly or if their armed forces are attacked in the 'Pacific Area.' Instead the major focus of ANZUS from its establishment was in terms of the security relationships that Canberra and Wellington each were able to enjoy with the United States. For Australia and New Zealand the alliance helped cement the US regional presence as insurance against inimical changes in the Asian balance. This was especially important for security-conscious Australia lying far closer than New Zealand to the East Asian zones of conflict.⁵

For the United States ANZUS recognised Australia and New Zealand's participation in the Korean War. Over a decade later the two Australasian democracies were contributing forces to the United States-led war in Vietnam. Alongside Britain, they committed forces to the Emergency in Malaya and then in the mid-1960s to Malaysia in its struggle against the konfrontasi policy of Indonesia's then President Sukarno. Moreover, alongside Britain and the United States (and France, Pakistan, Thailand and the Philippines too) they were parties to the Southeast Asia Treaty Organisation (SEATO) until that 1954 agreement terminated in the mid-1970s, and with Britain to the ANZAM (Australia, New Zealand and Malaya) arrangement. New Zealand and Australian forces were stationed forward alongside each other in Southeast Asia as major co-contributors to the Commonwealth Strategic Reserve. And then, upon Britain's withdrawal from east of Suez, they became parties in 1971 with London to the Five Power Defence Arrangements (FPDA) for the external defence of Singapore and Malaysia.

p. 83; Alan Burnett, *The A-NZ-US Triangle*, Canberra: Australian National University, Strategic and Defence Studies Centre, 1988, p. 136.

⁴ See Peter Edwards, *Crises and Commitments: The Politics and Diplomacy of Australia's Involvement in Southeast Asian Conflicts, 1948-1965*, Sydney: Allen & Unwin, 1992; Ian McGibbon, 'Forward Defence: the Southeast Asian Commitment', in Malcolm McKinnon (ed.), *New Zealand in World Affairs*, Volume II, Wellington: NZ Institute of International Affairs, 1991, pp. 9-39.

⁵ On this Trans-Tasman distinction, see Jim Rolfe, 'Australia-New Zealand Relations: Allies, Friends, Rivals', in Asia-Pacific Center for Security Studies, *Asia's Bilateral Relations*, Honolulu: APCSS, November, 2004, p. 2; Hugh White, 'Australian defence policy and the possibility of war', *Australian Journal of International Affairs*, vol. 56, no.2, 2002, p. 261.

Hence the idea of an alliance relationship between Australia and New Zealand was shaped more by their common involvement in multilateral relationships involving other powers than it was by direct Trans-Tasman defence cooperation.⁶ This showed up as well in the series of intelligence relationships which they shared with Britain and the United States⁷ and in the way both countries came to signify ANZUS as the cornerstone of their respective defence policies. Their mutual commitment to forward defence in Asia in the 1950s and 1960s was more a coincidence of focus than a grand bargain directly between them.

Self-Reliance, the ANZUS Crisis and Closer Defence Relations

When that forward defence team effort ended with the withdrawal of British forces from the region and the Nixon Administration's Guam Doctrine, Australia and New Zealand had more reason to consider their own immediate security environments. They were in a sense now unified by a mutual sense of strategic loneliness. This helped generate momentum for greater practical cooperation.⁸ Having signed a Memorandum of Understanding (MOU) in 1969 on Cooperation in Defence Supply⁹, the two countries established the Australia-New Zealand Consultative Committee on Defence Consultation three years later which reported to annual meetings between the respective defence ministers and which encouraged subsequent movement towards greater collaboration in equipment supply, defence activities, exercises and training.¹⁰ By 1977 officials from the two countries were meeting annually in the Australian-New Zealand Defence Policy Group.¹¹

At a broader strategic level the two countries' experiences during this period were similar but by no means identical. For Canberra, the transition from forward defence was especially significant and decisive. By the early 1970s, strategic visionaries such as Arthur Tange were ready with ideas of Australian defence self-reliance¹² which came into full view in the 1976 Defence White Paper and later underpinned the defence of Australia logic in

⁶ See Bull, pp. 103-4; Peter Jennings, 'Achieving Closer Defence Relations with New Zealand', in Robert A. Hall (ed.), *Australia-New Zealand: Closer Defence Relationships*, Canberra: Australian Defence Studies Centre, 1993, p. 50.

