

New Zealand and Pacific Security

Re-engagement in the Face of Strategic Competition

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“To start- I have a question for you. Where do you see our place in the world? If you were to ask me, I would give you a very literal answer. The Pacific. This is our home. It is the region we most squarely identify with. We very literally share a population base.”

--Jacinda Ardern, New Zealand Prime Minister ¹

Introduction

In 2018 New Zealand Government announced a Pacific Reset towards the Pacific Islands region. As detailed in the Ministry of Foreign Affairs and Trade (MFAT)'s Strategic Intentions 2018-2022 report, the Pacific Reset is meant to “shift New Zealand’s engagement with the Pacific to a relationship built on understanding, friendship, mutual benefit and a collective ambition to achieve sustainable results in collaboration with its Pacific neighbours.” ²

The Pacific Reset recognized the shortcomings in New Zealand’s foreign policy in terms of appreciating and responding to significant changes

1 Jacinda Ardern, New Zealand Prime Minister, *Prime Minister’s Speech to NZILA Annual Conference*, July 21, 2021, <https://www.beehive.govt.nz/release/prime-ministers-speech-nzila-annual-conference>)

2 Strategic Intentions 2018-2022, New Zealand Ministry of Foreign Affairs, https://www.parliament.nz/resource/en-NZ/PAP_80613/9cf327bac942f0c4279c48e9d87dbf2ee631e722

within the region, such as increased regional assertiveness in advancing climate change priorities, non-traditional security and diversified foreign policy. At the same time, the Pacific Reset represented an attempt by New Zealand to address and, where possible, contain in collaboration with its Western allies and partners the rising influence of China in the region. Like Australia's "Pacific Step-Up," the United Kingdom's "Pacific Uplift," and Japan's "Free and Open Indo-Pacific Strategy," the "Pacific Reset" is a [direct reaction](#) to heightened interest and competition in the region.³

This chapter analyses the drivers and implications of the Pacific Reset in terms of New Zealand's declared re-engagement within the region in the face of increased strategic competition. It will use the terms Pacific, Pacific Islands region, Pacific Island Countries (PIC) and Oceania interchangeably given the differences in the foreign policy vocabulary used by New Zealand and its regional partners.

Why is the Pacific important to New Zealand?

In his speech to Australia's Lowy Institute on March 1, 2018, which is considered to be the philosophical foundation of the Pacific Reset, the then Deputy Prime Minister and Minister of Foreign Affairs of New Zealand Winston Peters detailed the rationale for New Zealand's renewed interest to the Pacific. He argued that New Zealand was a Pacific country, linked by history, culture, politics, and demographics. One in five New Zealanders – approximately one million people – now have Maori or Pasifika heritage, and this demographic trend is growing. Secondly, New Zealand's national security is directly affected by the Pacific's instability and vulnerability to trans-boundary security challenges, including gangs; criminal deportations; drug production and distribution; cyber and financial crime; and aviation and border security. The stability in the region also depends on the economic well-being and resilience of the island nations. Thirdly, the Pacific has become an increasingly contested strategic space, no longer neglected by great power ambition, and so Pacific Island leaders have more options which leads to a degree of strategic anxiety.⁴ While the international assertiveness of the Pacific Island nations is viewed as a

3 Claire Huitt, "The Pacific Reset: New Zealand Re-Engages Oceania", December 20, 2019, <http://sites.utexas.edu/climatesecurity/2019/12/20/the-pacific-reset-new-zealand-re-engages-oceania/>

4 Rt Hon Winston Peters, "Shifting the Dial," *Speech to Lowy Institute, Sydney*, March 1, 2018, <https://www.beehive.govt.nz/speech/shifting-dial>

positive development, it is also recognized as an indicator of New Zealand's declining influence in the region. As Winston Peters stated: "in navigating a more complex strategic environment, New Zealand's view is that we must be respectful of Pacific Island countries' clear wish to manage their own international relations while at the same time retaining New Zealand's traditional emphasis on human rights, the rule of law, transparency, good governance, and the promotion of democracy."

This values-based approach signaled New Zealand's intention to differentiate its role in the Pacific from that of some external powers, such as China, and also emphasize the common operational platform for Western nations involved in the region. While the Pacific Reset doesn't mention China by name, the China challenge in the Pacific is clearly articulated in a number of New Zealand government statements. The New Zealand Strategic Defense Policy Statement of 2018 states "that China is enhancing its influence in the region, including through development assistance and support for economic engagement." While this statement doesn't suggest any malign intentions, China is not mentioned in the document as one of New Zealand's partners in the region. In fact, it expresses a concern that China "holds views on human rights and freedom of information that stand in contrast to those that prevail in New Zealand."⁵

Many commentators have interpreted the Pacific Reset as primarily driven by and focused on China which is questionable. China's increased role in the region is not just a trigger but an outcome of complacency displayed by successive New Zealand governments towards the region. As Anna Powles, a prominent New Zealand expert on Oceania and one of the authors of the previous APCSS book on Oceania, points out, New Zealand's influence in the Pacific has waned significantly, "although Wellington has been reluctant, indeed resistant, to acknowledge the fact."⁶

Integrating and balancing the notions of common identity, shared prosperity and values-based approach has been a challenging exercise for New Zealand's diplomacy and has received mixed reactions from the region thus requiring a "reset to the reset" announced recently by

5 Strategic Defense Policy Statement, 2018, New Zealand Government, pp.17, 22, <https://www.defense.govt.nz/assets/Uploads/8958486b29/Strategic-Defense-Policy-Statement-2018.pdf>

6 Anna Powles, "Finding Common Ground: New Zealand and Regional Security Cooperation in the Pacific," in *Rouben Azizian and Carleton Cramer, Regionalism, Security and Cooperation in Oceania*, APCSS, 2015, p.80.

