

Chapter 3

Oranges and Lemons—HMNZS

Charles Upham

As long ago as the 1970s the need had been identified for the purchase of a sealift ship to support the implementation of New Zealand's defence and foreign policy in the South Pacific, and to support New Zealand's involvement in UN operations. The proposed ship was to have an ice-strengthened bow for Antarctic operations, and helicopter facilities, but the cost at the time was seen as putting such a vessel beyond New Zealand's reach. The 1978 *Defence Review* noted the need for 'a general purpose logistic support capability. The adaptation of a suitable commercial vessel...is not discounted'.¹

The need for a Logistic Support Ship (LSS) continued to be recognised, and the 1987 White Paper drew attention to the need to purchase some form of sealift vessel for New Zealand forces as an essential part of the New Zealand Defence Force (NZDF)'s ability to mount effective operations in the region. With the impending withdrawal of the New Zealand battalion from Singapore, and the clear shift in focus to the South Pacific signalled in the White Paper, the Army's Ready Reaction Force (RRF) had no means of moving quickly around either the Pacific or to Southeast Asia—there was insufficient transport to deploy and sustain a battalion group away from New Zealand. The White Paper commented: 'A further and essential part of our ability to mount effective operations in the region is the purchase of a logistic support ship—probably a converted merchant ship.'²

Subsequent studies undertaken in 1988 suggested that a purpose-built LSS, initially with a displacement of up to 12 000 tonnes, be built. The vessel would have the capacity to transport up to 200 troops and heavy equipment, and be capable of unloading onto a beach, or onto conventional wharves.³ Such a specialist ship, with landing craft and helicopters, could have cost up to NZ\$240 million, and was ultimately seen as exceeding the necessary credible minimum.⁴

The 1991 Defence White Paper defined three security scenarios in which there might be a call for a limited deployment of forces in the South Pacific region: the need for evacuation of New Zealand nationals; a terrorist threat; or requests for assistance to respond to threats to law and order. The desired capability to respond to these tasks was seen as being able to deploy a sizeable force to those islands which have seats of government or significant centres of population. Once again the gap in transport and force projection capabilities was identified, and a call was made to review possible ways of closing the gap.

The 1991 White Paper did set up a number of reviews and one of these saw the need for a vessel that would primarily move troops and equipment around the Pacific, and be available to provide support for peacekeeping operations. The *Air and Sea Transport Review* team concluded that there was no doubt that a military sealift capacity was a core capability element if the NZDF was to meet the defence tasks specified in the White Paper.⁵ The team had a clear concern about the limitations of chartering, observing that the time taken for a vessel to be delivered to Auckland could not be quantified with any certainty. With few suitable vessels available for charter in Australia, New Zealand or the South Pacific, it was likely that a vessel would have to come from Europe, taking 36 days to get here. Whilst the *Review* team noted that there appeared to have been some reservations about the need for military shipping for strategic transport, they were of the opinion that 'sea-lift is essential; otherwise the lack of a credible deployment capability should call into question the New Zealand Army's present force structure'.⁶

The new vessel was to be capable of carrying supplies to the Islands in times of civil emergency, or to evacuate New Zealand citizens at times of civil unrest. The review saw a sealift ship deploying up to a company of personnel with their equipment and supplies, to provide reconstruction, rehabilitation or medical assistance. The vessel would also be expected to be able to provide sealift to offshore islands, especially the Chatham Islands, when other transport was unavailable, and to maintain the continuity of Cook Strait transportation between the North and South Island when other services were restricted or were unavailable. Importantly, the type of gap to be filled was re-defined, and it was suggested that the less ambitious task of operating into those ports which had wharf facilities might be sufficient. It was ultimately recommended 'that the NZDF obtain a military sealift ship (MSS) based on a commercial medium size roll on/roll off ship as a matter of priority'.⁷ This chapter traces the events that led to the purchase of such a ship, HMNZS *Charles Upham*, then its subsequent lease and ultimate sale.

Evaluating the Alternatives

During 1991, the *Review* team considered a number of possible vessel types as solutions. They acknowledged that a *Mercandian* 1500 vessel could deploy 50 per cent of the vehicles and stores required by the RRF, and considered this size of vessel as the credible minimum. However, they believed the purchase of a vessel such as the *Union Rotorua* would be a more attractive option. Whilst it was somewhat larger than the minimum requirement, the *Review* team felt it would be 'an economical and effective solution to the NZDF's greatest current capability deficiency'.⁸ It noted that the *Union Rotorua* almost exactly matched the dimension specification to deploy the RRF vehicles and equipment. The *Union Rotorua* was one of the first vessels to be considered for the task of

providing logistic support. This vessel could have deployed all of the RRF's vehicles and equipment in one lift. Admiral Sir Somerford Teagle recalled seeing the vessel in Sydney Harbour, looking large and imposing. He said to his Australian Defence Force (ADF) counterpart, 'that could be our new Logistic Support Ship',—though personally he was not wedded to any particular vessel type, more the capability any such vessel would bring to the NZDF. The *Review* team also saw the vessel as imposing, and thought that the perception of the size of the ship might be its only real disadvantage. With a length of 205 metres and a maximum laden weight of up to 24 000 tonnes, the ship did have a large profile. Whilst in international shipping terms it was only a medium-sized vessel, it was amongst the larger ships to visit New Zealand ports regularly, and would have been by far the largest ship operated by the Royal New Zealand Navy (RNZN):

There was a perception that she was too big—I don't know why. There was no issue of her being too big in the maritime sense. As for the requirement that the chosen vessel should fit the Calliope Dock, that was just one of many criteria. I don't believe that this on its own would be sufficient reason to reject the *Union Rotorua*.⁹

In all of the documentation that I have reviewed, there is no clear, rational explanation as to why the *Union Rotorua* was dropped from the short-list. The vessel was gas-turbine powered, and it was noted that the prime mover would soon need an overhaul.¹⁰ However, its sister ship the *Union Rotoiti* was diesel-electric, and Teagle saw no reason why the *Union Rotorua* could not have been easily converted.

The estimated through life costs were NZ\$10.02 million per year, as opposed to an estimated NZ\$7.1 million for a Mercandian 1500, but the *Review* team were clear that the greater capability, capacity, speed and flexibility offset the increase in operating costs.¹¹ Perhaps with the benefit of hindsight, the *Review* team's observation of the vessel's apparent lack of problems as regards stability or motion at sea with a light load should have been given more weight. Of particular note was the *Review* team's observation about a Mercandian vessel already plying New Zealand's waters. *The Spirit of Freedom*, a Mercandian 610 had been trading between Auckland and Lyttleton for four years and the *Review* team noted that, 'designed for trade in the North Sea, this vessel, unless fully laden, is very uncomfortable at sea in the South Pacific'.¹² These were to be words of portent.

