1 Overview of the regional security environment

1. The Asia-Pacific region is central to New Zealand’s security and future wellbeing. New Zealand values its engagement with regional processes, including the East Asia Summit (EAS), ASEAN Regional Forum (ARF) and ASEAN Defence Ministers’ Meeting-Plus (ADMM-Plus), which promote the common goal of a stable, prosperous and peaceful neighbourhood. New Zealand plays an active part in helping these fora realise their objectives. Sustained commitment to bilateral and regional relationships underlines the importance that New Zealand places on partnerships within the region and the wider global security environment.

2. New Zealand is strongly committed to an open, rules-based trading regime and considers that enhanced economic integration is one of the most effective means of ensuring longer term regional security and prosperity. New Zealand is committed to working toward a Free Trade Area of the Asia-Pacific.

3. New Zealand attaches considerable importance to the ASEAN-Australia-New Zealand Free Trade Agreement (FTA), which entered into force in 2010. New Zealand has other bilateral FTAs/Closer Economic Partnerships with China, the Republic of Korea, Australia, Malaysia, Thailand, Singapore, Hong Kong and Chinese Taipei. New Zealand signed the Trans-Pacific Partnership in Auckland in February 2016, along with 11 other countries, including ASEAN members Brunei Darussalam, Malaysia, Singapore and Viet Nam. TPP provides for an initial period of up to two years for all TPP countries to complete their respective domestic processes necessary to ratify the agreement. New Zealand has concluded negotiations with the Gulf Cooperation Council (but the agreement is yet to be signed or ratified). New Zealand is actively participating in negotiations for the Regional Comprehensive Economic Partnership (RCEP) and is currently progressing bilateral FTAs with other countries, including India. The leaders of New Zealand and the European Union have agreed to seek mandates to negotiate an FTA.

4. New Zealand is serving as an elected member on the United Nations Security Council (UNSC) for the 2015-2016 term. During the second year of its term, New Zealand is focused on being a voice for the Asia-Pacific region in the UNSC and ensuring the views of partners in the region are reflected in relevant discussions. New Zealand is championing more meaningful engagement by the UNSC with troop contributing countries to make mandates of UN peacekeeping operations better tuned to needs on the ground. Priority issues for New Zealand in the UNSC are aligned with issues that affect the safety and security of the Asia-Pacific region, including as a chair of the UNSC’s key counter-terrorism related sanctions committees (ISIL/Al Qaida and Taliban). New Zealand is also continuing efforts to support the resolution of conflicts in Syria, the Middle East and elsewhere, and encouraging the UNSC to be more active in conflict
5. The Islamic State in Iraq and the Levant (ISIL) and its affiliates continue to pose a significant threat to international and regional security. While ISIL’s first 12 months saw significant progress for the group in expanding its territory, international efforts have been effective at implementing military, financial and border-security measures to curtail ISIL’s presence in Iraq and Syria.

6. Since the Counter-ISIL Coalition’s efforts began, ISIL has lost significant territory in Iraq, including the key stronghold of Ramadi. There are also indications that ISIL’s financial reserves, systems for collecting revenue and numbers of foreign terrorist fighter recruits are significantly reduced from what they were previously.

7. To support the international efforts to counter the threat, New Zealand has committed troops for a joint ‘Building Partner Capacity’ training mission in Iraq, alongside Australia. The focus of the deployment is to assist in training the Iraqi Army and to build their capacity to conduct ground operations against ISIL (as well as training for Iraqi medics). The Mission has been well-received by Iraq and well-subscribed by Iraqi Security Forces.

8. At the same time, New Zealand is a member of two Coalition Working Groups, the Working Group on Foreign Terrorist Fighters and the Counter-ISIL Finance Group. New Zealand has also contributed $20m in humanitarian assistance for those affected by the conflict in Syria and Iraq.

9. However despite some setbacks on the battlefield in the face of coalition airstrikes and ground offensives by local security forces, ISIL remains a potent actor. Moreover, the significant broader international security threat remains, given ISIL’s ability to export its brand of terrorism through its network of foreign terrorist fighters and its inspiration of ‘lone wolf’ attacks. The threat posed by individuals fighting on behalf of ISIL currently in Iraq and Syria (including the contingent of foreign terrorist fighters from South East Asia known as the ‘Malay Archipelago Group’), continues to galvanise the international community, including New Zealand.

