

Chapter 7

Plotting and Sedition, or Necessary Acquisition? The LAV IIIs

At the time of the publication of the 1997 Defence White Paper, it had become apparent that the New Zealand Government was being faced with a range of decisions which it needed to take to overcome the widespread obsolescence of major items of military equipment. Whilst previous chapters have focused on some of the major needs of the Royal New Zealand Navy (RNZN) or the Royal New Zealand Air Force (RNZAF), or, as in the case of HMNZS *Charles Upham* joint service requirements, this chapter will focus on one central requirement necessary for re-equipping the Army—Light Armoured Vehicles, or LAVs.

The 1997 White Paper noted that ‘immediate priorities include the replacement or upgrading of the current fleet of M113 Armoured Personnel Carriers’.¹ At a Cabinet Meeting the previous month, it had been agreed that upgrading the Army’s combat capability was a priority ‘to overcome current shortcomings in its ability to undertake the more likely short term tasks, particularly peacekeeping missions’.² The following year Cabinet approved in principle the expenditure of NZ\$180 million to acquire armoured vehicles, comprising both Armoured Personnel Carriers (APCs) and Fire Support Vehicles (FSVs). The funding was to provide sufficient armoured protection for the deployment of an infantry company group, replacing the 77 M113s and eight *Scorpion* FSVs which were then being operated.

Just over a year later, the Cabinet Strategy Committee approved a major change to the operational concept of the Army, agreeing that it become a motorised infantry force. This move to motorisation of the Army was to require a significant increase in the number of armoured vehicles required, and, as an interim measure, approval was given for the expenditure of NZ\$212 million, which it was estimated would provide sufficient lift for one battalion group, and for one company from the second battalion. Cabinet approved both the change in operational concept and funding at a meeting on 24 May 1999.

With the return of a Labour-led government later that year, a commitment to re-equipping the Army was reinforced. *The Government’s Defence Policy Framework*, released in June 2000, noted:

Priority will be given to the acquisition and maintenance of essential equipment. Our core requirement is for well-equipped, combat trained

land forces which are also able to act as effective peacekeepers, supported by the Navy and Air Force.³

Two months later at a meeting on 21 August 2000, Cabinet approved in principle the purchase of 105 Light armoured vehicles at a projected cost of NZ\$611 million. This was to be a significantly controversial acquisition project decision, leading to no less than four official reviews or inquiries.⁴

This chapter briefly explores the development of the use of armoured vehicles in the New Zealand Army and then examines the events that led to National's initial decision in 1997 to proceed with acquiring new armoured vehicles. The subsequent decisions to approve the motorisation of the Army, and increase the amount of funding available shall then be reviewed, before exploring the decisions of the Labour-led Government which led to the purchase of 105 fully equipped LAV IIIs, and, finally, commenting on their introduction into service.

History and Background

New Zealand's first armoured regiment was the Divisional Cavalry Regiment, formed during the Second World War. The Regiment was despatched overseas in three echelons, the second of which was diverted to England to assist in its defence during the Battle of Britain. The Regiment operated a variety of tracked and wheeled armoured vehicles, and saw action in Greece, Crete, the Middle East, North Africa and Italy.

Following the war, for several decades the New Zealand Army operated both wheeled scout cars and armoured cars (predominately made by Daimler), as well as tanks. *Valentine* tanks were introduced in 1941 and served until 1960. *Centurions* were operated between 1950 and 1968⁵, whilst the last tank operated by the Army, the M41 light tank, ten of which were introduced from 1960 on, was officially withdrawn from service in 1983.

By this time, the Army was operating two main types of armoured vehicle, the venerable M113A1 APC, and the *Scorpion* FSV. Designed in the United States in the mid-1950s, the M113 had entered New Zealand Army service in 1969, and over the next few years 77 were delivered in total. The M113 proved to be reliable for many years, and it saw service overseas in both Bosnia and East Timor. The last of the M113s were formally withdrawn from service on 19 November 2004. The *Scorpion*, which entered service in 1983, was a somewhat different proposition.

The 1978 *Defence Review* indicated that New Zealand could no longer afford main battle tanks, and that the M41s would be replaced with a 'cost effective alternative',—the *Scorpion*.⁶ The first *Scorpions*, built by Alvis Limited of Coventry, were delivered to the British Army in 1972. Designated a Combat Vehicle Reconnaissance (Tracked) or CVR (T), the *Scorpion* was fitted with a

76mm gun, and a militarised 4.2 litre Jaguar petrol engine. Twenty-six *Scorpions* were delivered to the New Zealand Army from August 1982 onwards. Major General Piers Reid, former Chief of General Staff, was scathing about the vehicle: 'We bought the *Scorpion*—that was a bad decision. It was a disastrous vehicle, built for Autobahns. It fell apart in the matter of a decade.'⁷ These sentiments were echoed by officials:

The *Scorpion* light tank is currently in use as a reconnaissance and fire support vehicle. It is not well-suited to the fire support role. It has experienced recurring mechanical problems which have attracted high maintenance costs and have forced the withdrawal of all but eight of the original 26 vehicles.⁸

The *Scorpions* were finally withdrawn from active service in July 1998.