New Zealand's new Minister of Foreign Affairs Nanaia Mahuta. The details of her Pacific Resilience policy will be discussed later in the chapter.

Principles

The Pacific Reset was centered around five core principles: friendship, understanding, mutual benefit, collective ambition and sustainability.⁷ It declared an intention to move away from the donor-recipient dynamics of the past and build more mature relationships with the Pacific Island countries with the recognition that as a region, the Pacific is not a passive actor. At the center of this was building deeper, more mature relationships with many partners in the region, including other countries active in the region, as well as key multilateral organizations and entities.

The key priorities of reset policy focused on the following directions:

- Climate change impacts on the people of the region as coasts erode, sea levels rise, and fish stocks move.
- Economic resilience and distance to market challenges.
- Human development, particularly health and education for remote populations, key areas where government services in the Pacific are often stretched.
- Transnational crime, including drug trafficking, cyber-crime and the activities of gangs and criminal deportees which is putting pressure on law enforcement and border security agencies in the region.⁸

Aid and Development

Regarding concrete projects that formed part of the Pacific Reset, the primary focus has been on aid. New Zealand has robust development aid partnerships with its Pacific Island neighbors which covers American Samoa, Nauru, Tokelau, the Cook Islands, New Caledonia, Tonga, the Federated States of Micronesia, Niue, Tuvalu, Fiji, Palau, Vanuatu, French Polynesia, Papua New Guinea, Wallis and Futuna, Kiribati, Samoa, the Marshall Islands, and the Solomon Islands. Though China is now the second-largest state lender to the region, New Zealand remains the

7 Our Aid Partnerships in the Pacific, New Zealand Ministry of Foreign Affairs and Trade. <https://www.mfat.govt.nz/en/aid-and-development/our-aid-partnerships-in-the-pacific>

8 Rt Hon Winston Peters, "Pacific Futures: Connections, Identity and Security," *Speech to the New Zealand Institute of International Affairs*, October 18, 2019, <https://www.beehive.govt.nz/speech/speech-new-zealand-institute-international-affairs-pacific-futures-connections-identity-and>

second-largest state donor, behind Australia. Economic assistance to PIC accounts for over 60% of all international aid provided by New Zealand's MFAT. Aid amounts have been increasing under the Pacific Reset. This included a NZ\$714 million boost to aid and development spending, as well NZ\$180 million for a new strategic international development fund.⁹ In addition, through the Recognised Seasonal Employer scheme, every year New Zealand supports over 12,850 people from the Pacific to work in New Zealand, which translates into NZ \$40 million dollars' worth of remittances.¹⁰

Through this development assistance, New Zealand has been doing more on issues that matter to the region, including climate change, economic resilience, health and education, governance, gender, human rights, and youth.¹¹ New Zealand Government's Pacific aid program receives cross-party political support.¹²

COVID-19

New Zealand has worked intimately with Pacific Island governments to support their COVID-19 preparedness. An initial \$50 million package of support helped the Pacific countries to prepare health systems and address wider health, economic, governance and social challenges arising from the effects of the pandemic. New Zealand's stringent border settings complemented those of Pacific countries, and in most places, has meant case numbers and deaths remained low. In response to the COVID-19 outbreak in Fiji that started in April 2021, the New Zealand Government has been assisting Fiji respond to the pandemic, including bolstering the

9 Christian Novak, "New Zealand's China reset?", *The Strategist*, December 20, 2018, <https://www.aspistrategist.org.au/new-zealands-china-reset/>

10 Aid and Development, New Zealand Ministry of Foreign Affairs and Trade, <https://www.mfat.govt.nz/mi/aid-and-development/>

11 Our Aid Partnerships in the Pacific, New Zealand Ministry of Foreign Affairs and Trade, <https://www.mfat.govt.nz/en/aid-and-development/our-aid-partnerships-in-the-pacific>

12 Special Debates — Inquiry into New Zealand's Aid to the Pacific—Report of the Foreign Affairs, Defense and Trade Committee, February 25, 2021, https://www.parliament.nz/en/pb/hansard-debates/rhr/combined/HansDeb_20210225_20210225_20

health system, providing vaccines and essential equipment, and providing economic support for communities in need.¹³

Climate Change

Climate change has been one of the contentious issues between New Zealand and the Pacific Islands, although to a much lesser degree than in Australia's case. Prime Minister Jacinda Ardern has acknowledged that "whenever I meet with those who live on Pacific Islands, climate change is top of their agenda."¹⁴

The Reset has increased New Zealand's support for the Pacific region's resilience and collective response to climate change. Of the NZ\$300 million global commitment to climate change-related development assistance, \$150 million has now been dedicated to a Pacific program to bolster New Zealand's climate change support in the region. The practical package of support includes:

- Providing infrastructure such as water tanks, along with better tools and training to manage droughts, floods and coastal inundation
- Further climate hazard mapping and risk planning
- Customized climate information that will support priority sectors such as agriculture, tourism, health and infrastructure
- More projects to get rid of invasive species that threaten food security. This will boost the resilience of key crops that are also vulnerable to increasingly unpredictable weather driven by climate change
- Improving access to international climate finance through technical assistance
- \$5.6m to Tuvalu-specific climate resilience projects, the first of which will be a water storage facility on the island of Vaitupu, along with renewable energy and drought modeling support¹⁵
- The investment should help enable clean energy projects, ensure crops were drought resilient and communities were

13 Covid Response and Recovery, New Zealand Ministry of Foreign Affairs and Trade, <https://www.mfat.govt.nz/mi/peace-rights-and-security/covid-19-response-and-recovery/>

14 Rt Hon Jacinda Ardern, NZ boosts support for climate action across the Pacific, August 15, 2019, <https://www.beehive.govt.nz/release/nz-boosts-support-climate-action-across-pacific>

15 Ibid., <https://www.beehive.govt.nz/release/nz-boosts-support-climate-action-across-pacific>

protected from sea level rise and storm surges, bringing down the greenhouse gases of the islands themselves, but it particularly helps with resilience in terms of cyclones.