⁷ See Burnett, p. 117.

⁸ Stephen Hoadley, 'Trans-Tasman Relations: CER and CDR', in Bruce Brown (ed.), *New Zealand in World Affairs, Vol 3, 1972-1990*, Wellington: Victoria University Press, 1999, p. 196.

⁹ Bull, pp. 110-1; Desmond Ball, 'The security relationship between Australia and New Zealand', in Ball (ed.), *The ANZAC Connection*, pp. 38-9.

¹⁰ Nockels, p. 86.

¹¹ Ian McGibbon, 'New Zealand's Defence Policy from Vietnam to the Gulf', in Brown (ed.), *New Zealand in World Affairs, Vol 3*, p. 118.

¹² See Peter Edwards, *Arthur Tange: Last of the mandarins*, Crows Nest NSW: Allen & Unwin, 2006, pp. 193-7.

Paul Dibb's 1986 review of Australia's defence capabilities.¹³ In alliance terms this actually encouraged a continuing Australian focus on its ANZUS relationship with the United States: cooperation in defence training, equipment and in intelligence with the leader of the western world was a prerequisite for effective Australian self-reliance, especially if this included the capacity to mount independent missions in the local area.

Looking back on that era one is tempted to argue that New Zealand found it rather more difficult to find a clear and lasting focus for its defence efforts with the ending of forward defence. This difference was symbolised in the fact its forces took many years longer than their Australian counterparts to return home from Singapore, although this had as much to do with the need for additional base infrastructure in New Zealand as any other factor. In part because of the country's benign strategic isolation, the defence of New Zealand did not translate especially well as an organising concept. If there was a closer to home focus it was in terms of New Zealand's interests in Pacific security, which received increasing emphasis in the 1978 and 1983 Defence White Papers,¹⁴ and which also helped energise Australia-New Zealand cooperation.

That same isolation (as distinct from isolationism), made New Zealand more ready to question the priority of its own alliance relationship with the United States. When David Lange's Labour government was elected in 1984 with a strong anti-nuclear policy platform, most New Zealanders still supported ANZUS. But events transpired to allow them to have only one of the two: once the ban on visits by nuclear capable vessels (armed and powered) became legislation as the 1987 New Zealand Nuclear Free Zone, Disarmament and Arms Control Act, the Reagan Administration's approach became unmovable, suspending its ANZUS obligations to New Zealand.¹⁵ ANZUS had clearly lost the use of one of its three legs.

This diplomatic crisis stimulated both tensions and cooperation in Australia-New Zealand alliance relations which at long last were also in the spotlight. On the debit side of the ledger, Canberra was disappointed that its neighbour had allowed the anti-nuclear cause to wreak havoc on the NZ-US security relationship (although it must be said that Canberra benefited from the flattering contrasts which highlighted its own alliance loyalty in American eyes). An ongoing Australian bilateral defence relationship with New Zealand meant the establishment of a separate set of exercises now that Wellington had been excluded from such activities involving US forces. Limits also applied to the sharing of US-sourced intelligence with New

¹³ *Review of Australia's Defence Capabilities: Report to the Minister for Defence by Mr Paul Dibb*, Canberra: Australian Government Publishing Service, 1986.

¹⁴ See McGibbon, 'New Zealand's Defence Policy from Vietnam to the Gulf', p. 116.

¹⁵ *Ibid.*, p. 125. Also see Malcolm McKinnon, *Independence and Foreign Policy: New Zealand and the World Since 1935*, Auckland: Auckland University Press, 1993, pp. 282-301.