Equipping an Expeditionary Force—Lessons from Bosnia

Ever since the first contingent of New Zealand troops left for the Boer War in October 1899, New Zealand has had a tradition of developing and maintaining expeditionary forces.⁹ This is no less important today than it was over a century ago. As the Chief of Defence Force highlighted in 2004, 'New Zealand's geo-strategic position and reliance upon international trade fundamentally influences the way NZDF doctrine is derived and applied. As a result NZDF doctrine focuses upon our need to develop and sustain expeditionary forces'.¹⁰

When 250 New Zealand troops arrived in the former Yugoslavia in September 1994, their Commanding Officer, Lieutenant Colonel Graeme Williams, described the deployment of Kiwi Company as 'the largest number of troops in one deployment that the Government has committed to active service since the Korean War of the 1950s'.¹¹ Unlike the 8000 horses which served the New Zealand contingent during the Boer War, the main mount for Kiwi Company was to be the M113A1 Armoured Personnel Carrier. Twenty-six M113s were despatched to Bosnia, but undertook major modifications before arrival 'in order to deploy safely to Bosnia', as a Cabinet Committee paper in March 1998 indicated. The paper did go on to acknowledge that adding further armour to the vehicle to improve crew survivability adversely affected the vehicle's mobility and performance in roles such as convoy protection. Speaking in Parliament later that year, Helen Clark was more direct with her concern: 'The Army was sent to Bosnia with armoured personnel carriers from the Vietnam War and those men were endangered.'¹² Cabinet papers the following year underscored this point:

The deficiencies in the NZ Army's capabilities were confirmed by the Kiwi Company deployment to Bosnia. This deployment showed that the NZ Army, with its current equipment types and method of operation, would be incapable of operating effectively in anything other than a

benign environment, without imposing significant risk on the wider force within which it would work.¹³

Whilst the deployment of three contingents of troops to Bosnia was an enormous public relations success, both politically and for the NZDF, there was clearly a large amount of risk involved. Brigadier Roger Mortlock commented:

The M113s were slow—as they were re-armoured they became very slow. The initial British brigadier gave Kiwi Company the safest area to patrol, but he was still worried that he wouldn't get to them in time if they were in real trouble.¹⁴

The nature of the operational area was underscored by Captain Marcus Culley of Kiwi II Company:

With the increase in size of the company's area of responsibility as a result of the deployment of United Nations Task Force *Alpha*, the workload on soldiers has increased. ... Fortunately the danger has not increased, with the Vitez pocket remaining one of the quieter places in Central Bosnia.¹⁵

The former Secretary of Defence, Gerald Hensley, also commented on their limits: 'In 1994 I said they were old and worn out. Deployed on a mission they were on the limits of their capability.'¹⁶ The limits on the capability of the M113s meant that there was also a severe limit on the utility of New Zealand forces. In order to have a minimum level of acceptable protection, NZ\$3.2 million had been spent on modifying the M113s before they left for Bosnia. In addition, belly armour for mine protection, and sponson armour to protect against shrapnel, was borrowed from Australia. The result of the modifications was such that, 'although the level of protection of these vehicles was improved, their mobility was severely compromised'.¹⁷ The significant constraints this placed on Kiwi Company were emphasised in a paper arguing for the motorisation of the New Zealand Army:

This (deficiency) has implications for the value that our traditional defence partners place on New Zealand's peacekeeping efforts. Bosnia highlighted that the Army lacks the means to be able to move and manoeuvre its forces with the necessary degree of protection and speed to ensure the survivability of the force while it completes the assigned tasks in a timely manner.¹⁸

In order to ensure any meaningful place for a New Zealand contribution, remedial action was clearly necessary.

From Armoured Personnel Carrier to Infantry Fighting Vehicle—The Motorisation of the New Zealand Army

With the experience of Bosnia fresh in everyone's minds, the 1997 *Defence Assessment* identified that priority should be given to upgrading the combat capability of the Army. The subsequent 1997 White Paper acknowledged that there were major deficiencies which needed to be addressed:

The Government's first priority will be to rectify the most critical deficiencies in those capabilities where there is more likely to be a need in the short term, that is re-equipping the Army so that it can undertake the more demanding peace support operations.¹⁹

Here the White Paper also noted the changing nature of peace support operations. The history of peacekeeping for over 40 years had been one requiring lightly armed forces, usually deployed at the agreement of both parties to a conflict. During the 1990s that had changed, and the White Paper acknowledged this:

Since the end of the Cold War, however, peace missions have increasingly been launched during hostilities. The consent of the warring parties has been neither complete nor continuous. These peace enforcement missions are a higher-order task than peacekeeping as they involve conventional high-intensity operations.²⁰

Along with the change in the nature of peacekeeping, it was acknowledged that there had been significant advances in technology, and that the capabilities of New Zealand's security partners had continued to grow. This had resulted in a capability gap between New Zealand and its potential partners. The White Paper acknowledged: 'Because others are now better able to perform peacekeeping tasks, New Zealand's ability to offer operationally useful contributions to peacekeeping is diminishing.'²¹ This had significant implications for New Zealand, a country which took pride in its contribution to peacekeeping efforts throughout the world. The White Paper went on to add: 'As the deployment of land forces on peacekeeping operations is the most likely task to be assigned to the NZDF in the short term, these upgrades are a top priority in the investment plan.'²²

Some five months later, on 23 March 1998, Cabinet approved in principle the purchase of armoured vehicles at an estimated cost of NZ\$180 million. Indicative costings were based on a new fleet of armoured vehicles composed of 69 APCs and 12 FSVs. Consideration was being given at the time to either purchasing new APCs, or upgrading the M113A1 to current M113A4 configuration, but officials made it clear that a new FSV, preferably sharing the same hull as the APC, would be required.