According to New Zealand Minister of Climate Change James Shaw, “the way that we conduct our programme is that it’s actually led by the islands themselves, so we really respond to the kinds of requests that they make.”¹⁶

Climate change is identified as one of the greatest security challenges for New Zealand Defense in the coming decades. Wellington is concerned that the environmental impacts of climate change on the ocean and marine life, particularly in the Pacific and in the Southern Ocean, could see fishing vessels operating in new areas, including in international waters and New Zealand’s expansive search and rescue area of responsibility in the coming years. With the intensifying impacts of climate change intersecting with other challenges, New Zealand may be faced with increasingly concurrent operational commitments, which could stretch resources and reduce readiness for other requirements.¹⁷

National Security and Defense Priorities

New Zealand has increased its focus on and investment in Pacific security issues, and advancing new initiatives that support Pacific island countries on key security priorities, including security sector leadership capability; tackling transnational crime; illegal, unreported, and unregulated fishing; border management and security; and cyber security.¹⁸

This support is guided by the Boe Declaration on Regional Security and the Pacific Islands Forum’s Framework for Pacific Regionalism. New Zealand actively supports wider regional security organizations, including the Pacific Islands Chiefs of Police, the Oceania Customs Organisation, and the Pacific Immigration Development Community. New Zealand agencies – such as Police, Customs, and Immigration – work closely with

16 Big Jump in NZ Climate Funding, *The New Zealand Herald*, October 19, 2021, <https://www.pressreader.com/new-zealand/the-new-zealand-herald/20211019/281724092744117>

17 The Climate Crisis: Defense Readiness and Responsibilities, New Zealand Government, p. 9, <https://www.defense.govt.nz/assets/Uploads/66cfc96a20/Climate-Change-and-Security-2018.pdf>

18 Rt Hon Winston Peters, Pacific Futures: Connections, Identity and Security Speech to the New Zealand Institute of International Affairs, October 18, 2019, <https://www.beehive.govt.nz/speech/speech-new-zealand-institute-international-affairs-pacific-futures-connections-identity-and>

their Pacific counterparts to strengthen border security. New Zealand's Transnational Crime Unit works closely with the Pacific Transnational Crime Coordination Centre in Apia and supports Pacific Transnational Crime Units in Tonga, Cook Islands, and Niue. New Zealand Police and Customs work with Police and customs in Fiji, Samoa, Tonga and the Cook Islands on the Pacific Detector Dog Programme. New Zealand also provides monitoring, control and surveillance support that helps Pacific countries to protect their fisheries from illegal, unreported, and unregulated fishing. New Zealand also administers the Pacific Security Fund (NZD\$2.7 million each year), which is used by New Zealand agencies to support Pacific countries. The initiatives that are funded include ethical leadership training delivered through the New Zealand Defense Force, improving aviation security capability and providing equipment, and helping Pacific countries to comply with international maritime codes and regulations.¹⁹

The New Zealand Police has launched a new Pacific Island Prevention Programme (PIPP), which aims to support police in the Cook Islands, Kiribati, Niue, Samoa, Tokelau, Tuvalu and Vanuatu and help them develop Prevention Operating Model (POM). The key objective is to encourage local police to operate with a prevention mindset that looks beyond simply responding to crime, and adopt a partnership approach with local communities.²⁰

Stability in the Pacific is critical to New Zealand's national security. The 2018 Strategic Defense Policy Statement raised the priority placed on the Defense Force's ability to operate in the South Pacific to the same level as New Zealand's territory, the Southern Ocean and Antarctica. It states that resource competition and resource scarcity in the maritime domain will continue to challenge New Zealand and the Pacific.²¹

The joint Ministry of Defense and Defense Force Advancing Pacific Partnerships 2019 report recognizes the need to act in new ways and at new levels to protect the New Zealand national interests and the

19 Regional Security, New Zealand Ministry of Foreign Affairs and Trade. <https://www.mfat.govt.nz/mi/peace-rights-and-security/international-security/regional-security/>

20 Prevention in the Pacific, New Zealand Police, <https://www.police.govt.nz/news/ten-one-magazine/prevention-pacific>

21 Strategic Defense Policy Statement, 2018, New Zealand Government, p.8, <https://www.defense.govt.nz/assets/Uploads/8958486b29/Strategic-Defense-Policy-Statement-2018.pdf>

sovereignty of Pacific countries.²² It aligns its approach with Boe Declarations's expanded concept of security and its Action Plan, as well as with the priorities of "diverse, individual Pacific partners."²³

The Defense Capability Plan 2019 delivered a significant lift and capacity for operating in the Pacific so that the Defense Force was able to operate independently, or lead combined operations in its neighborhood from the South Pacific through to Antarctica, if required.²⁴ Although not specifically for the region, New Zealand has also [bought new maritime surveillance aircraft and the C-130J Hercules](#). A Defense Force spokesman noted these purchases were important for the country to continue to contribute to the immediate region.²⁵

In response to the Solomon Islands Government's request for assistance after days of rioting, violence and unrest in the capitol Honiara in late November 2021, New Zealand agreed to dispatch NZ Defense Force "assessment team" of about 15 personnel, followed by up to 50 defense and police staff. According to Defense Minister Peeni Henare, the NZDF personnel "will support the Royal Solomon Islands Police Force (RSIPF) in maintaining stability, engaging with communities and providing public reassurance." New Zealand Police will work with the NZDF to add to the contribution already made by Australia, Papua New Guinea and Fiji to aid in restoring law and order.²⁶ New Zealand Police has a long-standing partnership with the Solomon Islands and has had a presence in Honiara for a number of years. More than 1,000 New Zealand Defense Force and Police personnel served in the Solomon Islands from 2003 to 2013 as part of the Regional Assistance Mission to Solomon Islands (RAMSI) and