Zealand¹⁶ And without close US-NZ security links, there were prospects of significant gaps between the experiences (and proficiency) of the two Australasian defence forces, potentially affecting their ability to operate with one another.¹⁷

But the net result from Wellington's dispute with Washington was greater encouragement to Trans-Tasman defence cooperation.¹⁸ In a sense Australia was now New Zealand's (last) great and powerful friend. As part of the down payment for further bilateral cooperation, the Labour government entered into the ANZAC Frigate project¹⁹, ordering two vessels with the potential (and expectation) to acquire two more. Wellington and Canberra were both becoming increasingly concerned about Pacific security—what had seemed a rather peaceful lake had been ruptured by instability in Vanuatu and most especially by the 1987 coups in Fiji. New Zealand's 1987 Defence White Paper was remarkable most of all for its emphasis on Pacific security and on cooperation with Australia. The two countries also cooperated extensively in the establishment of a South Pacific Nuclear Free Zone, confirmation that the Hawke Labor government in Canberra also had strong anti-nuclear convictions.

Australia's emphasis on the defence of its northern maritime approaches also connected with Trans-Tasman policy. New Zealand's frigates and its combat and maritime patrol aircraft potentially (or perhaps apocryphally) added 20 percent or more to the effective Australian order of battle should crisis come. In this way the defence of Australia was effectively becoming a priority mission for New Zealand as well. The institutionalisation of Australia-New Zealand policy coordination was also moving forward. On the economic front there had already been significant progress in policy harmonisation and collaboration, symbolised and encouraged by the arrival in 1983 of Closer Economic Relations (CER)—a replacement for the less effective New Zealand-Australia Free Trade Agreement (NAFTA) of mid-1960s vintage²⁰, a pathway to a single economic market between the two countries and a stimulus to the Free Trade Agreements which Australia and New Zealand were to seek with other regional countries in coming years.

Formal measures for defence cooperation had also been developing. In that same year the two countries signed a new MOU on Defence Logistic Cooperation²¹ and in 1991 they launched CDR—Closer Defence Relations.

¹⁶ Rolfe, p. 5.

¹⁷ See Gavin Keating, 'Opportunities and Obstacles: Future Australian and New Zealand Cooperation on Defence and Security Issues', *Working Paper* 391, Canberra: The Australian National University, Strategic and Defence Studies Centre, August 2004, p. 4.

¹⁸ Jennings, p. 51.

¹⁹ Hoadley, pp. 198-9.

²⁰ Rolfe, p. 4; Hoadley, p. 180.

²¹ Ball, p. 37; Ramesh Thakur, 'Closer Defence Relations: Costs and Benefits to New Zealand, in Hall (ed.), *Australia-New Zealand: Closer Defence Relationships*, p. 112.

This more comprehensive process was established to encourage further consultation and cooperation on detailed defence matters including force structure development, equipment procurement, interoperability, and training,²² and raised in some minds (including then Australian Defence Minister Robert Ray) the rather distant prospect of an eventually combined defence force. By this time New Zealand also had a National Party government back in office which had committed itself to strengthening and restoring traditional security partnerships and which returned to speaking of Australia and New Zealand as a 'single strategic entity'. This phrase had been used by the Prime Ministers of both countries in a 1976 meeting in New Zealand²³ and had featured again in New Zealand's 1983 White Paper. Ball is correct to note the degree of hyperbolae in such a notion.²⁴

That unity, and the collaboration which was occurring under CDR, still did not apply in the event to the sort of alliance relationships which the two countries could enjoy (or in Wellington's case, not enjoy) with the United States. The logic of domestic politics meant that New Zealand's non-nuclear legislation remained in place under the Bolger National governments and with it the suspension of formal US-NZ defence relations. Moreover many officials and observers in Canberra became increasingly disappointed at Wellington's limited commitment to defence expenditure—which had been capped after an early 1990s recession, putting at risk future ANZAC frigate purchases and other forms of substantial defence collaboration.

That said, common concerns about Pacific security continued to develop as a thread keeping the two countries in effective cooperation—in 1997, for example, New Zealand led an unarmed Truce Monitoring Group to Bougainville after the signing of the Burnham Agreement outside Christchurch.²⁵ Australia contributed heavily to this mission. While it was not possible for Canberra to take the lead initially because of its close historical relationship with Papua New Guinea (PNG), it headed the subsequent Peace Monitoring Group in which New Zealand remained substantially involved. Further afield, Australian and New Zealand forces also continued to work together in multilateral exercises under the FPDA, although Canberra's extensive investment in force structure suitable for possible combat operations in East Asia made it a much more attractive partner for Singapore in particular.