James Rolfe, a former Army officer, commented that the Army tried to identify its requirements during 1996 and 1997, but had problems deciding whether wheeled or tracked armoured vehicles were most appropriate.²³ Gerald Hensley, Secretary of Defence at the time, was more direct:

In attempting to define the problem 'How do we replace the APCs?' there were two fundamental issues to be addressed: 'What sort of vehicles did we want, and how many would we need?' Each of these questions was to prove difficult to answer. Our battles with the Army were great. The basic question was do we have wheeled or tracked vehicles? The Army was riven by factions. The Armoured Corps people felt if they gave up on tracks that would be the end of the Armoured Corps—they delayed the procurement by up to a year. The answer eventually came back that in 80% of cases wheels were better than tracks.²⁴

Before the end of 1998, as discussed in previous chapters, the Minister of Defence sought the opportunity to purchase F-16 strike aircraft, and a third ANZAC frigate. Supporting papers at the time indicated that 'there have been changes in project timings ... (with) an extended delivery of armoured vehicles'.²⁵ The paper went on to say that the extended delivery period reflected 'the availability of the likely preferred option', and noted that it was planned that the NZDF would cooperate with the Australian Defence Force (ADF) on the possible joint purchase of armoured vehicles.

The following month, in December 1998, a Project Team of two Ministry of Defence officials and four New Zealand Army personnel visited Australia to discuss the ASLAV—Australian Light Armoured Vehicle—project. Australia was in the process of deciding on orders for further ASLAVS for 1999 and, in the spirit of Closer Defence Relations, the opportunity was taken to explore whether a joint order might be desirable. The project team also visited the manufacturer of the base vehicle, the LAV II, General Motors Defense (GMD) in February 1999. (In fact, familiarisation with the ASLAV project had begun in 1996 with a visit of two officers from the Queen Alexandra's Mounted Rifles (QAMR) to the 2nd Cavalry Regiment (Reconnaissance), Royal Australian Armoured Corps.)

However, by May 1999 it was clear that the operational requirements of the two armies were different. By this stage the New Zealand Army had sought approval to change the operating concept of the Army to that of a motorised infantry. Whilst the Army had for some years based its doctrine on that of manoeuvre warfare, it was clear from the experience in Bosnia that the equipment available to the Army did not support the Army's doctrine. The change in operating concept was a significant change, which would see the whole of a battalion being capable of being transported to the battlefield in vehicles with armoured protection. Having previously sought approval to purchase

approximately 69 APCs and 12 FSVs, it was 'now suggested that approximately 127 Infantry Mobility Vehicles (IMVs) and 24 FSVs would be required. This could cost up to \$408 million (excluding Goods and Services Tax (GST)). The Defence Capital Plan (DCP) has funding provision of NZ\$212 million (excluding GST).'²⁶

Three options were therefore put to Cabinet at this point:

1. Buy all of the required vehicles in one tranche through an increase in funding.
2. Buy all of the required FSVs and sufficient IMVs to equip one full battalion, plus sufficient for one company of the second battalion. This option was said to fall within the already approved budget envelope.
3. Buy the vehicles required to fully equip two battalions in two tranches, the first purchase as in option (2), and the remainder at a later date.

The Ministry indicated that the first option was the preferred option if funding was not a constraint, but this was considered to be unrealistic. The second option, which the Government approved, was not favoured either. The Ministry was concerned that this option would have long-term training implications for the Army, as it would have battalions training for two different types of operations. It was also concerned that there would be a negative impact on the training of reinforcements, and that there would be an increased risk of being unable to maintain a sufficient force of vehicles in theatre. 'It is therefore,' the Ministry contended, 'the weakest of the three options.' The Minister's preferred choice was option three—to purchase in two tranches. In the short term the implications were the same as option two, but in the long term this option would simplify training, whilst also simplifying reinforcement and rotation problems. The Ministry's assessment was: 'This option provides a balance between risk and operational effectiveness, when considered over the longer term.'²⁷

At the time of its decision, National were once more wanting to enhance relationships with Australia and the United States and were committed to using New Zealand forces in peace support roles. Whilst they had indicated support for new wheeled armoured vehicles, trade-offs were in the equation as they were also committed to Project *Sirius* and the F-16s, and remained officially committed to a third surface combatant. Max Bradford said: 'We had other equipment to replace.'²⁸ The Auditor-General's Report commented: 'Cabinet had considered—and rejected—an option of equipping two battalions, either in the present or in the future.'²⁹ Perhaps, not surprisingly, Cabinet on 24 May 1999 approved the second option.

The Cabinet paper on *Motorisation of the NZ Army* had noted: 'A review of recent technological developments together with discussions with our immediate allies on the concept of operations led to the conclusion that the characteristics

of wheeled armoured vehicles would better suit New Zealand's requirements than tracked vehicles.³⁰

The paper went on to comment on the changing nature of both warlike and peace support operations, with a strengthening of weapons capability amongst protagonists in disputes. The possession of increasingly lethal weaponry and vehicles with greater levels of armour and mobility had led to New Zealand's traditional defence partners taking serious account of these developments as they re-shaped their own forces. They had therefore either already developed infantry battalions with armoured mobility, as in the case of the United States, Canada and the United Kingdom, or as in Australia's case were moving towards such a capability.³¹ The importance of interoperability with allies had been stressed already in a previous paper.