22 Advancing Pacific Partnerships 2019, New Zealand Government, p.5, <https://www.defense.govt.nz/assets/publication/file/5f6dd307e7/Advancing-Pacific-Partnerships-2019.pdf>

23 Ibid., p. 7, <https://www.defense.govt.nz/assets/publication/file/5f6dd307e7/Advancing-Pacific-Partnerships-2019.pdf>

24 Defense Capability Plan 2019, p. 19, <https://www.defense.govt.nz/assets/Uploads/03acb8c6aa/Defense-Capability-Plan-2019.pdf>

25 Lucy Cramer, "The new militarisation of the Pacific," *Stuff*, August 7, 2021, <https://www.stuff.co.nz/national/politics/300375964/the-new-militarisation-of-the-pacific>

26 Rt Hon Jacinda Ardern, Hon Nanaia Mahuta, Hon Poto Williams, Hon Peeni Henare, New Zealand Response to assist peace and stability in Solomon Islands, December 1, 2021, <https://www.beehive.govt.nz/release/new-zealand-response-assist-peace-and-stability-solomon-islands>

were recognized as effective and friendly by the Solomon Islands' government and public.²⁷

Given that background, Foreign Minister Nanaia Mahuta referred to the security team dispatched to the Solomon Islands as “people who have vast experience in the Pacific region and are amongst some of the most highly skilled when it comes to de-escalating conflict.”²⁸

Allies and Partners

While introducing the new vision of engagement in the Pacific, Deputy Prime Minister and Minister of Foreign Affairs Winston Peters noted: “New Zealand is a small, realistic and pragmatic country. We know we cannot help the Pacific solve its problems on our own - as there will always be someone with deeper pockets than ours and some Pacific leaders are attracted to easy sources of funding.”²⁹

The preference in New Zealand's partnership is clearly given to countries that share collective values and interests, including open access, freedom of movement, and transparency. The refreshed approach in the Pacific is considered as also an important contribution to the international rules-based order.³⁰

Prime Minister Ardern has welcomed the increased engagement of the UK and US in the region to serve “our collective objective needs to be the delivery of peace and stability and the preservation of the international rules-based system.”³¹

In July 2021, New Zealand Air Force participated with the United States, France and Australia in an operation to curb illegal fishing led by

27 George Block, “Solomon Islands requests support from NZ - troops assembling at Linton,” *Stuff*, November 30, 2021, <https://www.stuff.co.nz/national/300466992/solomon-islands-requests-support-from-nz--troops-assembling-at-linton>

28 George Block, “Solomon Islands unrest: Defense Force, police to deploy for weeks-long mission,” *Stuff*, December 2, 2021, <https://www.stuff.co.nz/national/300467661/solomon-islands-unrest-defense-force-police-to-deploy-for-weekslong-mission>

29 Laura Walters, NZ ‘resets’ its Pacific strategy, asks Australia to join the mission, *Stuff*, March 2, 2018, <https://www.stuff.co.nz/national/politics/101907520/nz-resets-its-pacific-strategy-asks-australia-to-join-the-mission>

30 Advancing Pacific Partnerships 2019, New Zealand Government, p.5, <https://www.defense.gov.nz/assets/publication/file/5f6dd307e7/Advancing-Pacific-Partnerships-2019.pdf>

31 Jamie Ensor, “AUKUS: Jacinda Ardern welcomes United Kingdom, United States engagement in Pacific, says NZ nuclear stance ‘unchanged,’” *NewsHub*, September 16, 2021, <https://www.newshub.co.nz/home/politics/2021/09/aucus-jacinda-ardern-welcomes-united-kingdom-united-states-engagement-in-pacific-says-nz-nuclear-stance-unchanged.html>

the Pacific Islands Forum Fisheries Agency. The operation is believed to be also aimed at countering China's influence in the region.³² According to a recent Lowy Institute report, New Zealand, Australia and the US are aiming to ensure that no power hostile to their interests establishes a strategic foothold in the Pacific Islands, "particularly as the strategic reach of China's ambitions increases, and climate-related, security and crisis management concerns escalate."³³

New Zealand's association with like-minded partners includes a number of joint projects. Wellington has partnered with the governments of Papua New Guinea, Australia, the United States and Japan on a major new electrification program to lift access to electricity in PNG. With Japan, New Zealand has built the Pacific Climate Change Centre in Apia. New Zealand and the EU are working together, along with France and Australia, to tackle the interconnected challenges of biodiversity and climate change.³⁴ Police from New Zealand and Australia are increasing their presence in the Pacific as part of a new agreement to tackle transnational crime. New Zealand, Australia, Fiji and Tonga have established a task force to tackle transnational crime. Drug traffickers will be the task force's main targets but gangs responsible for cybercrime and child exploitation will also be part of its operations.³⁵

Australia

Australia's Department of Foreign Affairs and Trade describes Australia and New Zealand as "natural allies with a strong trans-Tasman sense of family." New Zealand claims it has "no better friend than Australia."³⁶ Robert Ayson from Wellington's Victoria University notes that despite

32 Lucy Cramer, "The new militarisation of the Pacific," *Stuff*, August 7, 2021, <https://www.stuff.co.nz/national/politics/300375964/the-new-militarisation-of-the-pacific>

33 Joanne Wallis and Anna Powles, "Shouldering their fair share? The ANZUS allies in the Pacific Islands," *The Interpreter*, 23 July 2021, <https://www.lowyinstitute.org/the-interpreter/shouldering-their-fair-share-anzus-allies-pacific-islands>,