Divergence, Convergence and the Pacific Factor

By the close of the twentieth century the bilateral alliance relationship between Australia and New Zealand was demonstrating contending patterns

²² Thakur, pp. 107-8.

²³ Jennings, p. 50.

²⁴ Ball, p. 34.

²⁵ See Rebecca Adams, (ed.) *Peace on Bougainville – Truce Monitoring Group*, Wellington: Victoria University Press, 2001.

of collusion and collision. The latter theme appeared to have taken over completely in the aftermath of New Zealand's 1999 general election which brought to power the first of a series of left-of-centre coalition governments led by Helen Clark's Labour Party. The new government's first major decision on defence was to cancel its predecessor's option to purchase F16 combat aircraft to replace the Royal New Zealand Air Force's ageing A4 Skyhawks—these were eventually removed from service including from Nowra in New South Wales where about half of them had come to be based since 1991. The new government also confirmed Australian suspicions that there would be no additional ANZAC frigates and also toyed at one stage with the idea of removing from service the valuable P3 Orion maritime patrol aircraft.

In place of a small, balanced New Zealand Defence Force, the Clark government opted for a strengthened army and emphasised the supporting functions of the reconfigured air force and navy. For an Australia committed to strengthening its own maritime combat capabilities, with one eye on the wider Asian region and the other on its own maritime approaches, this might well have been the final straw in the bilateral relationship. Some observers on both sides of the Tasman Sea saw this as evidence of a significant and potentially mortal divergence in strategic policy.²⁶

But external events of the time conspired to strengthen rather than demolish this strategic partnership. In the second half of 1999 New Zealand had joined the Australian-led Interfet force in East Timor in the aftermath of the severe post-referendum violence in that soon-to-be independent country. New Zealand's largest military deployment since the Korean War helped underscore the value of Trans-Tasman defence cooperation in the nearer neighbourhood—not on the basis of a formal agreement, but in terms of real-time cooperation in regional crisis management. Given Australian concerns about what some of its leading analysts have called 'the arc of instability',²⁷ a New Zealand Defence Force restructured with these sorts of missions in mind could be especially useful.²⁸ Indeed four years later, New Zealand also contributed forces to another Australian-led multilateral mission, this time to the Regional Assistance Mission to Solomon Islands. In 2006, as street violence erupted in the Solomon Islands capital of Honiara and then in East Timor's Dili, Australia and New Zealand were quick to send reinforcements to these two fragile small states.

²⁶ As noted in Max Bradford, 'Why Have New Zealand and Australia Drifted Apart', in Bruce Brown (ed.), *New Zealand and Australia – Where are we Going?*, Wellington: New Zealand Institute of International Affairs, pp. 27-8; Robert G. Patman, 'Globalisation and Trans-Tasman Relations: Integration or Divergence', *Australian Journal of International Affairs*, vol. 55, no. 3, p. 398.

²⁷ For a leading example, see Paul Dibb, David D. Hale and Peter Prince, 'Asia's Insecurity', *Survival*, vol. 41, no. 3, 1999, p. 18.

²⁸ Keating, p. 6.

This is not to imply a complete harmony of approach—Australia tending to prefer a stronger military component to missions with New Zealand giving more emphasis to the police and civilian-led components of these endeavours. But the difficult challenges of encouraging stability in a number of Melanesian states have concentrated minds in both Canberra and Wellington and helped energise the bilateral security relationship between them. To this extent at least, bad news in the immediate neighbourhood has been good news for Australia-New Zealand security relations—a broader trend which might be traced back as early as the 1883 when the convention held by the Australian colonies and New Zealand attempted to draw London's attention to their concerns about non-British penetration in the Pacific.²⁹