The increase in the size of operational areas being assigned to infantry battalions was also stressed. This had been made possible by motorisation, and the formidable task allotted to Kiwi Company as a result was used as an illustration of the difficulties New Zealand faced with its current equipment and operational doctrine:

A force one third the size of a battalion was assigned an area 12.5 times larger than that a complete battalion would reasonably be given, based upon traditional foot mobility. Therefore, the effective increase in the size of operations, when compared at battalion level, is a factor of 36 times.³²

The annex attached to the paper (and a similar annex attached to the *Light Armoured Vehicle Project* paper the following year) made much of the capability of wheeled IMVs to self-deploy, and having the ability to cover ground quickly and reliably when compared to tracked APCs.

In June 1999, speaking at Trentham Army Camp, the Minister of Defence, Max Bradford, indicated that a total of 104 wheeled vehicles (not 81) would replace the M113s. These would comprise the 24 FSVs previously approved, and approximately 80 IMVs. Bradford indicated that 'the choice of wheeled over tracked vehicles had been made after careful thought. They were more reliable over long distances and could be more easily upgraded over their 25 year service life.'³³

Assessing the Alternatives

Also in June 1999, the Acquisition Division of the Ministry of Defence had decided that an independent reviewer should examine the service specifications which had been developed for the tender documents. They engaged HVR Consulting Services (HVR) in the United Kingdom to provide an independent opinion on the validity of the specifications. An initial finding of HVR's report

was that it appeared that the specifications were based on one vehicle—the LAV III. This was despite the fact that the tender documents had specifically sought a mix of FSVs and IMVs, on a ratio of 1:5. The LAV III was manufactured only as an FSV. HVR recommended that if the Ministry were to go to tender, it should change the specifications to make them more open to a wider range of vehicles. Those changes were subsequently made. However, the report considered that the specification of the LAV III ‘was so far ahead of the competition that HVR recommended that the Ministry of Defence should consider direct purchase, rather than conducting a tender’.³⁴

At the same time as asking HVR for their independent review, the Ministry of Defence had also issued a request for registration of interest to over 70 potential suppliers. Sixteen responses were received; those 16 respondents offered between them 17 vehicles, and HVR reviewed each of them against 10 of the key criteria that were required for the vehicle. HVR reviewed the vehicles for consideration and, apart from its consideration that the LAV III was the outstanding vehicle, found that only one other came close, ‘but that it had almost reached the end of its development life’. HVR suggested that if the Ministry was determined to go to tender, it should remove the requirement for air transportability by the C-130 *Hercules*, thus allowing two, and potentially four, other vehicles to compete in the tender process. One of those other alternatives was the FOX 6x6, or FUCHS as it was known in Germany, where it was manufactured by Henschel Wehrtechnik. Early in October 1999 the New Zealand agent for the FOX, H.W. Munroe, wrote to the Ministry of Defence expressing its concern about the tender process, saying: ‘A careful examination of the User Requirements shows that the LAV III vehicle is the only vehicle that meets all essential criteria. Therefore, we must ask why any other vehicle manufacturers were issued with tender documents?’³⁵

Later that month the Ministry of Defence called a conference of tenderers, and at this time agreed to a system of waivers. This was to allow those tenderers whose products did not meet the essential requirements to ask for an exemption, or a series of exemptions, to allow them to proceed. When the tenders closed in December 1999 only two vehicles were in contention, the LAV III and the FOX 6x6. At least one company had decided not to bid from the outset, as it knew its product was unable to meet all the essential criteria.

Tenders had been sought for a total of either 102 or 152 vehicles, 26 FSVs and 126 IMVs. Whilst seven tenderers had been approached for possible pricing, only three responses had been received. These indicated a choice of two vehicles: the Canadian-built LAV III 8x8, and the German-built FOX 6x6. Significantly, neither the LAV III nor the FOX 6x6 complied with all of the tender requirements. However, the Ministry of Defence indicated that the areas of non-compliance on the LAV III were minor. Furthermore, because of its FSV configuration, only

two thirds of the original number estimated would be required to equip both battalions. The FOX on the other hand was found to have significant shortcomings. Perhaps the most important of these was that the proposed FSV turret had never been fitted to a FOX before. At the time of assessing the tenders, it was considered that the FOX would have cost 15–20 per cent more for the total project. With the shift in exchange rates by August 2000, this expense had increased by 5–10 per cent, despite an individual vehicle cost of NZ\$3.4 million for a specially upgraded FOX, as opposed to about NZ\$6 million for a LAV III.³⁶ Preference was given to the LAV III, a recently designed third-generation vehicle fitted with a turreted weapon system and able to carry a crew of three and a section of seven troops. Whilst the LAV III was only available in turreted form, fitted with a stabilised 25mm cannon, 7.62mm machine gun, and eight smoke grenade launchers, it combined the functions of an FSV and an IMV. This allowed a reduction in the numbers of vehicles required from 152 to 105.

Controversy and Accusation—The Purchase of the LAV IIIs

When the Labour-led Government came to power, they had already declared that they would, in large part, be following the recommendations of *Defence Beyond 2000*. One of those options was ‘an Army force structure based on two highly mobile light infantry battalions’.³⁷ After coming to power, the new Government set up a series of reviews of defence priorities. The impact of some of those reviews has been explored in earlier chapters; taking account of New Zealand’s role in the world, the judgement of utility, and trade-offs, decisions were made not to proceed with the conversion of HMNZS *Charles Upham*; not to proceed with a third frigate; to cancel the lease of the F-16s, and to disband the Air Force strike wing. The light armoured vehicle project was identified as a high priority purchase. The question remained, how many to purchase?