34 Rt Hon Winston Peters, Pacific Futures: Connections, Identity and Security Speech to the New Zealand Institute of International Affairs, October 18, 2019, <https://www.beehive.govt.nz/speech/speech-new-zealand-institute-international-affairs-pacific-futures-connections-identity-and>

35 "Australia, NZ, police expanding Pacific presence," *RNZ*, February 15, 2019, <https://www.rnz.co.nz/international/pacific-news/382588/aus-nz-police-expanding-pacific-presence>

36 Anna Powles and Joanne Wallis, "Kiwis and hawks: Is New Zealand edging closer to Australia on China?," *The Interpreter*, October 14, 2020, <https://www.lowyinstitute.org/the-interpreter/kiwis-hawks-nz-edging-closer-australia-on-china>

bilateral challenges, “the Pacific has remained a big part of the security glue for trans-Tasman solidarity.”³⁷

Both Australia and New Zealand have a long-standing relationship and consensus on the importance of their role in the Pacific. The conclusion of PACER Plus (Pacific Agreement on Closer Economic Relations) regional free-trade agreement showcased the success of their collective diplomatic activity. Both Australia and New Zealand have relented to increased Pacific pressure to reform seasonal worker and labor mobility programs, with the two regional heavyweights making significant changes to their respective schemes.³⁸

Wellington and Canberra acknowledge “the unique role of the Pacific Islands Forum in projecting a strong and unified Pacific voice on the global stage.”³⁹ However, the two countries have been blamed for the decision of five Micronesian states to withdraw from the 18-member forum in the wake of former Cook Islands Prime Minister Henry Puna’s controversial selection as its next Secretary-General. Cook Islands is a realm state of New Zealand and Puna is perceived as NZ’s protégé.⁴⁰

The presidents of Nauru, the Federated States of Micronesia, Kiribati, Marshall Islands and Palau have complained that South Pacific countries dishonored a “gentleman’s agreement” to rotate the post evenly among sub-regions. According to them, the smaller islands of Micronesia are often overlooked by “their large Polynesian and Melanesian cousins, with Australia and New Zealand also “viewing them as an afterthought.”

37 Robert Ayson, “New Zealand: No longer Australia’s Pacific security partner?” *The Interpreter*, November 30, 2021, <https://www.lowyinstitute.org/the-interpreter/new-zealand-no-longer-australia-s-pacific-security-partner>

38 Kai Loyens, “Hitting reset: Australia and New Zealand in the Pacific,” *Foreign Brief*, January 30, 2019, <https://www.foreignbrief.com/asia-pacific/hitting-reset-australia-and-new-zealand-in-the-pacific/>

39 Hon Nanaia Mahuta, Australia-Aotearoa New Zealand Foreign Minister Consultations, November 12, 2021, <https://www.beehive.govt.nz/release/australia-aotearoa-new-zealand-foreign-minister-consultations>

40 Jonathan Milne, “Pacific standoff creates space for China-US proxy war,” *Newsroom*, February 16, 2021, <https://www.newsroom.co.nz/pacific-standoff-creates-space-for-china-us-proxy-war>

Australia and especially New Zealand have been identified by Micronesian leaders as part of the problem at the Forum.⁴¹

Marshall Islands diplomat Gerald Zackios, beaten to PIF's top job by Puna, suggested that Australia and New Zealand "share a common worldview which is an imperfect match for our subregion", with a focus on economic integration through initiatives like the PACER Plus trade deal less appealing to the Micronesian states who are more focused on security than trade.⁴²

While the Australian and New Zealand resets highlight the growing importance of the region and emerging geopolitical competition, domestic politics within both countries has led to the development of quite different 'resets.' This has been evident in one of the most significant issues for the region, climate change. New Zealand has taken firm commitments to step up direct assistance to helping the region combat the threat posed by rising sea levels. This comes in addition to pledges to end oil exploration and production in New Zealand, increase domestic renewable energy targets, and other measures aimed at lowering carbon emissions.

Wellington's actions are in stark contrast to Australia, which remains one of the highest carbon emitters per capita amongst the G20. Australia's conservative government has repeatedly ignored international concerns, as well as those of Pacific leaders, about the threat of climate change, refusing to expand renewables investment or increase its foreign assistance to counter climate threats.⁴³

Divergences in Australia and New Zealand's policies and practices raise questions about the status of their alliance and how the two states will work together to address challenges in the Pacific Islands. It is not clear how compatible New Zealand's purportedly principles-based 'Pacific Reset' is with Australia's more security-driven plan to 'step-up' its engagement in the region. It is also not clear how the two states will reconcile their apparently different approaches to the United States and China, both

41 Koroi Hawkins, "Pacific Forum split could cost region's global role," RNZ, February 12, 2021, <https://www.rnz.co.nz/international/pacific-news/436298/pacific-forum-split-could-cost-region-s-global-role>

42 Sam Sachdeva, "Where next for the Pacific Islands Forum?," *Newsroom*, February 26, 2021, <https://www.newsroom.co.nz/where-next-for-the-pacific-islands-forum>.