10. While ISIL has continued to attract global attention, fighters and funds, Al Qaida and its affiliates have continued their terrorist activity (particularly in North Africa), highlighted by high profile attacks at a hotel in Ouagadougou, Burkina Faso, a United Nations police base in the Timbuktu, Mali and at a resort in Grand Bassam, Cote d’Ivoire.

11. ISIL’s rise has seen a marked increase in the range of regional and international fora that are now deeply engaged with counter-terrorism issues. These fora allow countries to exchange views, share information and address capability gaps to enable states to better address terrorism and collaborate on this issue. Many of the fora are established to address specific aspects of the threat (i.e. the threat of radicalisation to extremism or the manner in which terrorist groups raise money) or are regionally based. The United Nations Security Council has continued to remain seized of the issue and is an important leader in the global response to the threat.

12. Addressing the drivers of marginalisation (and in turn the drivers to extremist views and behaviour) is taking on an increasing focus at global fora. Yet New Zealand knows that the threat posed by radicalisation or violent extremism cannot
be addressed by security measures alone. There is a need to balance necessary
security measures with greater community engagement and social cohesion to
provide support for individuals and communities to disengage from violent
extremist beliefs. A key tenet of New Zealand’s work to counter violent
extremism is an honest, dedicated and long-term commitment to enhancing
community engagement through policies and programmes based on inclusivity,
respect and tolerance.

13. North Korea’s nuclear and missile tests in early 2016 and its continued
development of nuclear weapons violate multiple United Nations Security Council
resolutions. These issues have clear and ongoing significance for security in the
wider Asia-Pacific region. We continue to call on North Korea to comply with all
relevant United Nations Security Council resolutions, to desist from further
provocative behaviour and to engage constructively with the international
community on denuclearisation, security and human rights issues. While
cooperation and effective implementation of United Nations Security Council
resolution 2270 is important in demonstrating the collective will of the
international community, we also support efforts to restart talks on
denuclearisation.

14. New Zealand has consistently called on all parties to the conflict in eastern
Ukraine to exercise restraint and refrain from any action that could escalate
tensions; and to respect and maintain the sovereignty and territorial integrity of
Ukraine. New Zealand calls on all parties to implement fully their commitments
under the Minsk Agreements.

15. New Zealand and the Asia-Pacific region depend on a stable, secure maritime
environment underpinned by international law. All ARF members have an interest
in peaceful management of disputes in the South China Sea, avoiding
miscalculation and maintaining freedom of navigation and overflight. New Zealand
is concerned about the increase in tensions in the South China Sea, and opposes actions that erode trust and inflame the situation. It is important
that all parties take steps to rebuild mutual trust and work towards effective
management of tensions in accordance with international law. New Zealand
encourages full implementation of the Declaration of Conduct of Parties and
negotiation of a substantive Code of Conduct as a framework to manage incidents
at sea.

16. The security threats that countries face in the region continue to evolve as a
result of both internal and external factors. One consistent external catalyst for
change is the rapid growth of technology, and its use by both state and criminal
groups. ISIL’s unprecedented use of social media has challenged states to adapt,
with many adopting sophisticated counter-messaging protocols and systems to
enable them to convey another view to would-be terrorists. In this new
environment it is important for law enforcement to understand how criminal and
terrorist groups are using cyberspace and to continue to develop the strategies to
combat the threat as the mechanisms used by these groups evolve.

17. Security has long been recognised as a vital prerequisite for the sustainable
development of the Pacific Islands region and accordingly remains an important
aspect of the work of the Pacific Islands Forum. New Zealand is a strong
supporter of the Forum and has been closely involved in responding to regional
security issues, through bilateral aid programmes to build capacity, attendance
and support for the Forum’s Regional Security Committee, co-Chairing the Forum
Working Group on Counter-Terrorism and Transnational Organised Crime
(PWGCTTC), and through capacity building support for regional law enforcement agencies, particularly around border security and anti-money laundering and terrorist financing training.