The Alliance Impact of the War on Terror

A similar unifying effect might also be said of the war on terror period which began in the wake of the September 11 2001 attacks on the United States. Given the closeness of US-Australian strategic relations, (and the fact that Prime Minister John Howard was in Washington on that fateful day) Canberra's response was always going to be more prominent. Australia invoked ANZUS for the first time (and if one had polled the signatories in 1951 about the likely catalysts for that first invocation it is unlikely an attack on the American eastern seaboard would have rated much mention). The Howard Government then despatched significant elements of the Australian Defence Force to Afghanistan to help remove the Taliban and seek out al Qaeda. And when the call came from Washington to join the 2003 invasion against Saddam Hussein's Iraq, Canberra joined the small coalition of the willing which contributed to the initial combat phase. Today Australian forces are stationed in both Afghanistan and Iraq and have been expanded in their size and scope in response to the deteriorating internal security circumstances in both countries.

The Iraq case might well be used as evidence for the case for divergence in Australian and New Zealand strategic policies, and as possible signs of strains in their relationship in the US-led war on terror. It is certainly true that the Clark Labour government did not join the war against Iraq, and unlike the Howard, Bush and Blair administrations, it argued that diplomacy through the United Nations needed to be given more time. New Zealand did, however, make a modest subsequent contribution to the nation-building project in Iraq: army engineers were deployed for approximately 12 months from September 2003. Moreover, while Wellington did not invoke ANZUS after 9/11, its contribution to Afghanistan, including special forces and later a Provincial Reconstruction Team, represented something of a parallel commitment with Australia to an overseas conflict situation. The work of

²⁹ F.H. Corner, 'New Zealand and the South Pacific', in T.C. Larkin (ed.), *New Zealand's External Relations*, Wellington: NZ Institute of Public Administration, 1962, p. 135.

Australian and New Zealand forces in Afghanistan alongside their NATO colleagues has also raised the possibility of increased NATO collaboration with the two antipodean defence forces.³⁰

It is certainly true that Washington has given especially significant recognition to the Australian commitments to Iraq and Afghanistan. According to the Pentagon's 2006 *Quadrennial Defense Review* the 'unique' relations the United States enjoyed with Australia and the United Kingdom were 'models for the breadth and depth of cooperation that the United States seeks to foster with other allies and partners around the world.'³¹ But the George W. Bush administration has also warmed to New Zealand's contribution to the campaign against international terrorism, symbolised by the award in 2004 of a US Navy Presidential Unit Citation to New Zealand's special forces. While a return to a fully-functioning trilateral ANZUS is not necessarily on the cards, there are elements of a slightly thawed US-NZ defence relationship³² including Washington's recognition of the joint effort Australia and New Zealand have been making in their own region. On the whole Washington has regarded the 'arc of instability' as an arena for Canberra's leadership, but there is also awareness of New Zealand's contribution.

Here the logic of the war on terror has worked to both Canberra and Wellington's advantage—since 9/11 Washington has been especially wary of the dangers which may develop in and from weak and failing states, and with a good part of the arc seeming to be at risk of such status, Trans-Tasman cooperation in regional stabilisation has been welcomed by the senior ANZUS party. But there are reasons aside from the war on terror per se which have motivated the two Pacific hegemon and which have also invigorated their own bilateral relationship. Both have been keen, for example, to boost cooperation among Pacific police and customs agencies in the fight against transnational crime. They both have broader concerns about the future stability of a number of Pacific polities. Indeed Pacific security issues tend to dominate the regular meetings between the defence ministers of the two countries which themselves testify to the strength of the bilateral relationship and which reflect the pragmatic understanding in both capitals of their different but by no means incompatible defence outlooks.

Australia, New Zealand and the Changing Asian Balance

Further afield in the Asia-Pacific the basis for a strong Australia-New Zealand alliance relationship has perhaps been more uncertain, but remains

³⁰ 'Secretary General discusses security cooperation in New Zealand,' *NATO Update*, 24 March 2005, at <<http://www.nato.int/docu/update/2005/03-march/e0329a.htm>> [accessed 27 June 2006].

³¹ US Department of Defense, *Quadrennial Defense Review Report*, 6 February 2006, p. 7.

