

BACKGROUNDER

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New Zealand's New Look at National Security

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KEY TAKEAWAYS

New Zealand's conservative government under Prime Minister Christopher Luxon has taken impressive steps to revitalize the country's military.

This comes as China has grown increasingly aggressive across the Indo-Pacific and has engaged in coercive actions against New Zealand.

New Zealand is moving to make its military more integrated and interoperable with that of Australia, its only formal ally.

Strategic Overview

China's extensive use of coercive statecraft in the Indo-Pacific has extended to New Zealand and, not unlike its effect in neighboring Australia, has both negatively impacted New Zealanders' views of China and led to significant policy responses from the government in Wellington that are aimed at increasing New Zealand's ability to defend its sovereign interests.

Chinese Coercion and Malign Influence. New Zealand's 2025 public threat assessment published by the New Zealand Security Intelligence Service identified China as first among the states most likely to engage in foreign interference in New Zealand, and a 2024 documentary by New Zealand's Stuff Circuit detailed decades of Chinese Communist Party (CCP) influence operations in New Zealand, ranging from political donations and attempts to leverage and

negatively influence the Chinese diaspora in the country to harassment campaigns against perceived opponents.²

In March 2024, New Zealand's intelligence agency accused China of cyber espionage after discovering hacked data systems associated with New Zealand's parliament.³ The head of the intelligence agency condemned China for "malicious cyber activity," and Prime Minister Christopher Luxon emphasized the responsibility of liberal democracies to hold China accountable for its cyber espionage activities. In response, the Chinese embassy in Wellington called the accusations "groundless and irresponsible" and lodged complaints with New Zealand's government.⁴

In early 2025, Chinese warships conducted live-fire drills in the Tasman Sea between New Zealand and Australia before circumnavigating Australia. New Zealand Minister of Defense Judith Collins indicated that the Chinese actions were unprecedented: "We've certainly never seen a task force or task group of this capability undertaking that sort of work. So it is certainly a change.... The weapons they have are extremely capable. One has 112 vertical launch cells and has [a] reported anti-ship ballistic missile range of 540 nautical miles."

New Zealand's National Security Strategy. In 2023, New Zealand released its first National Security Strategy (NSS), *Secure Together Tō Tātou Korowai Manaaki*. New Zealand's only formal alliance is with Australia, but the NSS also names Canada, the United Kingdom, and the United States as countries with which New Zealand has strong bilateral relationships, not least through the Five Eyes intelligence-sharing partnership of which New Zealand is a member.

With reference to the Pacific Islands, the NSS acknowledges China's "long-term ambitions...to develop ports and airports" into "dual-use facilities" or "fully fledged military bases" throughout the Indo-Pacific, warning that such developments "would fundamentally alter the strategic balance in the region." To address these challenges, the NSS emphasizes "sustained engagement by the United States and other like-minded nations in the Indo-Pacific" and "increased cooperation among smaller groupings of like-minded countries, such as the Quadrilateral Security Dialogue, which includes Australia, India, Japan, and the United States, and the AUKUS security partnership among Australia, the United Kingdom, and the United States."

To date, responses to Chinese dual-use infrastructure have largely focused on offering alternative funding sources. In 2018, Australia successfully persuaded the Solomon Islands to reject Huawei's proposal for undersea cables by pledging more than A\$1.3 billion to fund a communications cable linking to Papua New Guinea. Similarly, following concerns

about the Port Vila Wharf in Vanuatu, New Zealand's then-Foreign Minister Nanaia Mahuta announced a NZ\$10 million investment to assist with construction financing.¹⁰

Preventing malign Chinese investments remains a complex task that requires a careful balance between respecting Pacific Island sovereignty and addressing national security concerns. It is difficult for New Zealand to request directly that Chinese investments be declined. Instead, it is more likely to continue working with like-minded partners to ensure that Chinese financing is not the sole option available to Pacific Island countries.