2. New Zealand’s security and defence policy

2.1 Overview of national security and defence policy

18. As a founding member of the United Nations, respect for the rule of international law is fundamental to New Zealand’s approach to promoting security, stability and peace. While New Zealand’s borders are distant from direct conflict, there are fragile states within the Asia-Pacific region. The threats of terrorism, arms proliferation, transnational crime and economic and environmental degradation show no respect for international borders. Recognising this, New Zealand is highly committed to multilateral, transboundary solutions to security threats and the promotion of effective international rules. New Zealand takes a multi-layered approach to security that includes strong bilateral relationships and regional partnerships.

19. Key relationships and partnerships are:
   - New Zealand’s bilateral alliance with Australia;
   - the Five Power Defence Arrangements (New Zealand, Australia, Malaysia, Singapore and the United Kingdom);
   - close bilateral ties with Pacific Island neighbours, including those for which New Zealand has constitutional responsibilities;
   - close and growing bilateral ties with Asia-Pacific partners; and
   - Pacific and Asia-Pacific regional mechanisms such as the ARF and the ADMM-Plus processes.

20. A range of foreign and security policy, management and resourcing challenges were addressed in the New Zealand Government’s defence review and the subsequent Defence White Paper (www.defence.govt.nz/defence-review.html) released in 2010. The White Paper sets out a framework for the defence of New Zealand through addressing New Zealand’s vital strategic interests including the security of its sovereign territory and exclusive economic zone, its special relationship with Australia, the need to build security in the South Pacific, its relationships in the wider Asia-Pacific region and its contribution to the global community.

21. The global strategic environment has evolved in the last five years. Some of these changes are positive, such as increasing economic interconnection. Others are increasingly challenging New Zealand’s strategic interests. The 2014 Defence Assessment (www.defence.govt.nz/defence-white-paper-2015.html) found that New Zealand’s interests beyond our region are growing while the rules and values we rely on are increasingly under threat.

2.2 Data contribution to ARF Arms Register

23. The total appropriation for the New Zealand Defence Force for the year ended 30 June 2016 was NZ$3.017.011 billion, of which operating expenses were NZ$2.578.031 billion and capital expenditure was NZ$438.980 million.

3. New Zealand’s contribution to regional security

3.1 Counter-Terrorism, Transnational Organised Crime, and Cyber threats

24. New Zealand is firmly committed to the international campaigns against terrorism and transnational organised crime. To counter these threats New Zealand is engaged in the development of the international counter terrorism security architecture (at UN and regional levels) and continues to adopt a comprehensive, multi-layered and long-term approach to addressing these issues.

25. New Zealand actively engages in a number of regional fora, including in the ARF Inter-sessional Meeting (ISM) on Counter-Terrorism and Trans-national Organised Crime (CTTC), the Pacific Working Group on Counter Terrorism and Transnational Crime (co-Chaired by New Zealand), the Forum Regional Security Committee and the ADMM-Plus Counter-Terrorism Experts Working Group (CT EWG).

26. New Zealand is currently co-Chair of the Asia-Pacific Group on Money Laundering (APG) and in 2015 hosted the APG Plenary Meeting in Auckland. APG coordinates technical assistance in Southeast Asia and the Pacific to combat transnational organised criminal and terrorist groups, by targeting their financial systems and processes. Through APG, New Zealand has provided significant assistance to security partners in the Asia-Pacific region.

27. Following the 2013 United Nations Office on Drugs and Crime (UNODC)-produced assessment of the threat posed by trans-national organised crime in the East Asia and Pacific region, New Zealand sponsored a UNODC-run regional workshop on foreign terrorist fighters, which noted that while members have made progress in combatting the foreign terrorist fighter threat, participating states need to do more comply with international obligations, particularly around the criminalisation of terrorist activities. New Zealand and Australia have also now co-sponsored a standalone Threat Assessment for the Pacific to enable more strategic targeting of capacity building assistance.

28. To support achievement of New Zealand’s global security priorities, including assisting with capacity building in neighbouring states, New Zealand has a number of specialised security funds, including dedicated Global and Pacific Security Funds. The specialised security funds assist New Zealand’s achievement of its Work Plan with ASEAN, particularly in area of border control; legislation; law enforcement; policy; countering people smuggling; and prevention/counter-radicalisation and countering the threat posed by foreign terrorist fighters.