³² Colin James, 'Trends in New Zealand', *Paper for Australia-New Zealand Leadership Forum*, Auckland, 5 May 2006.

full of possibilities nonetheless. In part because Australia has kept shaping its defence force for the potential demands of contingencies in East Asia, where it might well be called on to collaborate with its superpower ally the United States, and because New Zealand has not been doing so, the prospects would seem to look good on paper for divergent behaviour in the event of a major security crisis in East Asia.

The first major foreign policy challenge for the incoming Howard government in 1996 was the Taiwan Strait crisis between Washington and Beijing: Canberra sided with its ANZUS ally. In the years since then, Bush Administration officials, including one-time Deputy Secretary of State Richard Armitage, have gone to some length in public to remind Australia that its help would be expected in the event of another crisis in the Strait. But as Australia's relationship with a rising China has become increasingly valuable economically (and more generally as well), such a choice has become increasingly painful to contemplate. During a visit to Beijing in 2004, Foreign Minister Alexander Downer opined that ANZUS would not require Australia to go to America's assistance in such a crisis.³³ Both he and Prime Minister Howard have repeatedly indicated Australia's opposition to any attempts to contain China. While some of the heat may well have departed the Taiwan issue, the bubbling over of Sino-Japanese tensions in recent years portends an even graver choice for Australia given the closeness of its ties with all major parties—Japan and its superpower supporter the United States and China itself.

Traditionally one might have been tempted to contrast the Australian predicament here with New Zealand's freedom from any alliance entanglements. The curse of being an alliance free-rider (as New Zealand has sometimes appeared to be) is also the blessing of avoiding alliance entrapment. To some extent this is a valid comparison. But the two countries are perhaps converging a little more than some may think. On the one hand there are Australia's attempts to extend its relationship with China and also retain its hearty alliance with the United States. Canberra's commitments in Afghanistan and Iraq have been welcome in this context because they allow the US alliance to be advanced in a part of the world where Sino-American strategic competition is less palpable. As a result Australia can afford to play for some wriggle room in East Asia.³⁴ On the other hand, New Zealand is coming in from the cold to some extent in Washington's calculations, again partly thanks to its own commitments in the Middle East and Central Asia, but at the same time values very much its own warm relationship with Beijing.

³³ Alexander Downer, *Transcript, Media Conference*, Beijing, 17 August 2004 at <http://www.foreignminister.gov.au/transcripts/2004/040817_ds_beijing.html> [accessed 22 June 2006].

³⁴ See Robert Ayson, 'Australia's Defence Dilemmas', *Security Challenges*, vol. 2, no.2, July 2006, p. 34

Moreover Australia and New Zealand are watching very closely the emerging architecture in East Asia which may betray the shape of the changing regional balance of power. Both have been negotiating Free Trade Agreements with China. Both attended the inaugural East Asian Summit in Malaysia in 2005 to which Washington was not invited. While this new process may or may not go anywhere, Wellington and Canberra both signed ASEAN's Treaty of Amity and Cooperation as an entry condition, although it must be said that the Howard government did so much more reluctantly. The two Australasian countries have common interests in the peaceful regional management of the simultaneous integration of a re-emerging China, a rising India and a more assertive Japan. Both fear being left out should a more exclusive, East Asian, regional model take shape—and the links between CER and the ASEAN Free Trade Area are important here for their wider, non-economic significance. Hence while their respective abilities to contribute to an East Asian crisis are quite different in defence capability terms, they have some close parallel interests in what might be called 'forward diplomacy'.

Indeed there are other reasons to consider the Australia-New Zealand alliance from a wider perspective than traditional defence calculations.³⁵ In 2001 Wellington provided significant support to Australia in processing many of the asylum seekers who had been rescued by the Norwegian vessel, the MV Tampa. As some Pacific states face the prospects of submersion due to sea-level rise, Australia and New Zealand have a common interest in generating common policies on resettlement from such regional countries. For many years New Zealand has offered employment access for citizens of Samoa, Tonga and Fiji. A common labour mobility approach towards Melanesian states may offer a safety valve for these quickly growing countries without which more serious internal security problems may develop. The spread of HIV/AIDS in parts of the Pacific, which will place a severe strain on governance in some regional countries (especially in PNG), will require continuing Trans-Tasman consultation. The growing pressure on maritime resources, especially fisheries, is being felt in Australian and New Zealand waters—and the development of new patrol boats and associated capabilities by the two countries can be used for mutual benefit. Along with important defence collaboration—including a Status of Forces Agreement active since May 2005³⁶ - these trends point in the direction of what might become CSR or Closer Security Relations between Australia and New Zealand. This might in turn be something of a model for the development of