The 1997 NZDF Report, *HMNZS Charles Upham: Review of acquisition and proposed conversion*, went into some detail about the steps which led up to the purchase of HMNZS *Charles Upham*. In summary, the steps reported to have been undertaken were as follows:

1. In November 1991, the NZDF undertook an appraisal of the roll on/roll off vessel *Union Rotorua*. The ship was available for sale, and the *Review* team

- considered that, with suitable modifications, it would provide the minimum capacity required for sealift operations. In May of 1992 Cabinet authorised the investigation of costs to bring the *Union Rotorua* into service.
2. In June 1992 further studies within NZDF led to a refinement of the requirements for a new vessel, and the *Union Rotorua* was considered to be slightly too large for the these new requirements, and Cabinet authorised comparison with at least one other vessel.
 3. In July 1992 the shipbroking firm of Rugg and Co. in the United Kingdom was engaged to investigate suitable ships on the second-hand market. Defence staff received a total of 33 available ships in 20 different classes, which they narrowed down to 21 ships in 9 classes, plus the *Union Rotorua*. In October 1992 this list was further refined down to 4 classes, and the option of building a new ship was considered, with yards in Korea, Poland and Spain being asked for indicative prices. (The Polish yard was slow to respond and not pursued further.)
 4. In November a team of Defence personnel inspected the four second-hand class of ships, and held discussions with the Spanish and Korean shipyards, with the outcome being that either a new or second-hand ship would be suitable. Of the second-hand ships, the Mercandian 2-in-1 class was the preferred option.
 5. In December 1992 BMT Defence Services Limited in the United Kingdom was selected to review Defence's estimates for the conversion cost for a Mercandian 2-in-1 class vessel, comment on the practicality of the conversion, and also to carry out comparisons with a new vessel. During that month a specification was also drawn up which was to be used for the evaluation and subsequent purchase of the chosen vessel (see Appendix 3, User Requirement). At the end of January 1993 BMT Defence Services concluded that a conversion was feasible, but indicated that the vessel class failed to meet specification in a number of areas including a narrow quarter ramp and low deck height, and that stabiliser tanks would be required for helicopter operations. There were also concerns about vessel motion. In addition it commented that there was very little difference in cost between a second-hand and new vessel.
 6. In April 1993 Defence sought Cabinet approval for the purchase of either a second-hand or a new vessel. Cabinet, though, decided to defer a decision until it had reviewed the forthcoming Defence Consolidated Resource Plan. The 1997 *NZDF Review* notes that officials were surprised that, at this point, Cabinet stressed that the main rationale for acquiring the vessel was to be able respond to natural disasters and other emergency situations in the South Pacific region. Cabinet at this time also invited the Minister of Defence to investigate the possibility of cooperating with Australia in the financing and use of a military sea-lift ship.

HMAS *Tobruk*

In late 1993, the Australian Government offered to lease the heavy landing ship, HMAS *Tobruk*, to the NZDF. In November a brief was developed for the Chief of Naval Staff to assist with discussions. It was noted in the brief that there were some important shortfalls against the user requirement, most notably that the ship had only half of the cargo capacity of a Mercandian vessel, and that the vessel required significantly more crew—144 as against 65. (This was potentially a concern for the RNZN at the time, though it was noted that the RFA operated with a crew of 65, so some personnel savings were likely.) Discussions were held with several senior Royal Australian Navy (RAN) officers during the period 14-18 February 1994 and ‘the general feeling was that the ADF wished to lease the vessel to New Zealand rather than have us buy it’. Significantly, it was stated that ‘the RAN ... obviously do not wish to be put in a position where they make an offer which we might turn down’.¹³

The NZDF assessed its suitability and initially was supportive of pursuing this option. The *Tobruk* still had significant cargo and personnel carrying capacity, with the ability to land resources across the beach. However, it was apparently not clear at this stage what the costs involved would actually be.¹⁴ Nevertheless, it was recommended that this option be pursued, and on 11 May 1994 the Australian Minister for Defence, Senator Robert Ray wrote to his New Zealand counterpart, Warren Cooper, with a firm offer of a lease for the ship. Later that month, Cabinet gave approval for discussions to proceed with a view to acquiring the vessel, which Australia would retain some access to each year. At the time, an officer, not part of the team claimed: ‘The team is going through the motions. We will have a look at her, but the politicians have already decided to take her.’¹⁵ Senior Defence personnel agreed that it would be politically beneficial for the New Zealand Government to take the *Tobruk*, but the *Tobruk* was described as a 25 year old ship in a 10 year old body. An engineering officer was reported to say: ‘The country will pay dearly. She’s an orphan, so parts will be expensive. She will be a nice little earner for the dockyard’s new operators.’¹⁶ However, a meeting held on 9 June with representatives from the Ministry of Defence and the NZDF, agreed that the *Tobruk* offered an acceptable interim solution to meet the MSS requirement; and that the aim should be to obtain a Cabinet decision in time to agree a lease with the Australians in Darwin on 28–29 July 1994.

Within less than two weeks the situation seemed to have markedly changed. In a Position Paper, approved by the Secretary for Defence, attention was drawn to the original reasons why agreement had been given for pursuing the lease of the *Tobruk*. Of some importance was the continuing requirement by the ADF for the capabilities of a New Zealand crewed and operated *Tobruk* for exercises and contingencies, which was an important Closer Defence Relations (CDR)

consideration. The avoidance of capital costs was also seen as an advantage, though not decisive.

In the event, on 21 June 1994 the Australians advised that they wished to sell the *Tobruk*, offering a deferred purchase or lease to purchase option. (In a Minute to the Cabinet Subcommittee, the price of A\$58 million was mentioned as the current value of the ship.¹⁷) It was observed that the purchase of the *Tobruk*, based on the Australians having no further use for it, had no inherent advantages for New Zealand. This removed any CDR benefits for New Zealand and, coupled with an availability date which kept slipping, Defence in New Zealand decided that the purchase was not the right decision. A negotiating team was still nevertheless due to leave for Australia; they were advised clearly by the Secretary of Defence that they were 'to ensure that our Australian colleagues have a full appreciation of the new position in respect of acquiring an MSS capability ... and that other than for CDR considerations, New Zealand has no interest in *Tobruk*'.¹⁸

In the Alliance Report of 1998, *The Biggest Lemon Ever To Leave Auckland*, it was reported that New Zealand was offered the vessel at the then cost of about NZ\$18.57 million. The Audit Office was told by the NZDF that while the *Tobruk* was offered in May 1994 at a price of A\$7 million, plus a quantity of spares at a further A\$7 million, these were preliminary estimates only and subject to negotiation.¹⁹

Rear-Admiral David Campbell was at the time Deputy Chief of Naval Staff (DCNS) in the RAN. His recollection was that 'the Minister said the Kiwis could have the ship for nothing'. Campbell went on to say that the principal reason was that whilst the RAN could no longer afford the *Tobruk* (with two replacement ships arriving), the Minister 'was very anxious that her capability not be lost to the alliance in the SW Pacific'.²⁰ So keen was Senator Robert Ray on retaining the capability that he was prepared to give the ship away. With an offer like that on the table, coupled with the very strong political pressure Ray was exerting, the New Zealand Government had to examine the proposal very seriously. The planned visit mentioned above went ahead, and Campbell received an official visit from representatives of the RNZN and the MoD:

It was plain to me from the outset that they had no intention of taking the ship. Before the visit there had been some trans-Tasman enquiries and preliminary negotiations. I recall one such item being 'Would we include the ship's inventory of spare and repair parts?' Reluctantly, I agreed. They were probably worth more than the ship herself, but I understood the Minister wanted the transfer to go ahead and so I was prepared to forego the revenue. In my office, they wanted to know (actually it was stronger than a question; it was more like a demand) whether Australia would pay for her next scheduled refit? Absolutely

not, I said—an answer that they knew perfectly well was the only possible one. It was evident to me that they were genuinely worried about her relatively high manning and the cost of the forthcoming refit, but at the same time they were desperate to get other reasons why they should not accept her. The negotiations, on their part, were perfunctory and dutiful and I never thought that they were sincere.²¹

In November 1997 the then New Zealand Minister of Defence spoke to this decision:

After several months of discussion the RAN recommended that New Zealand should buy the vessel, but that it would not be available for two years (i.e. by 1996) and the cost of this would be considerably higher than New Zealand had anticipated. In view of this, and taking into consideration the very high operating costs for the vessel, the NZDF determined that it was not worth continuing with further discussions.²²

In reviewing the correspondence of the time, it seems as if there was an initial willingness to seriously consider the *Tobruk* despite the vessel's shortcomings. As noted previously, the potential benefits to CDR were seen as being important: 'On balance we considered the CDR contribution New Zealand could make by taking on the *Tobruk* were worth these disadvantages.'²³ In this minute, Gerald Hensley, the Secretary of Defence, commented that leasing the *Tobruk* was seen as an acceptable interim trade-off solution because it meant New Zealand could have made a significant contribution to CDR. The change from a lease proposition to a possible purchase was seen to change that considerably. Yet two elements do not quite fit: Rear-Admiral Campbell's recollection that the Minister was willing to give the ship away to maintain the capability in the region (which was confirmed by Dick Gentles—'Yes, they did offer it to us free of charge');²⁴ and Campbell's response to my question as to whether there would have been a likely ongoing CDR requirement? 'With *Tobruk* do you mean, whether donated, leased or sold? Yes, most certainly.'²⁵

Were bureaucratic politics an issue with the *Tobruk*? The memo from the Secretary of Defence was very clear in the message it sent to officials who were going to Australia. Or was the *Tobruk* really a vessel that was going to be too expensive to run and maintain? Undoubtedly the *Tobruk* would have been an expensive vessel to man and operate, costing perhaps NZ\$4 million per annum more in operational costs. This is though quoted as a maximum cost, and again like the *Union Rotorua* it was observed: 'The *Tobruk* can do many things that even a converted *Charles Upham* will not be able to.'²⁶ It was suggested by the Alliance Party in 1998 that 'the real additional operating costs had we purchased the *Tobruk* would probably have come in at much less than this figure'.²⁷ The Alliance Party went on to suggest that, in retrospect, not proceeding with the

acquisition of the *Tobruk* was probably a mistake. The Audit Office report argued with these sentiments, saying that there would have been a delay with the vessel entering NZDF service; that further delays would have been incurred because of the necessity to refit the engines; and that, as with the *Charles Upham*, there was no guarantee that funds would be available to complete the necessary work. Nevertheless, despite the decision not to take the *Tobruk*, the vessel has continued to prove useful in combined regional operations ‘turning up like that nautical nemesis the *Flying Dutchman*’²⁸ —providing logistic support in the Bougainville operation in 1994, subsequently visiting Wellington on 30 May 1998 to unload Army equipment used in Bougainville, and taking New Zealand troops to East Timor in 1999. In 2005 the vessel transported troops and equipment to Iraq. Although concerns had been raised in 1994 about the ship’s longevity, the HMAS *Tobruk* was still in service in 2009.

HMNZS *Charles Upham*

The prospect of a LSS had been under consideration for 15 years by the time Defence asked Cabinet in 1993 for approval to purchase a vessel. However, at this point the consultants preparing the 1997 *Review* commented that they understood that the Prime Minister’s Department had given indications that the Military Sea-lift Ship project should not be promoted. Officials prepared a new report for Cabinet but it wasn’t considered because of the forthcoming 1993 General Election.

In July 1994 the decision was made within Defence to proceed with the purchase of a second-hand ship. Four issues were identified which led to this decision; a vessel could be acquired quickly (it was already almost three years since the first potential vessel had been inspected); cashflow would be improved; no large initial outlay would be necessary, and the smaller sum spent and shorter lifespan of this initial ship would allow for experience to be gained which would better inform requirements over the longer term. The Ministry then asked the broker who had previously handled the earlier enquiry to update them on the availability of Mercandian 2-in-1 class vessels, rather than review the market again. Following protracted discussions the *Mercandian Queen II* became available, approval was sought from Cabinet to purchase the vessel and this approval was given on 28 November 1994.

In the supporting documentation to the Cabinet Subcommittee from the Minister of Defence, the caution was made: ‘If we decide against sealift, the Australians could perceive us as not being serious about maintaining a credible defence effort.’²⁹ In a further memorandum to the Cabinet Subcommittee dated 22 November 1994, the Minister of Defence spoke to Treasury’s concern about the financing of the proposed acquisitions that were to be discussed at Cabinet, including the MSS. He noted that Treasury acknowledged that the MSS would be a flexible and desirable asset and that, in Treasury’s view:

the decision on whether to purchase a ship involves a trade-off between three key factors:

Cost: A fully capable MSS costs \$60m being \$25 million for the initial capital and an additional \$34m required to upgrade for the ship (sic) for carrying troops and helicopter. The additional operating costs of \$7m annually are significant. No compensating or offsetting capability is proposed. The operating costs are to be met by unspecified internal efficiencies and adjustments.

Risk: The likelihood of a major deployment of military forces without sufficient warning time to charter commercial shipping is a critical factor in assessing the case for the MSS.

Priority: Ministers will need to assess whether providing this new capability should proceed when there are other pressures on defence resources to maintain existing capabilities such as the *Orion* fleet.³⁰

Cabinet approved the expenditure of up to NZ\$26 million for acquisition and initial modification of a MSS, and noted that the updated Defence Consolidated Resource Plan (DCRP) was to include provision for further expenditure of up to NZ\$34 million for phase 2 modifications. The sale was finalised on 16 December 1994 at a purchase price of Danish Kroner 55 000 000, or NZ\$14.15 million. A Defence official reportedly said: 'There is a feeling of relief around defence that the project has been finally realised.'³¹

Once the purchase was completed, the vessel was to be delivered after carrying a cargo to defray costs, and it sailed as a merchantman under the New Zealand flag. The vessel arrived in New Zealand on 14 March 1995, and was delivered to the RNZN the following day. It was formally commissioned into the RNZN in October 1995, being named, by his widow, after one of New Zealand's most famous war heroes, Charles Upham. The Minister of Defence, Warren Cooper, said at the time that he expected that the vessel would be well used in exercises, UN peacekeeping deployments, and in emergency relief work.