29. New Zealand engages bilaterally and regionally on counter-terrorism initiatives in Southeast Asia and over the past couple of years has partnered with the Southeast Asian Regional Centre for Counter-Terrorism (SEARCCCT) in Malaysia and the Jakarta Centre for Law Enforcement Cooperation (JCLEC) in Indonesia. New Zealand has funded and organised a number of regional capacity building workshops for ASEAN countries on key issues, including anti-money
laundering/counter-terrorist financing standards, cyber security, terrorist prosecutions, chemical and nuclear security, major event security, and maritime and aviation security. These efforts are complemented by significant bilateral work to build individual national capability, especially within law enforcement agencies.

30. New Zealand works with Pacific Island countries (PICs) to help strengthen their security and resilience to terrorism and trans-national organised crime. New Zealand has committed a number of initiatives through the Forum Regional Security Committee, including an assessment of cybercrime vulnerability, enhancing airport and maritime security, drafting and implementing national counter-terrorism legislation and ratifying international counter-terrorism instruments, and training for law enforcement and border agency officials. Funding is provided through the Pacific Security Fund and the New Zealand Aid Programme.

31. New Zealand is also an active member of the Global Counter Terrorism Forum (GCTF). The GCTF is a forum which brings practitioners and policy-makers together to share counter terrorism experiences, expertise and strategies, and to deliver sharper, focused capacity building activities. New Zealand has also recently provided financial support to, and become a constituency board member of, the Global Community Engagement and Resilience Fund (GCERF), alongside Australia. The GCERF provides financial support and grants to community-based projects in the area of countering violent extremism.

32. Connectivity is a crucial driver of New Zealand’s and the Asia-Pacific’s economic growth. However, with increased connectivity comes increased exposure to cyber threats, including from transnational organised criminal and terrorist groups. Further, a lack of transparency and confidence in cyberspace risks undermining the internet’s economic and social benefits and increases the risk of miscalculation in cyberspace. As such, New Zealand considers that the ARF has an important role to play in raising cyber security capacity levels and sharing best practices. The ARF work plan on security of and in the use of information and communication technologies is valuable in building trust in cyberspace and lowering the risk of misunderstanding among states.

33. New Zealand is committed to building regional cyber security capacity, including through membership of the Global Forum on Cyber Expertise, with a particular focus on our Pacific and Southeast Asian neighbours.

3. 2 Non-proliferation, Counter-proliferation, Arms Control and Disarmament

34. New Zealand is an active supporter of initiatives aimed at countering the proliferation of weapons of mass destruction (WMD) to both state and non-state actors, in particular through the Proliferation Security Initiative (PSI), the Global Initiative to Combat Nuclear Terrorism (GICNT), the G8 Global Partnership (G8GP), the Nuclear Security Summit, and the International Atomic Energy Agency, for which New Zealand currently sits on the Board of Governors.

35. The PSI has developed into an effective international counter-proliferation network of 105 countries around the globe. New Zealand’s participation in PSI, including its membership of the Operational Experts Group (the PSI steering committee) and participation in exercises and capacity building initiatives, has enhanced New Zealand’s capabilities to prevent proliferation activity both nationally and in collaboration with partners. New Zealand has developed (and
shared with PSI partners in the Asia-Pacific region and beyond) a Model National Response Plan, which provides clear, easy-to-follow guidance on the range of issues that need to be considered in developing a framework for responding to PSI/proliferation situations. As part of the agreed Asia-Pacific exercise rotation, New Zealand hosted a PSI table-top exercise in Wellington in November 2015. New Zealand would welcome further adherence to the PSI throughout the Asia-Pacific as part of a coordinated effort to reduce the threat of WMD proliferation.

36. New Zealand is a member of the International Atomic Energy Agency (IAEA), an independent intergovernmental, science and technology-based organisation, which provides the global focal point for nuclear cooperation. One of the IAEA’s functions is to verify through its inspection system that States comply with their commitments under the Nuclear Non-Proliferation Treaty (NPT) and other non-proliferation agreements, to use nuclear material and facilities only for peaceful purposes. In 2014, New Zealand began a two-year role on the IAEA’s Board of Governors, one of the IAEA’s key decision making bodies.