43 Kai Loyens, "Hitting reset: Australia and New Zealand in the Pacific," *Foreign Brief*, January 30, 2019, <https://www.foreignbrief.com/asia-pacific/hitting-reset-australia-and-new-zealand-in-the-pacific/>

in the region and beyond. Joanne Wallis from Australia's Strategic and Defense Studies Centre and Anna Powles from New Zealand Centre for Defense and Security Studies at Massey University identify four points of convergence between Australia and New Zealand in the Pacific Islands: a shared commitment to preserving and promoting the international rules-based order; a shared commitment to crisis management; a shared commitment to Pacific regionalism; and a shared commitment to regional trade liberalization. They also come up with four points of divergence between Australia and New Zealand in the Pacific Islands: differing approaches to regional diplomacy; New Zealand's Pacific identity as a domestic driver of foreign policy; and differing priorities on climate change and nuclear disarmament.⁴⁴

USA

In his address to the Center for Strategic and International Studies on July 16, 2019, the then Foreign Minister Winston Peters called for the United States to reestablish ties with the Pacific for improved trade and economic opportunities — warning of the impact of the changing geopolitics in the region.⁴⁵ “We ourselves, dare I say it, along with Australia and the US and others, had taken our eyes off the area of our nearest neighborhood — the Pacific — and there are consequences of that,” Peters told the audience. According to him, Chinese influence was one of the results, as well as a reduced capacity for economic growth in the Pacific.⁴⁶

There has been noticeable warming of relations between New Zealand and the United States with the change of administration in Washington D.C. Prime Minister Jacinda Ardern has indicated strong interest in collaborating with the United States in the Pacific. After some hesitation,

44 Joanne Wallis and Anna Powles, “Australia and New Zealand in the Pacific Islands: Ambiguous Allies?,” *ANU*, 2018, <https://bellschool.anu.edu.au/experts-publications/publications/6508/australia-and-new-zealand-pacific-islands-ambiguous-allies>

45 Rt Hon Winston Peters, “Enhanced Pacific Partnerships,” Address to the Centre for Strategic and International Studies, Washington, July 16, 2019, <https://www.beehive.govt.nz/speech/%E2%80%98enhanced-pacific-partnerships%E2%80%99>

46 Lisa Cornish, “NZ's Winston Peters calls for US trade agreements in the Pacific,” *Devex*, July 22, 2019, <https://www.devex.com/news/nz-s-winston-peters-calls-for-us-trade-agreements-in-the-pacific-95308>

New Zealand has accepted the concept of Indo-Pacific albeit with a diplomatic caveat of its inclusivity.⁴⁷

While both countries share concerns about China's assertiveness, Wellington avoids calls for containment of China and opposes a purely military response to China's rise. In her interview with Richard Haas from the US Council on Foreign Relations, the New Zealand Prime Minister urged the United States to look beyond just strategic and defense perspectives and "embed itself more in the regional economic architecture."⁴⁸ This sentiment was shared by Kurt Campbell, Indo Pacific Co-ordinator on the US National Security Council, in his speech to the New Zealand Institute of International Relations, in which he emphasized the need to help the Pacific on issues like poverty, health and climate change. Campbell called for a closer partnership and promised that the United States would be "working with others to try to bring elements of unity back to the Pacific Islands, given the magnitude of what we're facing today."⁴⁹

Despite New Zealand's non-inclusion and reservations about the Aukus agreement, Foreign Minister Mahuta has welcomed the United States' interest in the region, adding that "a more peaceful, prosperous, stable region is in our shared interests."⁵⁰ The United States, but not China, was one of the countries Minister Mahuta visited during her first 17-day official foreign tour. In her statement in Washington D.C., she emphasized the "deep, long-lasting friendship that is based on shared values and a commitment to the importance of human rights, democracy and maintaining the system of international rules and norms."⁵¹ In response,

47 Rt Hon Jacinda Ardern, Prime Minister's Speech to NZIIA Annual Conference, July 14, 2021, <https://www.beehive.govt.nz/release/prime-ministers-speech-nziiia-annual-conference>

48 Russell C. Leffingwell Lecture with Prime Minister Jacinda Ardern of New Zealand, June 16, 2021, <https://www.cfr.org/event/russell-c-leffingwell-lecture-prime-minister-jacinda-ardern-new-zealand>

49 Sam Sachdeva, "A 'wounded' US and an inclusive NZ on the Indo-Pacific," *Newsroom*, July 16, 2021, <https://www.newsroom.co.nz/a-wounded-us-and-an-inclusive-nz-on-the-indo-pacific>

50 Geoffrey Miller, "Decoding Nanaia Mahuta's first foreign trip," RNZ, November 15, 2021, <https://www.rnz.co.nz/news/on-the-inside/455748/decoding-nanaia-mahuta-s-first-foreign-trip>

51 Nanaia Mahuta meets with US Secretary of State Antony Blinken on final stage of world trip, RNZ, November 28, 2021, <https://www.newshub.co.nz/home/politics/2021/11/nanaia-mahuta-meets-with-us-secretary-of-state-antony-blinken-on-final-stage-of-world-trip.html>

US Secretary of State Antony Blinken praised “New Zealand’s leadership in the Pacific; that’s something that we look to.”⁵²

China- “the non-traditional partner”

In her address to the New Zealand China Council, New Zealand Foreign Minister Nanaia Mahuta referred to China as “one of our most significant partners.”⁵³

China is New Zealand’s largest trading partner, with the value of imports and exports between the two countries reaching more than NZ\$31 billion (US\$22.4 billion) in 2020. The two countries also moved to eliminate nearly all trade tariffs between them after upgrading their free-trade agreement.⁵⁴

The New Zealand government does not seek to exclude China from the South Pacific. In fact, it has looked to collaborate with Beijing where it can. The [Tripartite Cook Islands/China/New Zealand Water Project](#)⁵⁵ is an example of this.⁵⁶

China has urged New Zealand to increase cooperation between the two countries, including helping the Pacific islands recover from the COVID-19 pandemic. The two sides have neither “historical grievances” nor “actual conflicts,” Foreign Minister Wang Yi told his counterpart Nanaia Mahuta in a video conference. Wang said China is willing to strengthen dialogue with New Zealand on addressing [climate change](#)⁵⁷ and is willing to communicate with New Zealand on the values of democracy and human

52 Antony J. Blinken, Secretary of State, Remarks, November 23, 2021, <https://www.state.gov/secretary-antony-j-blinken-and-new-zealand-foreign-minister-nanaia-mahuta-before-their-meeting/>