From the outset it had been clear that the vessel would need modification. The initial modifications were to be limited to essential work to bring the ship into immediate service, but even at this stage the vessel was said to be useable and able to carry a full range of freight: 'The MSS will be able to meet its primary function without the follow on modifications and it will also to a large degree be able to perform effectively its assigned ancillary tasks.'³²

The *Charles Upham* was 133 metres in length with a displacement of 7220 tonnes. It had a single engine and single screw. As a commercial vessel, the *Charles Upham* carried a merchant crew of seventeen. Refitted for a helicopter, she would have permanent accommodation for up to 65, with the capacity to accommodate an additional 150. In a four page *New Zealand Defence Quarterly*

article, much was made of the arrival of the new ship, the contribution she would make to the NZDF, and the modest alterations necessary:

The helicopter deck apart, most modifications are not likely to be structural or expensive. Even so, the Defence Force is in no tearing hurry because, says Ministry of Defence Project Director, Peter Ware, they 'want to get it right.' No firm decision will be taken on major alterations for some months, during which crews will be able to get operational experience of the ship. ... Many decisions have yet to be taken before the *Charles Upham* is fully operational, but at this stage the future of New Zealand's military transport looks bright. Certainly the ship will give a much needed boost in an area that has long been lacking, and it looks set to do so at a minimum cost to the taxpayer.³³

During the next several months the crew was able to get operational experience of the ship, and the above bright predictions were to be proved sadly wrong.

The 1997 *Review of the Charles Upham* drew attention to the *Air and Sea Transport Review* which followed the 1991 White Paper, and recommended an '80/20' solution for the purchase of a MSS. That is, acquiring most of the capability needed to meet most of the likely operational circumstances. Having the ability to unload at an unimproved wharf was therefore one of the fundamental requirements. Nevertheless, the *Review* itself pointed out that cargo handling equipment 'appears to be an area not fully considered at the time (late 1992)'.³⁴ It went on to say that part of the proposal was to use a forklift for large container handling; however, the vessel had a weight limit of 17 tonnes per single axle, whilst the forklift had a weight of 20 tonnes per axle, even when not loaded. This seems to have been a major oversight, especially when no requirement was made for the vessel to have its own lighterage facilities. The *Review* expressed surprise about this, saying that it seemed inevitable that there would be some missions where wharves were either damaged, or non-existent. It seemed increasingly as though the ship could not achieve the 80/20 solution, and that reaching some of those islands which had seats of government or significant populations was not as possible as had been hoped. The vessel was reportedly unable to access Rarotonga, and there were fears that fitting it with cranes to unload heavy cargo would cause it to roll.

Entering Service – The (sea) Trials of HMNZS *Charles Upham*

HMNZS *Charles Upham*'s main task was to deploy the Royal New Zealand Army's RRF on overseas operations. This would require transporting up to 150 troops, armoured personnel carriers, trucks, field artillery, and associated equipment

such as field kitchens and surgery. An opportunity to test this ability was to present itself in 1996 as part of a 'Limited Operations and Evaluation' period.

The vessel made two operational sea trips, from Napier to Lyttleton and, from 24 June–3 August 1996 from Auckland to Fiji on Exercise *Tropic Dust*, with plans to visit Tonga, Niue, Western Samoa and Fiji. The author went on board the ship in Apia harbour in Samoa in July, and was struck first of all by how high she was sitting out of the water. The vessel had some light equipment on board, and a number of containers carrying shingle to add ballast, but by all accounts the trip so far had been one of the most uncomfortable many of the seasoned sailors had ever experienced. Commander Gary Collier, Director of Naval Force Development, spoke about the difficulties the following year:

Unfortunately, the ship struck some very rough weather and, not helped by an engine defect, she ended up beam on to some fairly heavy seas—no much fun for the ship's company, let alone the army personnel and cargo onboard especially when a roll of 37° was recorded. This was a similar motion to that experienced by some of the senior member's of the ship's company when, also lightly laden, a cyclone was encountered during the delivery voyage.³⁵

The commanding officer, Commander Ian A. Logan, was reported as being at times fearful for the safety of the ship. So great was this concern that the ship was withdrawn from service in August 1996 in order to undertake modifications to reduce the motion problem of the ship and improve the reliability of the propulsion system. At the same time the Minister of Defence was told that a submission seeking Cabinet approval for Phase 3 modifications was in the process of preparation.

The main reason why the *Charles Upham* was kept tied up alongside at Devonport in Auckland was its propensity to roll when at sea. The BMT Defence Services report in January 1993 had drawn attention to the probability of uncomfortable motion when the ship was lightly loaded: 'The technical staff involved in the selection process were aware of these points, and the other advantages ... were sufficient to override any concerns on this point.'³⁶ The vessel had been designed to carry up to 7000 tonnes of cargo, and thus loaded sat low in the water, slowing the period of roll. Lightly loaded, the ship rolled hugely, making life on board distressingly uncomfortable, threatening the safety of cargo lashings, and preventing altogether any possibility of helicopter operations. Whilst there was no initial decision on whether the ship would have a helicopter of its own, in light of the observation about the possibility of operating in areas with limited wharf facilities, the limited ability for a helicopter to operate even after stabilisation work would seem to be of concern. Subsequent calculations predicted that the vessel would need to carry at least 3500 tonnes of cargo or ballast in order to produce suitable ship motion.

The Calliope South Windbreak

By the beginning of 1997, the reputation of the ill-fated vessel had plummeted. It was reported that there had been a whispering campaign instigated against the quality of the RNZN's project management, and it was suggested that the priority for the *Charles Upham*'s conversion had been unexpectedly downgraded. In April the first formal review of the vessel's purchase was published, HMNZS *Charles Upham: Review of acquisition and proposed conversion*, finding that the vessel was bought for a fair market price and was suitable for conversion. In May of that year, the *New Zealand Herald* ran a front page article with the headline 'Huge bill for defects in Navy vessel'. In June of 1997 Commander Gary Collier wrote an update article in *Navy Today*—referring to the ship as 'the Calliope South windbreak'—explaining some of the reasons for the hold up in further development work on the *Charles Upham*. He suggested that there were three factors contributing to the delay: the financial position of the NZDF had necessitated a Defence Assessment; there was an ongoing review of operational requirements; and the Government had called for an independent audit into the acquisition process and the ship's suitability for conversion. Collier postulated:

I would be cautiously optimistic that, once detailed design work has been completed, we could see some real activity in the latter half of next year (it takes about 12 months to complete the drawings and the subsequent contract process anyway). ... I will finish this hopefully helpful article by emphasising that *Charles Upham* is an important element to the NZDF and that it is receiving a high priority amongst the corridors of power.³⁷

The need for sealift capacity was once again highlighted in the 1997 *Defence Review*:

Modern armed forces have a large logistical tail. Troops can be moved by air but their kit and supplies must come by sea. New Zealand has not traditionally maintained a military sealift capability. Instead it has relied on others, most recently the United Nations, to provide transport for our heavy equipment. The risks of continuing to do so are rising.³⁸