The Secretary of Defence briefed the Minister in June 2000, and advised that the LAV III had been identified as the most suitable vehicle, and that 105 would fulfil all requirements. However, the Secretary went on to note that this number would cost significantly more than the NZ\$212 million budgeted by the previous Government, and advised two options. The first of these was to buy 35 LAVs, which would fit within the previous budget envelope; the second was to buy 55 LAVs at a likely cost of NZ\$337 million, with the suggestion of buying the other 50 at a later date.³⁸ The Auditor-General’s Report indicated that the Minister felt that these options were insufficient, and the Secretary was asked to prepare a draft Cabinet paper.

In another reflection of bureaucratic politics, the Ministry of Defence produced a draft paper in July 2000, which gave three options:

1. The recommendation of the Army to purchase 105 Light armoured vehicles for delivery over a 5-year period;
2. The recommendation of the MoD (with which the NZDF concurred) to purchase 55 light armoured vehicles with an option of 50 further vehicles—the purchase decision on these latter vehicles would depend upon the outcome of the land force capability review that had been commissioned under *The Government's Defence Policy Framework*; or
3. A third option—to purchase 75 light armoured vehicles (delivered over a 3–4 year period), with the option of 30 more later.³⁹

Following this the Minister asked for a briefing from the Chief of Defence Force (CDF), who asked the Army to provide one. The Chief of General Staff (CGS) provided the briefing on 1 August 2000. On 9 August the Minister met with the Secretary of Defence and the CDF, and was specific about the options he wanted to be included in the paper. Despite the Army's strong objection, the Ministry of Defence included the following paragraph in the final Cabinet paper:

In its desired requirements the Army indicated a preference for a common body shell type for the FSV and IMV. This commonality introduces operational, logistic, training and maintenance advantages. One common vehicle type can limit flexibility, and may be initially more expensive. For instance having one battalion equipped with the LAV III and the other equipped with an upgrade[d] M113 APC or similar may be a cheaper and more versatile combination. This concept has not been tested.⁴⁰

This statement effectively supported a fourth option, namely to 'redefine the project requirements'. The Army had pointed out that a combined fleet was outside the *Force Development Proposal* of May 1999, and the Minister of Defence had previously indicated that it would restrict the tender process to wheeled vehicles.

Three options were put to Cabinet in August 2000, with a recommendation for approval in principle of the procurement of the LAV III. Options put forward were:

1. Purchase 75, to be delivered over a 3–4 year period at a cost of NZ\$472 million, with an option to purchase 30 later;
2. Purchase 55, to be delivered over a 3-year period at a cost of NZ\$389 million, with an option to purchase a further 50 at a later date; or
3. Redefine the project requirements entirely.⁴¹

Major General Piers Reid commented: 'The ultimate question was should we buy the vehicles in tranches, or should we buy them all at once? Treasury said "Buy them all at once".'⁴² In commenting on the proposal, Treasury said:

If 105 vehicles were purchased, then Ministers would be able to deploy one three-company battalion offshore for six months, while a further similar battalion remains under training in New Zealand. Having a second battalion under training in New Zealand means that a fully trained equivalent unit can replace the Army battalion that is deployed offshore. This involves a considerable deepening of the Army's current capability. ... If Ministers want the capability outlined above, it will be cheaper to purchase the 105 vehicles in one batch.⁴³

Even after allowing for the GST component, Option 3, at a net cost of NZ\$340 million, was over 50 per cent more costly than the NZ\$212 million approved by the National Government. However, having made much of defence decision-making as an election issue, it was now time for the Labour Government to front up with the money. At a meeting on 21 August 2000, Cabinet approved in principle the purchase of 105 Light armoured vehicles for delivery over a 5-year period at a cost not to exceed NZ\$611,764,613 (GST inclusive). Later that week, an Editorial in the *New Zealand Herald* commented:

The Army of course is the big winner in the Government's decision-making. The \$611 million to be spent on 105 new light armoured vehicles could reasonably be described as lavish. The Army's present M113s date back to the Vietnam War, have proved an embarrassment in Bosnia and East Timor, and clearly need replacement urgently. The Canadian-built LAV III is the Army's choice and, with its ability to fill both troop-carrying and fire-support roles, it will be a considerable morale-booster. Yet in its wildest dreams, the Army could not have guessed that its request for such a large number of vehicles would be granted.⁴⁴

However, when the Prime Minister, Helen Clark, announced the purchase of the LAV IIIs following the Cabinet decision in August 2000, she was clear about the importance of replacing the M113s, saying:

The equipment the Army has been putting up with just isn't good enough for the tasks it is asked to do. The deficiencies of the existing Armoured Personnel Carriers (APCs) ... have been clear in recent deployments. ... In Bosnia and East Timor the APCs haven't been up to the job.⁴⁵

Following Cabinet's approval-in-principle, a contract was signed on 29 January 2001 with General Motors of Canada Ltd for 105 LAV IIIs.