The NSS emphasizes maritime security, pointing out that New Zealand's extensive maritime area of interest covers 1/12th of the world's surface area. To deter maritime security threats across this area, New Zealand maintains presence patrols using Navy patrol vessels and Air Force P8-A patrol aircraft purchased from the United States.¹¹

While there is much good in it, especially its recognition of the return of great-power competition and the malign role China has played in the Indo-Pacific in recent years, the National Security Strategy unfortunately reflects much of the deeply unserious influence of the former government, such as identifying the development of workforce diversity and inclusion initiatives (including the establishment of an "ethnic staff reference group, to better support staff from diverse backgrounds" and "diversity indicators dashboard to establish clear baselines and track progress"). 12

The 2025 Defense Capability Plan. The current government led by Conservative Prime Minister Christopher Luxon is far more serious about defense, as demonstrated by its publication of the 2025 *Defence Capability Plan* (DCP). Whereas the NSS states that "China's rise is a major driver of geopolitical change," the DCP takes the important step of declaring plainly that:

China's assertive pursuit of its strategic objectives is the principal driver for strategic competition in the Indo-Pacific, and it continues to use all of its tools of statecraft in ways that can challenge both international norms of behaviour and the security of other states. Of particular concern is the rapid and non-transparent growth of China's military capability.¹³

The DCP recognizes that New Zealand's geographic isolation no longer provides the level of security it once did and calls for significant increases in New Zealand's defense spending to build up a New Zealand Defence Force (NZDF) that is capable of defending the country's sovereign interests. Specifically, the DCP would boost defense spending by NZ\$9 billion (US\$5 billion) over the next four years with the goal of doubling spending

and reaching 2 percent of GDP in the next eight years.¹⁴ This new spending is absolutely critical for the NZDF, which has been underfunded since the end of the Cold War with levels at or below 1 percent for the past 35 years.¹⁵

Critically, New Zealand is moving to integrate its military even more closely with that of its only formal ally, Australia, building out an integrated and interoperable Anzac force in which New Zealand can act as a force multiplier in regional security. The two militaries will work together more often and consider joint procurement of military equipment. New Zealand and Australia have a long and storied history of security cooperation, serving alongside each other in World War I as the Australian and New Zealand Army Corps (ANZAC).

New Zealand is looking to invest in a broad range of enhanced military capabilities to address the changing security environment, including enhanced strike capabilities (primarily the procurement of missiles to arm existing platforms); a sustainment program for the Royal New Zealand Navy's *Anzac*-class frigates prior to their replacement; uncrewed autonomous vessels for persistent surface surveillance; land power investment like new Javelin anti-tank missiles; uncrewed aerial systems (UAS); cyber capabilities; and a series of reforms and investments to streamline acquisition, improve existing infrastructure, and expand the workforce.¹⁶

Revamped Security Partnership with Traditional Partners and Allies. New Zealand's conservative government is also looking at resetting its foreign policy by revamping relations with its traditional partners and allies, including the United States. In a marked departure from his recent predecessors, Luxon declared in August 2024 that New Zealand "can't achieve prosperity without security" and would need to increase its defense spending and work with other militaries in the region. Luxon made a point of highlighting that China remains New Zealand's biggest trading partner while also noting that "there are issues on which we cannot and will not agree." ¹⁷

New Zealand has even discussed expanding military ties with relatively new partners like the Philippines. In November 2024, New Zealand's largest warship joined vessels from the United States, Japan, and the Philippines for joint patrols in the South China Sea. Consideration of increased defense spending in the new security environment is also driven by the fact that New Zealand is a treaty ally of Australia and would be obligated to come to Australia's defense if Australia were attacked by China in a military conflict.