53 Sam Sachdeva, “Mahuta warns against economic overexposure to China,” *Newsroom*, April 19, 2021, <https://www.newsroom.co.nz/mahuta-warns-against-economic-overexposure-to-china>

54 Key Facts on New Zealand-China Trade, New Zealand Ministry of Foreign Affairs and Trade, <https://www.mfat.govt.nz/mi/trade/free-trade-agreements/free-trade-agreements-in-force/nz-china-free-trade-agreement/key-facts-on-new-zealand-china-trade/>

55 <https://www.victoria.ac.nz/chinaresearchcentre/programmes-and-projects/china-symposiums/china-and-the-pacific-the-view-from-oceania/27-Pete-Zwart-The-Tripartite-China,-NZ,-Cook-Islands-A-NZ-Perspective.pdf>

56 Reuben Steff, “New Zealand’s Pacific reset: strategic anxieties about rising China,” *The Conversation*, June 1, 2018, <https://theconversation.com/new-zealands-pacific-reset-strategic-anxieties-about-rising-china-97174>

57 *South China Morning Post*, https://www.scmp.com/knowledge/topics/china-and-climate-change?module=inline_auto&pgtype=article

rights through “various appropriate methods”. He also said the two sides can use their respective advantages to work with Pacific Island nations in fighting COVID-19 and helping the economic recovery.⁵⁸

While welcoming cooperation with China, New Zealand has also signaled its concern about so-called “debt-trap diplomacy” in the Pacific. Wellington calls for a more sustainable Pacific that “respects Pacific sovereignties, and builds on Pacific peoples’ own capabilities, towards long-term resilience.”⁵⁹ New Zealand’s trade with China “doesn’t mean we have to recoil from the values and principles that we uphold,” Minister Mahuta told *The Washington Post*.⁶⁰

New Zealand openly opposed any militarization of the Pacific after reports that China had approached Vanuatu about building a permanent military presence in the South Pacific.⁶¹ Responding to media queries, New Zealand Foreign Minister stated that the militarization of the Pacific was something New Zealand had been “seriously concerned about.”⁶²

Several New Zealand strategic experts believe that it is inevitable that China’s regional influence will continue to grow at the expense of the influence New Zealand and Australia hold. According to Reuben Steff from New Zealand’s Waikato University, decisions will need to be made as to how New Zealand calibrates its foreign policy with this in mind. Ultimately, balancing China in the South Pacific will require greater coordination with Australia and reaching out to other states. However, Beijing could

58 Amber Wang, “China tries to court New Zealand with offer to work together in helping Pacific islands recover from Covid-19”, *South China Morning Post*, June 23, 2021, <https://www.scmp.com/news/china/diplomacy/article/3138482/china-tries-court-new-zealand-offer-work-together-helping>

59 Hon Nanaia Mahuta, “He Taniwha He Tipua, He Tipua He Taniwha - The Dragon and the Taniwha,” Speech to the NZCC, April 19, 2021, <https://www.beehive.govt.nz/speech/%E2%80%99Che-taniwha-he-tipua-he-tipua-he-taniwha-dragon-and-taniwha%E2%80%9D>

60 Charlotte Graham-McLay, “New Zealand’s neighborhood just got tougher. A top Maori official will help chart a course,” *The Washington Post*, January 13, 2021, https://www.washingtonpost.com/world/asia_pacific/new-zealand-china-australia-maori/2021/01/13/f2db9884-3a8d-11eb-aad9-8959227280c4_story.html

61 David Wroe, “China eyes Vanuatu military base in plan with global ramifications,” *The Stuff*, 10 April 2018. <https://www.stuff.co.nz/world/south-pacific/102967115/china-eyes-vanuatu-military-base-in-plan-with-global-ramifications>

62 Laura Walters, “PM opposes Pacific militarisation as China eyes Vanuatu military base,” *Stuff*, April 10, 2018, <https://www.stuff.co.nz/national/politics/102971730/pm-opposes-pacific-militarisation-as-china-eyes-vanuatu-military-base>

interpret increased collaboration with larger powers as a sign of regional containment of its growing influence.⁶³

From Reset to Resilience

On November 4, 2021, Foreign Minister Nanaia Mahuta gave her first major foreign policy speech on [Aotearoa New Zealand's policy in the Pacific](#). It was highly anticipated amongst Pacific watchers. Minister Mahuta had [signaled at the outset](#) of her term that she intended to deliver a foreign policy distinct from that of her predecessor Winston Peters. At its core is New Zealand's policy transition from the [Pacific Reset](#), launched by Peters in 2018, to a [Pacific Resilience](#) partnership approach announced by Nanaia Mahuta and laid out in a subsequently released New Zealand [Cabinet paper](#).⁶⁴ To frame this approach, Minister Mahuta employed a Maori proverb- as the old net is cast aside a new net goes fishing, noting its appropriateness in referring to the Reset as building the net – or architecture – to enable New Zealand's policy shift towards the Pacific; and the Resilience focus as learning how to 'utilize the net' for the benefit of all. She noted that COVID had stressed the region's resilience. "It has also taught us many lessons: learnings from what hasn't worked as well as how integrated partnerships can strengthen resilience. I have re-oriented the position beyond reset to resilience, understanding that the biggest issue facing the Pacific is climate change."⁶⁵ A resilient Pacific, according to Minister Mahuta, will also be better able to withstand the pressures of strategic competition, drive Pacific priorities, and manage unintended consequences.⁶⁶

The New Zealand Cabinet paper further explains that COVID-19 has offered insights into places where previous development models have not delivered sustained results, as well as lessons on how to strengthen resilience by being more integrated in partnerships (for example, across

63 Reuben Steff, "New Zealand's Pacific reset: strategic anxieties about rising China," *The Conversation*, June 1, 2018, <https://theconversation.com/new-zealands-pacific-reset-strategic-anxieties-about-rising-china-97174>