The Army's 'big win' was to hit the headlines long before any of the new vehicles arrived in New Zealand. In November 2000 the Secretary of Defence, Graham Fortune, had asked the Auditor-General to undertake a review of the processes used for the acquisition of the LAVs. The Auditor-General's Report

was published in August 2001. The findings of the Report were damning, and included concerns that:

- from the start, the project was poorly defined;
- the changing project definition led to a lack of clarity of the number of vehicles required;
- the approach to research of the market was deficient;
- the scope for competition was restricted;
- there was no strategic management of the project;
- in at least two instances the MoD failed to consult appropriately;
- relationships between the MoD, the NZDF and the Army were dysfunctional;
- pursuit of the project diverged considerably from Cabinet approvals in a number of respects;
- the longer the acquisition was delayed, the more expensive it became;
- there was insufficient documentation of some key decisions; and finally
- the significant capability requirements associated with the acquisition of 105 LAV IIIs were inadequately assessed before the decision was made to acquire the vehicles.⁴⁶

The political fall-out was immediate. Earlier in the month there had been a Parliamentary debacle as questions were raised about the suitability of the LAV III for operating in areas such as East Timor. ACT MP Rodney Hide had tabled a written question asking whether an LAV III could have reached the area where Private Leonard Manning was shot in a firefight. The Minister, Mark Burton, in his reply suggested that the noise of the vehicle would have put off potential attackers. However, Hide obtained a copy of a draft response which said that using the LAV 'would not have been practicable', but that in fact an M113 had got within 30 metres of the scene of the incident. With the publication of the Auditor-General's report, Hide took the opportunity again to attack the Minister:

The process was dysfunctional, the tender screwed, and Cabinet was sidelined. It's inconceivable that such a process would hit the jackpot and reach the right decision. Heads should role (sic). The first head on the pike should be Minister of Defence, Mark Burton's.⁴⁷

Hide went on to call for fewer wheeled armoured personnel carriers, and an upgrade of the M113s. By contrast, the Green Party's Defence Spokesperson, Keith Locke, took a different perspective:

Acquisition of armoured vehicles was paralysed as the Army tried to overcome resistance from defence dinosaurs who still put priority on air and naval combat. ... The report shows the Defence Force wanted to go ahead with the purchase of only 50 LAVs, presumably to free up money for the navy or air force.⁴⁸

The week following the debacle in Parliament, Max Bradford demanded a broader investigation of 'the whole scene'. He was himself, it was reported, in an embarrassing situation as he had recommended the purchase of LAVs in 1998, 'but now he says important information was withheld from him at the time'. The same article which had commented on Bradford's wish for a broader inquiry also noted: 'Something else that is interesting is the amount of information Hide, Bradford and New Zealand First MP Ron Mark, a former Army officer, are receiving. It obviously comes from military sources.'⁴⁹

During the same month in which the Auditor-General's Report was released, a letter (which was to become known as 'The Gordon Letter'⁵⁰), was tabled in Parliament, a copy having been given to Bradford by Robin Johansen, who had previously been Deputy Secretary for Defence Acquisition in the Ministry of Defence.⁵¹ The letter, which Lieutenant Colonel I.J.M. Gordon indicated was triggered by the Army's embarrassing experience with its equipment in Bosnia, was described by the Leader of the Opposition, Jenny Shipley, as 'seditious'.⁵² In the letter, Gordon encouraged the Army to open a 'second front' in its war with the Defence chiefs. The *New Zealand Herald* commented:

Over the next few days, the impression left by the Gordon letter was reinforced with leaks about private briefings and a dinner attended by the Army high command and Defence Minister Mark Burton of which the Chief of Defence Forces was unaware. ... The leaking of the Gordon letter finally pushed the Government into ordering an investigation.⁵³

The Auditor-General's Report had, as we have seen, commented strongly on the dysfunctional nature of the relationships between the Ministry of Defence, the NZDF and the Army. Less than three weeks after the Report was published, the Minister of Defence announced the following major review and two inquiries:

1. A review of accountabilities and structural arrangements between the Ministry of Defence and the NZDF—the Hunn report;
2. An inquiry into standards of behaviour, the leaking of documents and the inappropriate use of information and position by NZDF personnel—the White and Ansell report; and
3. An inquiry through the office of the Judge Advocate General into the propriety of a letter allegedly generated from within the Army and an e-mail allegedly generated from within the RNZN—the Carruthers report.

The first of the reports to be completed was the White and Ansell report, published on 20 December 2001. There were two aspects to the report, the first concerning standards of behaviour more generally, and the second regarding the leaking of information. The report's authors analysed 62 possible 'unauthorised disclosures', and found that 30 might be classified as 'probable leaks', that is 'the deliberate and improper covert release of official information

to advance a particular agenda or embarrass'.⁵⁴ Of particular significance to this chapter was the finding of four probable leaks during August 2001, the month in which the Auditor-General's Report, with its many critical findings, was published. White and Ansell in commenting on the leaks said:

We were not asked to identify the individuals responsible for these deliberate 'leaks' and, as we have made it plain, there is no clear evidence of culpability. We were guided in most cases by the weight of opinion in the responses to our inquiry. Nevertheless it became apparent to us that they probably came largely from factions in the Army. ... It is difficult to escape the conclusion that the 'leaks' which occurred were originally designed to advance the interests of the Army, primarily against the interests of the other Services. Subsequently the 'leaks' were designed to counter the influence of a faction in the Army by causing personal embarrassment to the CGS.⁵⁵

Robin Johansen, former Deputy Secretary–Acquisitions commented: 'It is my view that there was a concerted effort by Army to step outside established processes to achieve goals which were not shared across the whole of the defence community.'⁵⁶

Some months later, in February 2002, the Foreign Affairs, Defence and Trade Committee published a further report, saying that 'the Army's purchase of 105 Light armoured vehicles (LAVs) is a "sorry chapter" for major capital acquisition projects in New Zealand.'⁵⁷ This time it was the National MP Max Bradford who said the Minister should reconsider the LAV purchase: 'The world has changed and, with it, the appropriateness of the LAV purchase.'⁵⁸ There was, though, to be no change.