37. New Zealand joined the Global Initiative to Combat Nuclear Terrorism (GICNT) in 2007, and is strongly committed alongside over 80 GICNT partners to preventing nuclear or radiological material falling into the hands of terrorists. New Zealand has contributed to the GICNT in the Asia-Pacific region by: developing a table-top exercise kit for use by other GICNT partners in testing their own national response systems; supporting radioactive source security projects in Southeast Asia; increasing its funding for the work of the International Atomic Energy Agency to improve nuclear security in Southeast Asia; providing funding support to several GICNT workshops in the Asia Pacific region; and helping its Pacific island neighbours address the risk of nuclear/radiological security.

38. Alongside a number of other countries in the Asia-Pacific region, New Zealand was an active participant in the Nuclear Security Summit process, launched in Washington in 2010. Through its engagement in this process, the nuclear security activities of the International Atomic Energy Agency and the G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction, New Zealand has provided significant financial and practical support to efforts to strengthen nuclear security at the national, regional and global level, including the provision of more than NZ$4 million to nuclear security projects since 2010. New Zealand in late 2015 welcomed an IAEA International Physical Protection Advisory Service (IPPAS) mission. IPPAS assists states to strengthen their national nuclear security regime through provision of peer advice on implementing international instruments, and IAEA guidance on the protection of nuclear and other radioactive material and associated facilities. In March 2016, New Zealand ratified two key nuclear security treaties: the Amendment to the Convention on the Physical Protection of Nuclear Material and the International Convention for the Suppression of Acts of Nuclear Terrorism in March 2016. In March 2016 New Zealand also enacted the Radiation Safety Act 2016 – a complete overhaul of our legislative framework dealing with the safety and security of nuclear and radioactive material.

39. New Zealand also works to prevent proliferation by helping to develop and implement export controls as an active member of key multilateral regimes including the Wassenaar Arrangement, the Missile Technology Control Regime, the Australia Group, the Nuclear Suppliers Group and the Zangger Committee.

40. Given the role played by the unregulated global trade and transfers of arms in fuelling conflict, New Zealand was a strong supporter of the Arms Trade Treaty
ATT) throughout its negotiation. New Zealand was pleased to be among the first to sign the Treaty in June 2013 and ratified it in September 2014. New Zealand hopes that the ATT will contribute meaningfully to international and regional peace, security and stability, and has submitted both its national implementation report and first annual report covering 2015. To support broader membership of the Treaty, New Zealand sponsored the development of ATT model legislation to assist countries to implement their domestic obligations under the ATT. New Zealand looks forward to working closely with its ARF partners to build a strong ATT regime.

41. New Zealand has a long-standing commitment to international disarmament and arms control.

42. New Zealand has continued its active promotion of nuclear disarmament including through its membership of the New Agenda Coalition (which it coordinated during the 2015 Nuclear Non-Proliferation Treaty Review Conference) and the De-alerting Group. New Zealand has participated actively in the Open-Ended Working Group on taking forward multilateral nuclear disarmament negotiations.

43. Following terms by fellow ARF members Mongolia and Myanmar, New Zealand chaired the Conference on Disarmament in August-September 2015 and was responsible for preparing and presenting the Conference’s report to the United General Assembly First Committee.

44. New Zealand strongly encourages all Nuclear Weapons States (NWS) to sign the Protocol to the South East Asia Nuclear Weapons Free Zone (SEANWFZ) without any reservations of interpretative declarations. This would be a welcome step in the development of nuclear non-proliferation mechanisms in this part of the world. New Zealand, which has also had domestic nuclear-free legislation since 1987 and is a founding party to the South Pacific Nuclear-Free Zone Treaty, is a strong proponent of nuclear-weapon-free zones as a key regional measure to facilitate reinforce nuclear disarmament and non-proliferation commitments. New Zealand led the Resolution on a Nuclear Weapon Free Southern Hemisphere and Adjacent Areas at the First Committee of the United Nations General Assembly in 2015.

45. New Zealand supports the Comprehensive Nuclear-Test-Ban Treaty (CTBT) as an important contributor to regional and global security. New Zealand welcomed recent ratifications of the CTBT by Annex 1 and 2 states in the region and encourages further ratifications by ARF participants.

46. New Zealand strongly supports and plays an active role on both the Anti-Personnel Landmine Ban Convention (APMBC) and the Cluster Munitions Convention (CCM). New Zealand is currently the coordinator for national implementation measures in the CCM and has produced model legislation for use by small states with no history of use or contamination. New Zealand encourages other ARF participants that have not yet done so to ratify or accede to both Conventions.

