

Chapter 8

Politics and Processes: Reflections on the Characteristics of the Decision-Making Process

By the 1980s New Zealand's defence forces were facing the prospect of block obsolescence of many major military platforms. The six case studies described and analysed in this volume provide an insight into the way defence decision-making processes have been undertaken since this time. This chapter now outlines the processes involved in defence decision-making activities, and identifies those factors which have had most impact on the development of the decision-making process in the recent New Zealand context. In so doing, the chapter answers the two questions posed at the beginning of this volume, namely: (1) What are the processes involved in New Zealand defence acquisition policy decision-making activities?; and (2) What factors are brought to bear to influence the decision-making process? In particular this chapter draws out the role personalities have played in individual cases, as well as the role of officials in providing free and frank advice to Ministers. Finally, the chapter concludes with further observations on the nature of the decision-making process, drawing particular attention to the importance of politics and timing in the process.

The Characteristics of the Decision-Making Process

Each of the influencing elements identified in the case studies has had greater or lesser significance at various points throughout the process. The contemporary situation, which includes how New Zealand sees its role in the world and the influence of external actors (particularly the United States and Australia) along with the world situation, is particularly relevant at the beginning of the process when goals and objectives are being set. The influence of external factors then consistently has an impact until a decision on choice has been made. The analysis suggests that timing is most critical both early in the process and ultimately when a decision on choice is being made. Considered judgement nonetheless is also apparent every step of the way.

Politics (including governmental politics and bureaucratic politics) and public opinion both have their place. Public opinion was most influential during the time of the first ANZAC frigate decision, and played its part during subsequent decisions about ANZAC purchases, but has continued to have an influence on other decisions at times. Bureaucratic politics has been demonstrated to often have a part to play from time to time throughout the process. It is at the time of

deciding whether to choose a particular platform or upgrade when political influence and judging political side effects most strongly come to the fore.

Notwithstanding those influencing elements which have already been identified, another practice which has impacted on the decision-making process has become apparent during the case studies, namely incrementalism.

Incrementalism

Incrementalism, or the method of successive limited comparison, was identified by Charles Lindblom many years ago as the regular practice of public servants in approaching decision making.¹ Here the decision-maker identifies few alternatives, none of which are radically different from those which have gone before. In the event, it is clear that this approach has been used in every case but one under discussion in this volume. (The exception was HMNZS *Charles Upham*, and this was because the Royal New Zealand Navy (RNZN) had never operated a logistic support ship (LSS) previously.) For example, although David Lange indicated 'we are not in the frigate business', the specification of the ANZAC frigates was clearly based on the development of a modern warship, rather than an ocean patrol vessel. When the lease of the F-16s was under consideration, Derek Quigley raised questions about the role expected of new aircraft observing that:

It seems likely that the policy requirement for an air combat force to perform the three specified roles ... arose simply because there is already a fighter attack force in being, those are the roles that the air combat force is capable of performing, and the RNZAF is keen to maintain a fighter capability.²

With the *Orion* upgrade, Project *Sirius* was intended to update the aircraft's systems so that it could continue with its customary role of surface and sub-surface surveillance. When that project was cancelled, it took careful and sustained work to convince Cabinet of the utility of an upgrade under Project *Guardian* which was similar in so many respects to Project *Sirius*. Further, whilst the 105 LAVs were to allow the introduction of a new concept, that of a motorised infantry, they were nevertheless replacing a previous total of 103 APCs and fire support vehicles.

Whether the incremental method has sufficient dynamism to allow organisations to conceptualise decisions that are sufficiently innovative for a rapidly changing environment has been open to question. It might be argued that incrementalism has been successfully challenged by the intervention of the Department of the Prime Minister and Cabinet with the *Maritime Patrol Review* and the introduction of new capabilities to be made possible by the completion of seven new vessels under Project *Protector*, but in the case of those capabilities under review in this study incrementalism has remained a powerful feature.