Wellington has signaled interest in deepening its relationship with the United States and expanding security cooperation. In March 2025, Deputy Prime Minister and Foreign Minister Winston Peters traveled to Washington, DC, to meet with Trump Administration officials including Secretary

of State Marco Rubio. Peters stated that "[t]he United States is one of New Zealand's closest and most important partners," that the two countries "have a long history of close and broad cooperation in pursuit of shared interests," and that the government of New Zealand looks forward to discussing "how to continue building on that in the months and years ahead." ¹⁸

The government has expressed an interest in New Zealand's possible involvement in the AUKUS agreement, which currently includes the United States, Australia, and the United Kingdom. As a full or partial participant in the AUKUS agreement, New Zealand could stand to benefit significantly from participation in developing advanced military technology and becoming more interoperable with its allies and partners. China has taken a predictably negative stance toward this, threatening that joining AUKUS would "inevitably" result in negative consequences for the relationship between China and New Zealand.¹⁹

Drive for Economic Security. Partially in response to what it witnessed in neighboring Australia, New Zealand is moving to derisk its economy by diversifying its export destinations beyond China—an action that analysts and policymakers support as protection against the possibility of economic coercion from China if New Zealand were to take political actions that China opposed. One policy response has been New Zealand's pursuit of free trade agreements with other Indo-Pacific countries, especially in Southeast Asia. Even before these efforts began, the percentage of New Zealander exports going to China dropped in 2022 for the first time since 2015, from 31 percent to 29 percent.²⁰

In conjunction with these efforts, New Zealand signed the Joint Declaration Against Trade-Related Economic Coercion and Non-Market Policies and Practices in June 2023 along with the United States, the United Kingdom, Japan, Canada, and Australia. The Joint Declaration does not explicitly name China as the culprit, but the intent is clear, as it condemns many practices in which the United States and others have accused China of engaging. These practices include trade-related economic coercion intended to induce a change in political behavior, theft of intellectual property, anti-competitive government practices like pervasive subsidization, and the use of forced labor both as a human rights violation and as an unfair business practice. ²¹

Chinese Encroachment on the Two Freely Associated States

China has intensified its bilateral relations with the Cook Islands and Niue, two self-governing nations that are in "free association" with New

Zealand. Although autonomous in governance, the Cook Islands and Niue remain constitutionally linked to New Zealand. According to the Congressional Research Service, "New Zealand affords citizenship to people born in the Cook Islands and Niue (offering freedom of movement to and from New Zealand), but the Cook Islands and Niue govern their own domestic affairs." In addition, Niue "receives economic and administrative assistance from New Zealand as per the stipulations of its constitution."²²

The Cook Islands. In 2024, China and the Cook Islands signed a Comprehensive Strategic Partnership (CSP) agreement that, while framed as an economic agreement, carries serious security implications for New Zealand.²³ The subsequent action plan, signed in early 2025, included provisions for dual-use infrastructure development, rare earth minerals exploration (notably for cobalt and copper), and "increased strategic cooperation between 2025 and 2030."²⁴ A controversial proposal to introduce a unique Cook Islands passport was rejected by New Zealand because "a separate passport and citizenship is only available to fully independent and sovereign countries."²⁵

China has an established record of leveraging dual-use infrastructure—civilian facilities with latent military capabilities—to expand its military footprint. Across the Pacific, Beijing has repurposed ports, fisheries, aviation hubs, and communications networks to exercise military and security functions. ²⁶ The CSP's inclusion of port development raises concerns about potential logistical support for the People's Liberation Army Navy (PLAN). Coinciding with the agreement's signing, the PLAN conducted live-fire naval exercises in the Tasman Sea, between New Zealand and Australia, without prior notification. ²⁷ Such demonstrations, which contravene customary practice, signal an intent to project power deeper into the Pacific. Control of dual-use infrastructure in the Cook Islands could enhance China's ability to operate within the third island chain.

Notably, the Cook Islands government did not consult Wellington before finalizing the CSP despite constitutional obligations to do so.²⁸ New Zealand promptly raised concerns, which were dismissed by Chinese state media. In addition, the signing was challenged by citizens within the Cook Islands. In the capital, Avarua, hundreds of residents gathered to protest the agreement, voicing concerns that the proposed introduction of a new passport could jeopardize their automatic New Zealand citizenship, residency rights, and access to essential services.²⁹ These anxieties culminated in a no-confidence motion filed against Cook Islands Prime Minister Mark Brown.

