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Australia and New Zealand Strengthen Defence Ties Amid Regional Tensions

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Australian Prime Minister Anthony Albanese and New Zealand Prime Minister Christopher Luxon met in Queenstown, New Zealand, on August 9 for their second annual bilateral meeting, during which they pledged to deepen defence cooperation amid what the leaders described as one of the most unpredictable security environments in decades.

Luxon referred to Australia as New Zealand’s “only ally” and said a key focus of the talks was enhancing interoperability between the two countries’ armed forces. He emphasized the aim

of operating as an integrated Anzac force in the Indo-Pacific region, referencing their shared military history dating back to World War I.

The discussions followed a rare Chinese naval exercise in the Tasman Sea earlier this year. In February, a Chinese flotilla conducted live-fire drills that prompted some commercial flight path changes. Analysts and officials have interpreted the drills as a demonstration of China's expanding maritime reach in the region.

Prime Minister Albanese said he raised concerns about the lack of advance notice for the Chinese exercise directly with Chinese President Xi Jinping. He noted that Xi compared the exercise to Australia's own military operations in the South China Sea. Both leaders acknowledged China as their largest trading partner while emphasizing the importance of maintaining open dialogue despite differences in histories, political systems, and values.

A joint statement released after the summit highlighted the strategic importance of the Australia–New Zealand alliance and noted progress in defence integration over the past year. Although China was not explicitly named, the leaders confirmed that broader geostrategic competition among major powers was a subject of discussion.

Luxon underscored New Zealand's recent defence overhaul announced in April, which includes plans to double defence spending to more than 2 percent of GDP over the coming years. This initiative aims to enhance the New Zealand Defence Force's combat capabilities after years of spending around 1 percent of GDP.

Japan also signaled increased engagement in the South Pacific, with Japanese warships docking in New Zealand last week for the first time in nearly 90 years. In Australia, a \$6.5 billion contract was announced with Japan's Mitsubishi Heavy Industries to build 11 naval frigates, further strengthening defence ties.

Australia's largest defence project remains the AUKUS submarine program, a trilateral initiative with the United States and the United Kingdom. The program plans to deliver a fleet of nuclear-powered submarines to Australia. Government estimates place the lifetime costs of the program between A\$268 billion and A\$368 billion (approximately US\$245 billion). The program includes acquiring existing US Virginia-class submarines and co-developing next-generation SSN-AUKUS vessels.

Both leaders reaffirmed that closer military ties are essential for safeguarding shared interests and maintaining stability in the Indo-Pacific region.