Nevertheless, the White Paper of that year indicated that 'the Government will consider whether to convert HMNZS *Charles Upham* in about two years time'.³⁹ (In fact, on 20 October 1997 Cabinet had agreed it would consider modifications to the *Charles Upham* towards the end of the three year planning cycle in 2000.) By this stage, the vessel had been tied up alongside at Devonport in Auckland for 16 months, and had cost some NZ\$22 million. In November 1997, the recently formed Alliance Party published its first booklet on the vessel, *The Scandal of The Charles Upham*, and described the formal April report as

being 'widely regarded both inside and outside the Defence Force as a whitewash'.⁴⁰

In April 1998 the RNZN indicated that the funding priority to convert the ship could not be maintained in the face of a stringent Defence budget, and that the ship would be offered for lease anticipating funding becoming available. The Minister of Defence, commenting on why the vessel could not be converted said: 'This is simply not our most important need...funding for the conversion of HMNZS *Charles Upham* is scheduled for 2000/01.'⁴¹

The ship subsequently sailed on 12 May 1998 on a delivery voyage to Spain, for a bareboat charter of two years and two months, to deliver citrus fruit in the Mediterranean. Immediately on completion of the charter, it was said, the vessel would undergo the modification program necessary to allow the ship to operate effectively in all load conditions: 'The ship will be a significant asset for New Zealand's responsibilities in the Pacific Region.'⁴² In July 1998 the Alliance Party produced their second booklet, *The Biggest Lemon Ever To Leave Auckland*, describing the vessel then as 'doing a passable imitation between a lemon and a white elephant'. It then commented that both the field commander in Bougainville, Brigadier Roger Mortlock, and the Chief of Naval Staff, Admiral Fred Wilson, had been as critical as serving officers could be of the logistical and cost implications of not having the *Charles Upham* available for use for Bougainville. Following this, the Foreign Affairs, Defence and Trade Committee, asked the Audit Office to comment on both the quality of advice the New Zealand Government had received and the implications contained in the Alliance Party booklets. The Audit Office report was released in September 1998.

With the degree of controversy and public concern that had been raised by this stage, requests for information were being received by both the Ministry of Defence and Treasury. The Minister of Defence felt that the public interest would be best served by as full a disclosure of official information as possible, and asked for information held by both the Ministry of Defence and the NZDF pertaining to the acquisition of the *Charles Upham* to be made available. The result was a 690 page document, *Official Information Pertaining to the Military Sealift Project HMNZS Charles Upham*, released in November 1998. In a statement made to the Foreign Affairs and Defence Select Committee at the time of the release, the Minister said:

Contrary to speculation based on misinformation that is being fed to the public, the *Charles Upham*, once modified, is the right ship to meet New Zealand's military sealift requirement. While it is unfortunate that the current financial squeeze has resulted in a delay to these modifications, there are no reasons not to proceed with the work in two years time. We will then have a fully capable ship that will give us at least 15 years service.⁴³

Later in November, the Minister recommended that Cabinet endorse the Defence 10 Year Capital Plan, and noted that it would take 18 months for the design work to be completed and tenders let for the conversion of the *Charles Upham*.

Finally, in July 1999, five years after Cabinet had given initial approval for the purchase of a second-hand vessel, it gave approval in principle for the conversion progress to begin. The conversion was expected to be finished by 2002, some 15 years after the 1987 *Defence Review*.

Controversy continued and, in early November 1999, following the deployment of New Zealand troops to East Timor, Geoff Braybrooke, Labour's defence spokesperson, attacked the Government saying: 'The troop carrier capability has had such low priority under National that the botched purchase, HMNZS *Charles Upham*, is carrying oranges and lemons in the Mediterranean.'⁴⁴ Later that year there was an election, a change of Government, and the beginnings of the third formal review of HMNZS *Charles Upham*.

The Decision to Dispose of HMNZS *Charles Upham*

Following the election in 1999 and the subsequent change to a Labour led government, a Strategic Assessment⁴⁵ and a report, *New Zealand's Foreign and Security Policy Challenges*,⁴⁶ were completed in 2000, each of these helping to inform *The Government's Defence Policy Framework*⁴⁷ released in June 2000. In this policy document it was made clear that the Government would complete reviews by November 2000 which would identify options for effective military sealift for deployment and support of troops. Later that month the Secretary of Defence wrote to the Minister, noting that the Prime Minister had asked to be briefed on those capability projects identified in the Framework. The Secretary reported that a contract had been let to BMT Defence Services for the production of the design for the conversion to be undertaken; this was to be done in three phases, two of which had already been completed. The options put to the Government were to accept that the conversion to the *Charles Upham* provided the cheapest way of providing an acceptable sealift solution, and allowing the design work to be completed; or to review the project specifications for generic military sealift taking 'consideration of the advantages of an across-the-beach capability, and identify available alternatives'. The Secretary added: 'The Defence Policy Framework points in the direction of the generic review.'⁴⁸

In a briefing to Caucus in October 2000, the Minister indicated that in fact lessons had been learned from East Timor:

The primary reason we need a sealift ship is to deploy the heavy equipment of a committed Army group within a reasonable period. The lessons of East Timor demonstrated the importance of sealift and the need for us to address this.⁴⁹

The *Sealift Review* was completed in November 2000, and made a number of observations and recommendations. Firstly it highlighted the distinction customarily made between strategic and tactical sealift. Strategic sealift is the delivery of heavy equipment from New Zealand to an assembly area, usually a fixed port, where vehicles and equipment are married up with personnel, who are most likely to have been flown into the area. Tactical sealift is the delivery of equipment and personnel into an operational area; and tactical sealift ships are designed to operate in areas without formal port facilities. The *Review* makes the point that, in the case of East Timor, both requirements were demonstrated, with strategic sealift transporting equipment to Darwin by roll-on, roll-off vessel; and a French tactical sealift ship completing the journey and off-loading over the beach. The *Review* indicated that a limited over the beach capacity would be useful, and could be provided by a modified *Charles Upham*. The *Sealift Review* examined four options:

1. Reliance on commercial chartering;
2. Acquisition of a used military sealift ship;
3. Purchase of a new purpose built ship; and
4. Modification of the *Charles Upham*.

It defined the capacity needed as the requirement to transport equipment to support a battalion group, and therefore the specification was almost exactly the same as that originally proposed in the User Specification of 1992.

The reliance on commercial chartering was seen as carrying some risks—particularly the concern about the possible delays at a time when a rapid response might be needed, but also the lack of a tactical capability. The used military sealift ship was seen as a high-risk option in terms of cost, whilst the new, purpose-built vessel was seen as high in tactical utility, whilst only being able to match half of the strategic capacity of a modified *Charles Upham*. The *Review* concluded that, whilst the *Charles Upham* had some limitations in its ability to off-load cargo across the beach, and limited utility for other duties when not undertaking sealift, it was nonetheless ‘the most cost effective option for meeting the core requirement for assured strategic sealift’.⁵⁰

Earlier that month the Cabinet Policy Committee had invited a group of Ministers, including the Prime Minister, Deputy Prime Minister, Minister of Finance and Minister of Defence, to explore how to progress defence options more rapidly. One month later, 21 December 2000, a Sustainable Defence Plan was submitted to Ministers from both the Department of the Prime Minister and Cabinet and Treasury. The Plan stated:

Officials’ conclusions at this stage are that:

1. Any immediate requirement for strategic sealift should be provided by charter arrangements;

2. The *Charles Upham* should be sold next year when it comes off charter; and
3. Any further requirements for sealift or a ship with a multipurpose role can be examined in the context of a replacement for HMNZS *Canterbury*.⁵¹

Following discussion at the Cabinet Policy Committee meeting in March, Cabinet decided on 2 April 2001 to endorse the above recommendations, and the decision was announced in the *Government Defence Statement* of 8 May 2001.⁵² In July the Minister of Defence announced that the vessel had been sold to a Spanish shipping company saying that the NZ\$35–40 million needed to modify the vessel was not considered to be a prudent use of defence resources.