Niue. Niue joined China's Belt and Road Initiative (BRI) in 2018, receiving tens of millions of dollars in economic aid and development assistance.

Among the most significant projects was a \$13.86 million grant from China's Ministry of Commerce for the Ring Road Highway Upgrade Project.³⁰ This initiative encompassed the entire island, delivering 134 new streetlights, 46.1 kilometers of slurry-sealed road, approximately two kilometers of safety barriers, 2.7 kilometers of new footpaths from Alofi to the airport, 92 safety design features, traffic-calming measures such as speed bumps, and lane narrowing.³¹

Of particular concern is the reported inclusion of a wharf upgrade component. This mirrors developments in Vanuatu, where Chinese-funded port infrastructure—such as the Luganville Wharf—has raised alarms. Despite limited commercial use (only four ships docked in the first four months of the year), the Luganville port can accommodate large naval vessels. In 2024, a Chinese Type 055 destroyer and a Type 052D guided-missile destroyer made port calls in Port Vila, another wharf in Vanuatu, fueling concerns about a potential long-term Chinese military presence in the region.

Like other Pacific Island countries, Niue remains heavily dependent on aid. China has leveraged this vulnerability by using large-scale infrastructure investments to cultivate bilateral goodwill. In a recent example, Prime Minister Dalton Tagelagi led a Niuean delegation to China, signaling deepening ties. As this partnership evolves, Niue may become increasingly amenable to Chinese economic and strategic interests, potentially opening avenues for future dual-use infrastructure access.

What New Zealand Should Do

Fortunately, there are several actions that the government of New Zealand can take to meet the growing threat of Chinese expansionism in the Indo-Pacific and defend New Zealand's sovereign interests. Specifically, New Zealand should:

- Implement the 2025 Defense Concept Plan. New Zealand's government is right that the strategic environment around them is quickly changing and that the New Zealand Defence Force needs increased funding so that it can be properly equipped to defend the country's sovereign interests. The focus on lethality and modernization within the 2025 DCP reflects a country that is taking national security seriously.
- Align national defense policy with Australia's. Australia is New Zealand's only formal ally, and the two share a security environment

with common threats and challenges as well as a long and storied history of fighting alongside one another. Integrating the NZDF more deeply with the Australian Defence Force and making the two more interoperable makes sound strategic sense for both sides.

- Deepen partnership with the United States. New Zealand and the United States have a long history of security cooperation. In World War II, "at any one time between June 1942 and mid-1944 there were between 15,000 and 45,000 American servicemen in camp in New Zealand," and "many [of these] Americans died, especially in the invasion of Tarawa," to counter the Japanese push into the South Pacific. During the Cold War, Kiwi troops deployed alongside Americans in the Korean and Vietnam wars. Today, Wellington and Washington once again face a deteriorating security environment, and it is in the national interest of both countries to deepen security cooperation for their mutual benefit.
- Strengthen constructive engagement with the Cook Islands and Niue. New Zealand must maintain a constructive relationship with the Cook Islands and Niue. Wellington retains certain responsibilities through "free association," but its influence is not guaranteed. Past interactions, such as the freezing of millions in aid, have been quietly reflected in budget statements without articulating concrete concerns. The absence of follow-up engagement with Avarua and Alofi risked these actions being perceived as punitive rather than constructive.

New Zealand should prioritize structured, high-level dialogue with the Cook Islands and Niue that clearly communicates its strategic objectives. Such engagements not only reaffirm shared values, but also identify specific areas, such as infrastructure development, in which New Zealand can offer viable alternatives to Chinese financing. Given the appeal of large-scale investment, proactive engagement through venues like the New Zealand–Cook Islands Joint Ministerial Forum remains essential. These platforms can be used to flag concerns about dual-use infrastructure, propose co-funded development projects, and ensure strategic alignment across crucial sectors.

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