Humanitarian Assistance and Disaster Relief

47. The Asia-Pacific region continues to be afflicted by natural disasters that underline the need to continue deepening practical and effective cooperation over disaster
reduction, response, relief and recovery. New Zealand has been an active participant in ARF and EAS exercises to prepare and respond to regional disasters.

48. New Zealand is continuing to play its part in deepening regional capacity to prepare and respond to disasters, and is committed to further cooperation and implementation of work plans in ARF, ADMM-Plus and EAS contexts. Within the EAS, in particular, New Zealand convened a regional workshop in 2015 that drew on lessons learned from the Christchurch Earthquakes. New Zealand has been a solid proponent of the ASEAN Humanitarian Assistance (AHA) Centre since its inception and has contributed technical expertise to the Centre.

Maritime Security

49. In 2008, ARF Ministers identified maritime security as one of the ARF's four key areas. In 2009-2011 New Zealand co-chaired with Indonesia and Japan a series of ARF Intersessional Meetings on the topic. Over this period, participants developed a work plan which was approved by Ministers in 2011. New Zealand has been actively involved in implementation of the work plan, and in sharing its experiences on various maritime security-related issues, including illegal, unreported and unregulated (IUU) fishing and oil-spill response.

50. New Zealand co-hosted with Malaysia an ARF Capacity Building Workshop on Ship Profiling in Kuala Lumpur, 24-25 May 2016. The workshop improved the capacity of ARF participants in ship profiling, helping countries develop greater maritime awareness, which in turn contributes to regional maritime security.

51. New Zealand plays an active role on maritime security in associated fora. New Zealand is co-chairing (with Brunei Darussalam) the ADMM-Plus Maritime Security Experts Working Group from 2014-2017. New Zealand has delivered a robust programme of activities, including a Counter Piracy Operations Workshop, and the inaugural Maritime Security Future Leaders’ Programme. New Zealand co-hosted (together with Brunei Darussalam, Singapore and Australia) the significant Maritime Security and Counter Terrorism Exercise in and between Brunei Darussalam and Singapore 1 to 11 May 2016.

4. Role of ARF

New Zealand’s contributions to enhancing the ARF and regional security

52. For New Zealand, the ARF is a key mechanism for security engagement in the Asia-Pacific region. It contributes to building an environment of dialogue and cooperation on a wide range of regional security issues. The ARF is also contributing in an important way to the development of international norms and principles on security, which are directly relevant to this region. The large number and diversity of practical ARF projects under implementation in 2016 reflects the ARF’s increasing ability to respond to contemporary security challenges facing this part of the world. New Zealand also attaches considerable importance to working with its ARF partners to advance the ARF’s preventive diplomacy agenda, in line with the ARF’s three-stage evolution.

53. New Zealand is committed to working with its ASEAN partners to realise enhanced synergies between the ARF and other pieces of the regional architecture, in particular the EAS and ADMM-Plus. While the ARF and ADMM-Plus have their distinct mandates and different memberships, greater functional coordination
between them on issues that straddle multiple fora, such as disaster relief/management and maritime security, would help to achieve streamlining and eliminate any unnecessary duplication of activities. New Zealand actively supports efforts to strengthen the EAS.

Future of ARF

54. At the ARF’s outset it was envisaged that the Forum would move as part of its evolution from a confidence building phase to preventive diplomacy, and finally to conflict resolution. While many confidence building measures have been undertaken, the ARF has yet to reach its potential in the field of preventive diplomacy. New Zealand supports and has contributed to the conclusion of the ARF’s Work Plan on Preventive Diplomacy agreed by Ministers in July 2011.

55. New Zealand, together with Brunei Darussalam, China and the United States, hosted a roundtable discussion on preventive diplomacy training resources in March 2014. The roundtable recommended that the ARF develop a preventive diplomacy training course, which is tailored to the needs and characteristics of the Asia-Pacific region. New Zealand, along with other ARF partners, was actively involved in advancing the ARF’s preventive diplomacy training programme and, along with the United States and Thailand, conducted a Track 1.5 preventive diplomacy symposium in 2015. A workshop on preventive diplomacy in a post-conflict environment is being developed for the first half of 2017.