Reflections on the Purchase and Disposal of HMNZS *Charles Upham*

As has become already apparent, the major concern about the *Charles Upham* was that it did not work in the way that was intended. After the ship had been bought, the intention was to make it ready in three steps. The first of these were the initial modifications and commissioning; the second was the period of sea trials; and the third was to have been the more expensive full modification stage. Timing and political influence were important influencing elements from very early on in the ship's development.

It is important here to recall that the 1997 *Review* had commented that the Prime Minister's Department had given indications in 1993 that the MSS project should not be promoted. Cabinet had given approval for the purchase of the ship on 28 November 1994, and the sale was finalised very quickly, on 16 December 1994. After a Mercandian had first been identified as a suitable ship, some six vessels had come up for sale. By the time Cabinet approval had been given all had been sold, but one sale fell through and a vessel was again available. However, the sale needed to be actioned quickly. Dick Gentles, former Deputy Secretary, Policy and Planning noted: 'There was a feeling of conspiracy that because we'd bought the vessel so quickly after Cabinet approval that the deal was cooked up; politicians were suspicious.'⁵³ Political influence then came into play. Warren Cooper, the Minister of Defence at the time said: 'I formed the impression that Jim Bolger wasn't enthusiastic about the deal and that impression grew subsequently when we had purchased the vessel.'⁵⁴ Robin Johansen confirmed the concern: 'I had a visit shortly afterwards from the Prime Minister's Department, and was told I shouldn't put up any plans for the conversion of the vessel because "it won't happen."⁵⁵ Jim Bolger, Prime Minister at the time, was forthright in his comments: 'I was never persuaded that we needed it; when we got it, it couldn't do its job; and subsequently it was moved on pretty quickly.'⁵⁶

At the time of commissioning in October 1995 it was proposed that no firm decisions on major alterations would be taken for some months, to allow for operational experience. The second step began on 2 November 1995, with the ship virtually unchanged from its original condition, except for the addition of communications equipment and increased accommodation.

As has become clear, the first stage of sea trials for the ship was dangerous, and disastrous for the ship's image. At this point it seems as though there were two factors operating in tandem to make development of the *Charles Upham* difficult—fiscal and operational. In looking at trade-offs, the decision had been made to bring the vessel out from Europe with a commercial crew. When the RNZN had commissioned the fleet replenishment ship HMNZS *Endeavour*, the crew had been sent to the Merchant Navy Training School in Launceston, and some to the Royal Fleet Auxiliary (RFA) in the United Kingdom for training. An RFA Chief Officer joined the *Endeavour* as an advisor: it was recognised that operating merchant vessels required different skills from those required for combat vessels. Again the question of bureaucratic politics was raised. Peter Cozens noted: 'The Navy didn't use the same principles for the *Upham* as they had with the *Endeavour*—a huge lack of judgement. At first I thought it was plain stupidity; but it was strategy.'⁵⁷ Teagle gave a different view:

There was never the opportunity to train the crew the way we did with *Endeavour*. With the *Endeavour* we had time to plan. We learnt from the RFA for *Endeavour*; that specialist training they had provided needed to be provided for the crew of the *Upham* and it wasn't. I had retired shortly after the decision to purchase the ship was taken, so why, I don't know.⁵⁸

The issue of bureaucratic politics was also raised by the Audit Office Review:

We could not establish why the evaluation of the *Charles Upham* by sea trials was not reactivated after the propulsion system was fixed. When the ship was leased it was sailed to Europe in a light-load condition.⁵⁹

These two elements, together with the history of policy decisions which were part of ongoing political influence, combined to ensure that the necessary funding which had been identified at the beginning of the project was never forthcoming. The ship was withdrawn from service in August 1996, and a freeze on unapproved capital expenditure was already in force. In October 1996 the first Mixed Member Proportional (MMP) election returned a Government led by the National Party, with the support of New Zealand First. Winston Peters, the leader of New Zealand First, was appointed as Treasurer, and once again no funds were forthcoming for the progress of the *Charles Upham*.

The Reviews

As indicated, there were three formal reviews of the *Charles Upham*, in 1997, 1998 and 2000, and two reports, by the Alliance Party, in 1997 and 1998. The 1997 *Review* concluded with:

The consultants have reviewed the acquisition process. They consider that the process of evaluating the options and the purchase was carried out in a professionally responsible manner. The steps taken were, for the most part, those that one would normally expect.⁶⁰

The Alliance Party report of 1997 said that the 'conclusions are most kindly described as surprising. ... Unkinder critics have called the conclusions a whitewash'.⁶¹ The 1998 Report from the Office of the Controller and Auditor-General was wide-ranging in its review. It examined the DCRP, which covered a 10-year period and was reviewed on an annual basis. It was told by Treasury that the latter's former manager had been concerned about the lack of priorities in the plan. It also noted that the Plan was reviewed at least annually, with resulting changes to priorities. The DCRP for 1994–95 had a note attached regarding the *Charles Upham* which stated: 'Potential upgrades have been identified at \$34 million. The cash requirement will be confirmed in light of operating experience and funded out of underspends and programme slippage on an opportunity basis.'⁶²

The Report team was clearly concerned that the commitment to fund modifications was secondary at this stage to other projects. They highlighted that Treasury commented: 'It is not clear at this stage what would be the value of an unmodified sealift ship, in the event that Ministers do not wish to commit to the additional expenditure necessary to upgrade it.'⁶³

It would seem that right from the beginning of the proposal there was a question mark hanging over any future major funding for conversion. Members of the External Relations and Defence Committee were asked in their deliberations to note that the purchase and initial modification of the vessel would provide an adequate basic capability, and that future modifications would happen only if money was available which did not mean prejudicing other projects. The Report team was of the opinion that, even at this stage, it meant that the upgrade of the MSS was the lowest of priorities. Once more highlighting the place of bureaucratic politics, it concluded that the Government of the day made its decision 'on assurances from both NZDF and the MoD that proved in the event not to be valid'.⁶⁴ The Audit Review Team summarised its major findings succinctly: 'The adequate basic MSS capability promised to Cabinet has never been realised. The statement that capital equipment procurement would not require a capital injection has proved to be incorrect'.⁶⁵

Was HMNZS *Charles Upham* a lemon?