By May 2002 the first LAV, NZLAV001, was close to completion. Having had its gun turret fitted in California, it was shipped to Arizona for gun performance and vehicle testing.⁵⁹ In June 2002 a group of 15 Army personnel were visiting Canadian forces to learn about the Canadian experience with the LAV.⁶⁰ By January 2003 a Transition Training Team (TTT) had been set up at Waiouru to conduct training for instructors and crews; it was intended to disband the TTT after crews for both the 1st Battalion Royal New Zealand Infantry Regiment (RNZIR) and 2nd/1st Battalion had been trained.⁶¹ The first batch of seven NZLAVs arrived in New Zealand in August 2003⁶² and, just as in August 2001, the LAV once again became the focus both of media and political attention.

The Introduction into Service of the LAV Ills

At the end of July 2003, National MP Simon Power had said: 'It has also been suggested that the Army will struggle to man the new Light Armoured Vehicles (LAV3s) that are due for delivery in September.'⁶³ That was to be confirmed a week later, when NZDF papers obtained under the *Official Information Act 1982*

indicated that the Army was particularly concerned about shortages of crew, mechanics and electronics technicians for the LAVs. The *New Zealand Herald* went on to note that the NZDF papers said that 'there are already shortages in these trades and the nature and complexity of the Lav (sic) will exacerbate them', though added that the Minister's Office had said that 'its latest advice is that the Army is on track to fully crew the vehicles'.⁶⁴

Late in August 2003 a television documentary about the LAVs screened on the *Sunday* program on TV One.⁶⁵ This program challenged the purchase of the LAV IIIs yet again and reopened the 'wheels versus tracks' debate. Politics were also present again, with New Zealand First MP Ron Mark commenting that the purchase of the LAVs 'is a \$1 billion bungle—I wrote to the Prime Minister personally to ask her to stop the project'.⁶⁶ Major General Jerry Mateparae, Chief of General Staff, not surprisingly said: 'It's money well spent.'⁶⁷

The issue of 'wheels versus tracks' was raised in relation to both the utility of the LAVs and trade-offs. A soldier in East Timor was quoted as saying: 'I'm currently serving as a crew commander in East Timor. You just won't get a LAV where we go. In a country like this the M113 is ideal—keep the LAV for the desert.'⁶⁸ However, another experienced M113 commander, Captain Dougal Baker, who had been deployed to both Bosnia and East Timor, said:

The LAV is a far superior machine. Of course there are areas you can't go through with wheels, but you can go to 95% of the places you'd go with tracks. For the rest—you can travel around the obstacle faster than a tracked vehicle can go through it.⁶⁹

A week after the television program aired, I met with Major General Piers Reid. Concerning the politics he said: 'Ron Mark is using the vehicle to keep up his profile. Max Bradford has used it for his political survival.' As regards utility he commented: 'There's probably only 1 or 2% of an area where you can get an M113 where you can't get an LAV III.' He then added:

You'd get the impression from Ron Mark that an M113 could go over a mine—it can't. The design of the LAV III is excellent for protection against mines. A mine will blow a wheel off, but the tub will protect the occupants.⁷⁰ The occupants will also be protected by the 25mm gun, which will deal with armoured vehicles.⁷¹ The M113 has a 12.7mm machine gun.⁷²

Rod Vaughan, the television program's commentator, said:

Off road, the M113 has the edge. It's amphibious and light enough to be air-dropped by parachute. Ron Mark says the bulky LAV will prove to be a lemon. ... Getting to the battlefield is a real challenge. The original specifications called for transportability in a *Hercules*.⁷³ At 14 tonnes

it's almost twice the weight of an M113. ... The Army rejected the possibility of upgrading the M113s in Australia for a third of the price.⁷⁴

The Minister of Defence, Mark Burton, replied: 'Upgrading the M113s would have given an 8-10 year life extension. In the end we had to make a decision, and I'm confident we made the right decision here.'⁷⁵ The first deliveries took place in August 2003, and Burton formally accepted delivery at a ceremony at Waiouru on 24 October 2003.

Teething problems

Just three months after the LAVs were officially accepted, reports of mechanical breakdowns surfaced. 'Breakdowns plague Army's new vehicles' ran a headline in the *New Zealand Herald* on 21 January 2004. The article went on to say that mechanical faults had struck the first batch of LAVs, listing faults in a heater, turbo unit, and auxiliary power unit. Two days later the manufacturers were reported as having responded that the faults were all minor and easily repaired. In July 2004 criticisms of the vehicle were levelled by National MP Simon Power, who asked if the vehicles were a 'bottomless pit' of extra costs after the Army had sought an extra NZ\$6 million for spare parts. (The request was declined.) And in December 2004 it was reported that four LAVs out of the 18, which had been sent to Australia for Exercise *Predators Gallop*, had been put out of action for several days after hitting tree stumps. Air Marshal Bruce Ferguson, Chief of Defence Force, responded to the concern saying: 'Our loss of vehicles for that reason was not greater than the Australian loss of vehicles.'⁷⁶ Perhaps of more concern than the vehicles' capabilities is the ability of the Army to provide sufficient personnel to both crew and maintain the vehicles.