The role of individuals

In this section further reflection is offered on the roles individuals have played, and this is most clearly illustrated in the first four of the case studies. In the case of the ANZAC frigates it was Geoffrey Palmer who ultimately had to weigh up the relative importance of external interests, public opinion and politics and political side effects. He had a clear picture of how he and senior colleagues Russell Marshall and Bob Tizard saw New Zealand's role in the world, and he was determined that the frigate purchase would proceed. His recent appointment as Prime Minister was used to advantage to lever influence with Cabinet and Caucus colleagues to ensure the acquisition went ahead in the face of what had previously been strong opposition.

The Prime Minister of the day was to play an important role in developments concerning the purchase and plans for conversion of HMNZS *Charles Upham*. The 1997 *Review of acquisition and proposed conversion* had noted that, as early as 1993, the Prime Minister's Department had indicated that the project to acquire an MSS should not be pursued with any vigour. Warren Cooper, at the time Minister of Defence, made it clear that Jim Bolger was not at all enthusiastic about the proposal to buy and convert the *Charles Upham*. Once the ship had been purchased, Jim Bolger then sent David Jack from the Department of the Prime Minister and Cabinet to warn officials in Defence that conversion work on the *Charles Upham* 'would not happen'. When Winston Peters became Treasurer following the 1996 election, he was just as determined that money would not be spent on the ship, and it never was.

Peters again loomed large in the debate over the second frigate decision. He had made it known at the time of the election that his Party was against purchasing further frigates. As Treasurer and Deputy Prime Minister, he declared his opposition once more when the matter was under discussion in October 1997. The day after this assertion, Bolger announced that no decision on further frigate purchases would be taken before the next election.

Just two months later, in December 1997, Bolger himself was ousted from his position as Prime Minister and replaced by Jenny Shipley, with Paul East being replaced as Minister of Defence by Max Bradford. Bradford was determined to see the decision-making process for the ANZAC frigates rekindled. Knowing that a new-build ANZAC was going to be unacceptable to his colleagues in Government, Bradford worked hard with the Australians to ensure the prospect of a second-hand ANZAC being made available, which the Australians would themselves replace with a new vessel. Opposition to the purchase came from both within and outside the Party. Bill English, who was to become Leader of the Opposition, led a group who were against the purchase of the frigates apparently because they were 'poll driven'.³ The ACT Party, United Future and a number of independent MPs were also against the purchase, yet their support

for the Government was critical to ensure its survival. In the end, the need for political survival overcame any perceived need for a third ANZAC and the decision not to proceed with the purchase was made.

There were essentially three people who were central to the decisions surrounding the lease of the F-16s. The first of these was Secretary of Defence Gerald Hensley, who was the first to be approached (by American Deputy Secretary Kurt Campbell) about a possible lease deal. The second was Max Bradford, who championed the lease and saw the debate through a difficult time in Cabinet to an apparently successful conclusion. Helen Clark was the third actor, voicing determined opposition to the lease as leader of the Labour Party prior to the election, and demonstrating just as much determined opposition as Prime Minister after the election in 1999. Whilst Bradford suggested that Major General Maurice Dodson, Chief of General Staff, played a significant role in arguing that the lease of the F-16s would starve the New Zealand Army of funds, it would seem that Clark and her Cabinet colleagues had already been attracted by the recommendations of the Quigley Report. In March 2000 the decision not to proceed with the lease was made.

The roles played by individuals in the final two case studies are somewhat less clear. Clark was adamantly against a sophisticated upgrading of the *Orions*, and for a time the future of the P-3s was clearly in doubt. In the end however a sophisticated upgrade was agreed to. Whilst Graham Fortune spelt out that the utility of the upgraded aircraft to meet the combined needs for the military and for civilian agencies was a convincing factor, it still remains unclear just what constellation of events occurred during 2002 to bring about such a change in attitude.

Much was made of the attempts by Army to influence the Government over the LAV decision. Charges were made in the White and Ansell report that 'leaks' from the Army had been used to advance the Army's interests over those of other Services. Yet again it was clear that the Labour-led Government was determined from the outset to ensure that the Army did receive significant support for new equipment. Opportunities remain to explore at some future point the personal influence of Helen Clark as Prime Minister and Mark Burton as Minister of Defence on this particular acquisition.