HMNZS *Charles Upham* ended up being the butt of many jokes, particularly when it went off to Spain to become a citrus fruit transporter. There are many varied opinions about why the vessel turned so sour. Robert Miles, a radical defence commentator from Timaru, suggested that it was likely the RNZN knew they were buying a lemon; that if this had not been the case, they might have had a new amphibious assault ship, or the *Tobruk*.⁶⁶ In February 2000, in an open discussion on the lessons of East Timor, Major General Piers Reid, former Chief of General Staff, spoke in impassioned fashion about the *Charles Upham*:

For the third time in the past six years, after Bosnia and Bougainville, the mistaken purchase of the totally unsuitable *Charles Upham* has come back to haunt the Defence Force. I cannot overstate the need for a suitable vessel; for deployments, for services protected evacuations and for disaster relief. The internal Defence politics, which saw the cheapest near-enough cargo ship purchased, to preserve funds for the frigates, has worked entirely against the national interest.⁶⁷

The Admirals, contended Robert Miles—echoing Major General Reid—wanted to concentrate on a blue-water fighting force. Such sentiments were echoed by Peter Cozens, Director of the Centre for Strategic Studies, Victoria University of Wellington: ‘The Navy simply did not want it, and did everything in their power to ensure they didn’t get it.’⁶⁸ Robin Johansen, former Deputy Secretary—Acquisitions added: ‘The Navy didn’t see the acquisition of the *Upham* as being of strategic value to them.’⁶⁹ Rear Admiral Jack Welch however commented: ‘The Navy was given the task of fulfilling a national requirement to buy a ship to transport the Army. Had we followed through with the conversion she would have been quite suitable for the purpose.’⁷⁰ On this aspect Peter Cozens agreed and thought the concept of conversion was ‘brilliant, spot-on. The Corps of Naval Constructors said it was feasible and would produce an excellent outcome. It would have done.’⁷¹ His sentiments were reflected by Admiral Sir Somerford Teagle: ‘It could have been a good ship. It was a tragedy—a missed opportunity. It seems it was never really given a chance.’⁷²

Once again, Jim Bolger responded in direct fashion: ‘The terminology that it could have been a good ship tells you everything you want to know. It wasn’t.’⁷³ There were other commentators who suggested that the ship was never really given a chance, and provided interesting feedback of their own. The following letter appeared as part of ongoing correspondence in the *New Zealand Listener* in 2001:

(The) reference to the much-maligned HMNZS *Charles Upham* assumed that the ship was lacking in stability by inferring that she could only cart lemons ‘without rolling over and going glug’. That ship, and many

others of her class, sail the world's sea lanes daily. One of their many attributes is that they possess a surfeit of positive stability, which makes for uncomfortable seakeeping qualities, but in turn provides a tremendous margin of safety if the ship is ever damaged. This fact seems to have been overlooked.

As a military materiel carrier, she was superb, but the RNZN did not appreciate her capabilities. Some of the published figures for her to be made 'serviceable' in RNZN terms were ludicrous. One wonders why she was never given a fair go. Merchant naval personnel are conversant with such ships and had she been manned by them, she might have performed her allotted duties admirably.⁷⁴

The RNZN continued to work on a solution for the poor sea-keeping qualities of the vessel throughout the 1990s but, with a change of Government following the election in 1999, the opportunity for correction was to be lost.

Summary

Whilst external sources, and in particular the value placed on CDR, had some influence in the early stages of the decision to purchase the ill-fated HMNZS *Charles Upham*, the most consistently apparent influencing elements during the early phases of the decision-making process were New Zealand's role in the world, geographical priorities, and the judgement of short-term versus long-term payoffs. Although the National Party and the Labour Party each had different views of New Zealand's role in the world, they both recognised the need to be able to deploy troops and equipment overseas. Geographical priorities as spelt out in the 1987 White Paper required Defence to be able to respond to regional crises. With the debate about a LSS having begun in earnest in 1978, and having been reinforced by the recommendations of the 1987 White Paper, the impact of judgements of short-term versus long-term payoffs and the trade offs this entailed was to nevertheless ensure that some 30 years later New Zealand was still waiting for a fully functioning Multi-Role Vessel to become available. Here one would have to wonder about the difference in the order of magnitude of committing several hundreds of millions of dollars for a replacement frigate, the lease of the F-16s, the upgrading of the *Orions* or the purchase of new armoured vehicles for the Army (each of which will be explored in subsequent chapters), with the original estimate of NZ\$34 million to upgrade the *Charles Upham*.⁷⁵ Undoubtedly bureaucratic politics had their place, as the New Zealand Army and the RNZN pursued their own priorities. Timing and political influence, though, were ultimately the crucial features in the decision-making process, the resistance to completion of the conversion work proving to be the death knell for HMNZS *Charles Upham*.

ENDNOTES

- ¹ *Defence Review 1978*, Government Printer, Wellington, 1978, p. 28.
- ² *Defence of New Zealand, Review of Defence Policy 1987*, Government Printer, Wellington, 1987, p. 35.
- ³ *HMNZS Charles Upham: Review of acquisition and proposed conversion*, NZDF Report No. 210, 14 April 1997.
- ⁴ *The Defence of New Zealand 1991, A Policy Paper*, GP Print Ltd, Wellington, 1991, p. 80.
- ⁵ *Review of Defence Air and Sea Transport*, Report of Review Team, Volume 1, Wellington, 1991, p. vii.
- ⁶ *Review of Defence Air and Sea Transport*, Report of Review Team, p. 32.
- ⁷ *HMNZS Charles Upham: Review of acquisition and proposed conversion*, p. 1.
- ⁸ *Review of Defence Air and Sea Transport*, Report of Review Team, p. viii. [my emphasis]
- ⁹ Admiral Sir Somerford Teagle, Personal interview, 20 September 2003. The requirement that the vessel should fit the Calliope Dock, as was specified in the 1992 User Requirement (see Appendix 3), effectively meant that HMNZS *Union Rotorua* could no longer be considered.
- ¹⁰ *Review of Defence Air and Sea Transport*, Report of Review Team, p. 40.
- ¹¹ *Review of Defence Air and Sea Transport*, Report of Review Team, p. 40.
- ¹² *Review of Defence Air and Sea Transport*, Report of Review Team, p. 14.
- ¹³ Minute NA 11925-0002 from DPPR to CNS, 23 February 1994, p. 5, contained in *Official Information Pertaining to the Military Sealift Project HMNZS Charles Upham*, Ministry of Defence, Wellington, November 1998, p. 6.
- ¹⁴ See answer to written question 15929 of 26 November 1997, quoted in *The Scandal of The Charles Upham*, Alliance Party, Wellington, November 1997, p. 2. This says that the Royal Australian Navy indicated 'that the ship could be leased at a very attractive rate (sum not disclosed)'. Whilst lease costs were not discussed in detail, expressions such as 'at a price you can afford' were apparently used. (See Minute NA 11925-0002 from DPPR to CNS, 23 February 1994.)
- ¹⁵ Ric Oram, 'Defence rethink on troop ship', *New Zealand Herald*, 25 July 1994.
- ¹⁶ Oram, 'Defence rethink on troop ship'.
- ¹⁷ Minute PF/3310-16, 28 June 1994, p. 3, contained in *Official Information Pertaining to the Military Sealift Project HMNZS Charles Upham*.
- ¹⁸ Minute PF/3310-16, 28 June 1994, p. 5.
- ¹⁹ *HMNZS Charles Upham, Report on Concerns Raised by the Foreign Affairs, Defence and Trade Committee*, Office of the Controller and Auditor-General, Wellington, 24 September 1998, p. 36.
- ²⁰ Rear-Admiral David Campbell, Personal correspondence, 15 September 2003.
- ²¹ Campbell, Personal correspondence, 15 September 2003.
- ²² See answer to written question 15929 of 26 November 1997, quoted in Alliance Party, *The Biggest Lemon Ever To Leave Auckland*, Wellington, July 1998.
- ²³ Minute PF/3310-16, 28 June 1994, p. 5.
- ²⁴ Dick Gentles, Personal interview, 12 November 2003.
- ²⁵ Campbell, Personal correspondence, 15 September 2003.
- ²⁶ Alliance Party, *The Biggest Lemon Ever To Leave Auckland*, p. 5.
- ²⁷ Alliance Party, *The Biggest Lemon Ever To Leave Auckland*, p. 5.
- ²⁸ *HMNZS Charles Upham, Report on Concerns Raised by the Foreign Affairs, Defence and Trade Committee*, p. 4.
- ²⁹ Memorandum from Minister of Defence to Chair, Cabinet Sub-Committee for Defence, Security and External Relations, 31 October 1994.
- ³⁰ Memorandum from Minister of Defence to Chair, Cabinet Sub-Committee for Defence, Security and External Relations, 22 November 1994, pp. 7–8.
- ³¹ Ric Oram, 'New ship to work her passage carrying cargo', *New Zealand Herald*, 3 January 1995.
- ³² Memorandum from Minister of Defence to Chair, Cabinet Sub-Committee for Defence, Security and External Relations, 22 November 1994, p. 4.
- ³³ Matthew Wright. 'Sealift for Soldiers', *New Zealand Defence Quarterly*, Number 8, Autumn 1995, pp. 21–22.
- ³⁴ *HMNZS Charles Upham: Review of acquisition and proposed conversion*, p. 19.