³⁵ See Robert Ayson, 'Australasian Security Policy: Old Agenda Divergence: New Agenda Convergence?', in Derek McDougall and Peter Shearman (eds.), *Australian Security After 9/11*, Aldershot: Ashgate, pp. 161-172.

³⁶ Australian Department of Foreign Affairs and Trade, 'New Zealand Country Brief – August 2006', at <http://www.dfat.gov.au/geo/new_zealand/nz_country_brief.html> [accessed 11 August 2006].

Australia's relations with other regional partners as alliance relationships expand from their traditional defence and intelligence foundations.

Conclusion: Explaining and Forecasting Australasian Alliance Cooperation

The analysis presented in this article generates two overall conclusions about what encourages (and discourages) alliance cooperation between Australia and New Zealand. First, a number of episodes suggest that when Canberra and Wellington have their main focus on working alongside larger allies (and friends) in addressing conflicts beyond their own immediate region, they have less reason to devote energy to their own direct bilateral relationship. Second, and correspondingly, that bilateral security relationship tends to be energised when they are both focusing on security challenges in the South Pacific. The recent era of cooperative commitments to Bougainville, East Timor and the Solomon Islands has highlighted the significant closer regional foundations of alliance relations between the two countries.

It would be all too easy to conclude that the trick will be to ensure that this Pacific focus remains intact. The temporary redeployment of Australian and New Zealand forces to both the Solomon Islands and East Timor in 2006 might suggest that such continuity of mutual concern for the immediate neighbourhood can almost be guaranteed. Add to this concerns about PNG's long-term (and even short and medium term) trajectory, and the internal political challenges facing Fiji and Vanuatu, and there would seem to be every reason to assume that Canberra and Wellington will remain transfixed by local security developments.

But the outlook is not quite that simple for at least three reasons. First, events in the wider Asia-Pacific region and beyond will continue to have a habit of seizing the headlines. In many cases these will generate convergent responses from Australia and New Zealand, but as this article has demonstrated, this may not necessarily energise direct Trans-Tasman relations, especially in defence terms. Second, as Australia and New Zealand and the rest of the international community continue to find, defence forces are not always the best match for complex internal security problems (and even a defence/police combination may not have all the answers). Indeed some domestic stability challenges may prove essentially immune to external intervention, even when this has been warmly welcomed at the outset. Other such situations may be so demanding of finances, human resources and patience as to be effectively impossible to resolve. Canberra and Wellington should be preparing themselves for such a disappointing scenario in their immediate region. This may sap some of the energy which their local strategic cooperation has so far generated.

Third, the existence of strong mutual interests on both sides of the Tasman in Pacific security affairs does not mean that there are identical views emanating from Canberra and Wellington. There is a sense of competitiveness in their relationship which goes beyond the rugby field and has deep historical foundations. As Corner observed over forty years ago, Richard Seddon (New Zealand's Premier from 1893 to 1906) 'regarded the South Pacific as New Zealand's special sphere, not Australia's'.³⁷ In his recent study of the relationship, Rolfe notes the continuing symbolism of New Zealand's decision in 1901 not to take up the option to join the Australian federation.³⁸ Aside from personal preferences, the effect of peculiar geographies, histories and cultures should not be underestimated. The two countries have moved into an era where they seem quite comfortable in acknowledging many of these differences, and in seeing how these might encourage complementary strategic entities. Their alliance is probably the better for this realisation. But it does not insulate them from the competitive impulses which will spice up their efforts at strategic cooperation.

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³⁷ Corner, p. 136.

³⁸ Rolfe, p. 2.