64 Anna Powles, "From Reset to Resilience: Unpacking Mahuta's Pacific Vision," *Incline*, November 15, 2021, <https://www.incline.org.nz/home/from-reset-to-resilience-unpacking-mahutas-pacific-vision>

65 Hon Nanaia Mahuta, Foreign Minister, "Aotearoa New Zealand's Pacific Engagement: Partnering for Resilience," Speech to the NZIIA, November 3, 2021, <https://www.beehive.govt.nz/speech/aotearoa-new%0C2%0A0zealand%0E2%80%09s-pacific-engagement-partnering-resilience>

66 Ibid.

health and border sectors). It calls for a posture of “accompaniment”, “meeting each partner where they are and working together towards priority strategic objectives that create impact and build positive change.” It urges government agencies to embed Pacific cultural frameworks in their work, including by strengthening cultural competence and regional awareness as well as ensuring that Pacific expertise is recognized and valued. The paper emphasizes the importance of building capability on the ground, rather than preferencing ‘fly-in, fly-out’ models of delivery.⁶⁷ Anna Powles believes this indicates a long-needed ideational shift from a paternalistic approach to a partnership approach.⁶⁸

The change of course reflects some shortcomings in New Zealand’s development cooperation criticized by developmental experts and NGOs. One such report claims that there is no evidence that New Zealand’s international development cooperation has refocused on what it is actually for: reducing global poverty and inequality.⁶⁹ Oxfam Aotearoa Communications and Advocacy Director Joanna Spratt welcomed the intention to get more cultural diversity, cultural competency and knowledge of the Pacific, but warned that “it’s going to take a lot more than that, I think, to really embed, quite sophisticated values-based approach based on relationships.”⁷⁰

Conclusion

Winston Peters began his term as New Zealand Foreign Minister in the New Zealand coalition government with a Pacific Reset, a policy designed to step up engagement with and spending on the Pacific and in so doing, increase the importance of New Zealand’s leadership in the region. He explicitly backed the US in the big power competition for dominance in the Pacific. The current Labour government is moving away from such

67 New Zealand’s Pacific Engagement: From Reset to Resilience, Proactive Release, Cabinet paper, November 11, 2021, <https://www.mfat.govt.nz/assets/OIA/Cab-Paper-NZ-Pacific-Engagement-From-Reset-to-Resilience.pdf>

68 Anna Powles, “From Reset to Resilience: Unpacking Mahuta’s Pacific Vision,” *Incline*, November 15, 2021, <https://www.incline.org.nz/home/from-reset-to-resilience-unpacking-mahutas-pacific-vision>

69 Jo Spratt, “New Zealand’s aid a year after shifting the dial,” *DevPolicyBlog*, June 6, 2019, <https://devpolicy.org/new-zealands-aid-a-year-after-shifting-the-dial-20190606/>

70 Thomas Manch and Lucy Craymer “New Zealand’s diplomats to focus on ‘resilience’ in Pacific, as climate change and Chinese debt threat grows,” *Stuff*, November 4, 2021, <https://www.stuff.co.nz/national/politics/126877134/new-zealands-diplomats-to-focus-on-resilience-in-pacific-as-climate-change-and-chinese-debt-threat-grows?rm=a>

realpolitik stance towards a more balanced and flexible approach. It also recognizes the weakness of the efforts to deter China by pure financial assistance to the Pacific Island nations. Prime Minister Jacinda Ardern has said that New Zealand “can never outspend China in the Pacific” and it is not trying to compete with the Asian superpower.⁷¹ Ardern’s government believes that the better way of preventing China’s negative influence in the region is by enhancing the resilience and capability of the Pacific Island nations. As the Prime Minister has remarked, “New Zealand is first and foremost a nation of the Pacific and we view foreign policy developments through the lens of what is in the best interest of the region.”⁷² This approach isn’t questioned by New Zealand’s expert community. But what is debated is the way Wellington can reconcile its national interests with culturally diverse regional aspirations as well as strategic priorities of its allies and partners. While some New Zealand commentators emphasize the importance of “culture and tradition” in the region,⁷³ others call for closer cooperation with like-minded partners and not just sticking to “lofty principles.”⁷⁴

It is clear that to be transformative, New Zealand’s policy in the Pacific needs to take a long-term, collaborative and inclusive (of Pacific Islands first and foremost!) approach versus reactive and hasty responses to emerging strategic challenges. Wellington often claims to be a reliable honest broker. It is perhaps time to translate that into initiating and facilitating a comprehensive regional security dialogue with the participation of traditional and non-traditional, likeminded and not-so-likeminded partners. This would be welcomed by the Pacific Island nations who often find themselves in the middle of geopolitical rivalry which promises little for their struggling economies and societies.

71 PM: NZ not competing with China in Pacific, RNZ, March 5, 2018, <https://www.facebook.com/RadioNewZealand/posts/prime-minister-jacinda-ardern-says-new-zealand-can-never-outspend-china-in-the-p/10155623931278731/>

72 Jamie Ensor, “AUKUS: Jacinda Ardern welcomes United Kingdom, United States engagement in Pacific, says NZ nuclear stance ‘unchanged,’” *Newshub*, September 16, 2021, <https://www.newshub.co.nz/home/politics/2021/09/aukus-jacinda-ardern-welcomes-united-kingdom-united-states-engagement-in-pacific-says-nz-nuclear-stance-unchanged.html>

73 Iati Iati, “Assessing the Pacific Reset,” *New Zealand International Review*, January/February, vol 46, No 1, 2021, p.10.

74 Robert Ayson, “New Zealand: No longer Australia’s Pacific security partner?,” *The Interpreter*, November 30, 2021, <https://www.lowyinstitute.org/the-interpreter/new-zealand-no-longer-australia-s-pacific-security-partner>