- ³⁵ Gary Collier, 'HMNZS Charles Upham—what's happening?', *Navy Today*, No. 12, June 1997, p. 15.
- ³⁶ *HMNZS Charles Upham: Review of acquisition and proposed conversion*, p. 21.
- ³⁷ Collier, 'HMNZS Charles Upham—what's happening?'
- ³⁸ Quoted in Alliance Party, *The Scandal of The Charles Upham*, p. 7.
- ³⁹ *The Shape of New Zealand's Defence, A White Paper*, Ministry of Defence, Wellington, November 1997, p. 45.
- ⁴⁰ Alliance Party, *The Scandal of The Charles Upham*, p. 1.
- ⁴¹ See Question for Written Answer 2670 of 4 April 1998, quoted in Alliance Party, *The Biggest Lemon Ever To Leave Auckland*, p. 2.
- ⁴² 'Charles Upham departs on charter', *Navy Today*, No. 23, June 1998, p. 18.
- ⁴³ 'Sealift Ship Charles Upham', available at <<http://www.defence.govt.nz/scripts/press/index.asp?page=34>>, accessed 23 January 2002.
- ⁴⁴ 'Labour—a sensible defence policy', available at <<http://www.scoop.co.nz/mason/stories/PA9911/SOO167.htm>>, accessed 20 September 2003.
- ⁴⁵ *Strategic Assessment 2000*, External Assessments Bureau, Department of the Prime Minister and Cabinet, Wellington, 24 March 2000.
- ⁴⁶ *New Zealand's Foreign and Security Policy Challenges*, Ministry of Foreign Affairs and Trade, Wellington, May 2000.
- ⁴⁷ *The Government's Defence Policy Framework*, Ministry of Defence, Wellington, June 2000.
- ⁴⁸ Note and Annexes from the Secretary of Defence to the Minister of Defence, 20 June 2000, p. 4.
- ⁴⁹ Cover sheet and letter from Secretary of Defence to the Minister of Defence attaching the Notes to Brief Caucus, 30 October 2000, p. 4.
- ⁵⁰ *New Zealand Defence Force Capability Reviews, Phase One—Land Forces and Sealift*, Ministry of Defence, Wellington, November 2000, p. 83.
- ⁵¹ *Sustainable Defence Plan*, Department of the Prime Minister and Cabinet, Wellington, 21 December 2000, p. 5.
- ⁵² *Government Defence Statement: A Modern, Sustainable Defence Force Matched to New Zealand's Needs*, Ministry of Defence, Wellington, June 2001, p. 7.
- ⁵³ Gentles, Personal interview, 12 November 2003.
- ⁵⁴ Warren Cooper, Telephone interview, 1 May 2005.
- ⁵⁵ Robin Johansen, Personal interview, 29 April 2005.
- ⁵⁶ Rt.Hon. Jim Bolger, Personal interview, 15 December 2005.
- ⁵⁷ Peter Cozens, Director of the Centre for Strategic Studies, Victoria University of Wellington, Personal interview, 27 August 2003.
- ⁵⁸ Admiral Sir Somerford Teagle, Personal interview, 20 September 2003.
- ⁵⁹ *HMNZS Charles Upham, Report on Concerns Raised by the Foreign Affairs, Defence and Trade Committee*, p. 29.
- ⁶⁰ *HMNZS Charles Upham: Review of acquisition and proposed conversion*, p. 27.
- ⁶¹ Alliance Party, *The Scandal of The Charles Upham*, p. 4.
- ⁶² *HMNZS Charles Upham, Report on Concerns Raised by the Foreign Affairs, Defence and Trade Committee*, p. 19.
- ⁶³ *HMNZS Charles Upham, Report on Concerns Raised by the Foreign Affairs, Defence and Trade Committee*, p. 19.
- ⁶⁴ *HMNZS Charles Upham, Report on Concerns Raised by the Foreign Affairs, Defence and Trade Committee*, p. 21.
- ⁶⁵ *HMNZS Charles Upham, Report on Concerns Raised by the Foreign Affairs, Defence and Trade Committee*, p. 28.
- ⁶⁶ Robert Miles, *Scuttling the Army, The Charles Upham Scandal*, Black Diamond Press, Timaru, 1998, p. 8.
- ⁶⁷ Piers Reid, 'The Lessons of East Timor', in *Defence Policy after East Timor*, New Zealand Institute of International Affairs, Wellington, 2000; and personal interview, 3 September 2003.
- ⁶⁸ Cozens, Personal interview, 27 August 2003.
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- ⁷⁰ Rear Admiral Jack Welch, Telephone interview, 31 May 2005.
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- ⁷² Teagle, Personal interview, 20 September 2003.
- ⁷³ Bolger, Personal interview, 15 December 2005.
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- ⁷⁵ Cabinet Minute CAB (94) M 46/16.