The role of officials

In these final reflections, I want to comment on the role of officials in the decision-making process. The insistence, persistence and foresight of officials in providing robust advice to Ministers have been essential in ensuring that New Zealand retains a credible Defence Force. When first undertaking research for this book, I suspected that I might find a bureaucracy riven with factions, endeavouring to control the decision-making process in classic 'Mandarin'

fashion. Whilst there has been clear evidence that at times there *have* been factions and divisions between the three Service branches, and those Service branches and the Ministry of Defence, nevertheless it remains apparent that officials have endeavoured to work with rigour over time to provide the best judgement and advice possible to assist politicians in determining the most appropriate decisions for the cases under review. Three out of six of the case studies which have been analysed, the ANZAC frigates, the upgrade of the P-3 *Orions* and the LAV III, have been or are in the process of successful implementation. In each case, officials have worked to ensure that they provided the Government of the day with the most appropriate advice upon which to base decisions despite that advice not always proving popular.

Perhaps not surprisingly, homeostasis is sought when major decisions are being considered. No single individual or organisation wants to face massive change, and incrementalism has been attractive within Defence as it helps ensure that those changes which do take place are not too dramatic. Whilst this may have limited innovative thinking at times (and prompted the involvement of the Department of the Prime Minister and Cabinet), nevertheless incrementalism has also had demonstrated success. For example, the availability of two ANZAC frigates has provided a capability which the Government has been able to use to advantage to pursue New Zealand's policy goals. Whilst David Lange said that no one could tell him how the frigates would be used, the deployments to the Persian Gulf in support of Operation *Enduring Freedom* clearly underscore the frigates' utility. The other asset which the Government has deployed to the Persian Gulf has been the P-3K *Orion*, yet another platform which drew criticism because of its high cost and lack of previous operational deployment. Whilst the deployment required the Royal New Zealand Air Force to borrow equipment from the Royal New Zealand Navy to enable its aircraft to operate in a coalition environment, nonetheless it was possible, and the aircraft and their crews performed with distinction. Officials are charged with providing the Minister of the day with free and frank advice. In the case of the ANZAC frigates, insistence on them having upgraded facilities initially, and more sophisticated equipment than some politicians might have been comfortable with, has helped ensure that they remain a credible and viable platform in today's operating environment. Had the Naval Combat Force been abandoned and replaced only with patrol boats, successive governments would have had severely limited options available to them to help implement policy. Had there been less persistence on the part of officials to ensure a credible upgrade of the *Orions*, once again policy options would have been severely curtailed. One has only to review the marginal utility of the M113s in Bosnia to see the danger of forces becoming irrelevant if forced to operate with outdated or inadequate equipment.

Conclusion

In reviewing each of the case studies, as indicated above, it is clear that there are a myriad of factors influencing the decision-making process at any given time. How New Zealand views the world; external sources of influence, particularly the pressures brought to bear by the United States and Australia; public opinion; and bureaucratic politics—all these factors have played a significant part. Most recently, international developments regionally and globally have been of great importance. However, in each case study I have been particularly struck by the clear importance of both politics and timing in the decision-making process. The change in the voting system to Mixed Member Proportional (MMP) representation had its own impact. Whilst the politics of a given situation can be subject to manipulation by individuals involved in the process, there is somewhat less possibility for controlling timing. The juxtaposition of events and correlation of forces surrounding a process may be less subject to individual control, but a skilled leader will recognise when the time is right for a particular course of action, as Geoffrey Palmer did during the ANZAC frigate decision process. As Palmer said:

‘Timing in politics is everything’

In each of the cases under review in this book, that has clearly been the case.

ENDNOTES

¹ Charles E. Lindblom, ‘The Science of Muddling Through’, *Public Administration Review*, vol. 19, 1959, pp. 79–88.

² *Inquiry into Defence Beyond 2000*, Interim Report of the Foreign Affairs, Defence and Trade Committee, House of Representatives, Wellington, November 1998, p. 96.

³ Max Bradford, Personal interview, 10 November 2003.