Addressing trade-offs, Robert Ayson, a strategic and defence studies specialist at The Australian National University, and former adviser to the Foreign Affairs, Defence and Trade Committee, raised the following questions: 'I wonder why they bought so many LAVs? I wonder about the Army's ability to sustain them? Have the Government replaced one display capability, the strike wing, with another?'⁷⁷

Jennie Derby, Senior Advisor to the Minister of Defence, noted: 'Labour was determined to reverse the trend of National. ... Timing is everything. Labour had said in its manifesto that they would re-equip the Army. With the benefit of hindsight would they order 105 again?—yes they would.'⁷⁸ The Chief of Army, Major General Jerry Mateparae, was unequivocal in his support for the decision to buy 105 LAVs, saying that he was 'sure that the New Zealand Army needs all 105 NZLAV. Any less and we will compromise our ability to deliver and sustain a motorised light infantry battalion group'.⁷⁹

In June 2004 the Chief of Defence Force, speaking at the Royal New Zealand Returned and Services' Association (RSA) Conference in Wellington, warned that the NZDF was undermanned, saying:

What I'm doing right now—it's being done independently—is a review of what I think we need in resources, basically personnel, and what Government expects in outputs. There is a gap in my view right now—it's the expectations of what defence forces need to do and my capacity to meet them.⁸⁰

In addressing the issue of utility, the following month, reporting in the NZDF *Annual Report*, the CDF said:

There remain some risks with the project, as while the NZDF is on track to introduce the NZLAV, the development of the motorised battalion is a complex task. ... 1 RNZIR [is] expected to become operational at the end of 2005. With the current operational tempo and the challenges of recruitment and retention the NZDF faces, the delivery of a complete second battalion capability will be delayed until sufficient personnel are available to be assigned.⁸¹

Recruitment and retention were a concern, with an attrition rate of 16.5 per cent to 17.5 per cent over the previous two years.⁸² Then, in December 2004, the CDF was reported as advising the Foreign Affairs and Trade Select Committee:

The Army has changed its mind about motorising both the regular force infantry battalions using the LAV3s. Instead the Burnham-based 2nd/1st Battalion would provide back up for the Linton-based 1st Battalion, a unit which is kept at a higher state of readiness.⁸³

Colonel Mark Wheeler in March 2005 noted that there were no factors which were limiting constraints on the timed introduction into service of the LAVs, commenting:

Two LAV battalions was a limiting factor for operations. We have structured as a heavy motorised battalion (1/1), and a light battalion with LAV support (2/1). 49 LAVs will go to 1/1 at Linton, with a further 14 to combat support and logistics there. QAMR will have 30 at Burnham, where 2/2 has been organised into two companies and 12 will go to training establishments at Waiouru and Trentham.⁸⁴

Wheeler was pleased that the required levels of capability for crewing the LAVs were in fact ahead of schedule, with 64 operational crews to be trained by December 2005, more than sufficient to achieve a Motorised Infantry Battalion.⁸⁵

Whilst the first batch of vehicles were on their way, the Minister had said: 'We expect the first company group of LAV3s to be deployment ready for December 2004, with the first full battalion group of up to 51 LAV3s ready for overseas deployment by December 2005.'⁸⁶ In the event, 2 LAV Platoon and Victor Company of 1st Battalion RNZIR were ready for deployment to Australia in June 2004.⁸⁷ By this stage, 91 LAVs were in New Zealand, with 57 in service with the Army. The final batch of vehicles was delivered on schedule in November 2004,⁸⁸ though the contract price had increased to NZ\$653 million.⁸⁹ In November 2005, a battalion group of 800 soldiers and 51 LAVs took part in Exercise *Silver Warrior*, demonstrating the capability of both the LAV III and 1st Battalion RNZIR and drawing forth the comment from one of the Exercise's senior observers, Lieutenant Colonel Phil McKee, that 'the NZLAV performed better than anyone's wildest expectations'.⁹⁰

Summary

The acquisition and introduction into service of the LAV IIIs brought about one of the most contentious periods of debates about defence equipment since the hue and cry over the original ANZAC frigate decision in 1989. Important issues for both National and Labour-led Governments were the number of new armoured vehicles to buy, whether to purchase new vehicles or upgrade the existing M113s, and what the implications of these decisions would mean for other acquisitions. The whole notion of 'balanced forces' was put under the spotlight; National wished to retain the 'balanced force' concept, whilst Labour chose to emphasise the importance of well-equipped land forces. Yet though this chapter has outlined how much criticism was levelled at the Government when the decision to purchase 105 LAVs was taken, a battalion was made operationally ready within the agreed timeframe. How the LAVs perform on operational deployment will, however, remain the litmus test for this particular acquisition decision. In exploring the events surrounding the decision-making process for this particular case, it is strongly apparent that the decision to procure the LAV IIIs provided fertile ground for much political argument and debate within the New Zealand context. The purchase price was considerable, and the additional investment to ensure the ongoing operational capability of a motorised battalion continues to be significant. However bureaucratic politics, with the observation that relationships between the Ministry of Defence, the NZDF, and the Army were dysfunctional, and above all timing, with the election of a Labour-led Government, were ultimately the dominant factors as the decision-making process for the acquisition of the LAV IIIs unfolded.

ENDNOTES

¹ *The Shape of New Zealand's Defence, A White Paper*, Ministry of Defence, Wellington, November 1997, p. 9.

² Cabinet paper CAB (97) M40/8A, p. 2.

³ *The Government's Defence Policy Framework*, Ministry of Defence, Wellington, June 2000, p. 7.

⁴ These were:

1. *Ministry of Defence: Acquisition of Light Armoured Vehicles and Light Operational Vehicles*, Report of the Controller and Auditor-General, Wellington, August 2001, p. 20;
2. Douglas White QC and Graham Ansell, *Review of the Performance of the Defence Force in Relation to the Expected Standards of Behaviour, and in Particular the Leaking and Inappropriate Use of Information by Defence Force Personnel*, Report to the State Services Commission, Wellington, 20 December 2001;
3. C.R. Carruthers QC, *Report of Inquiry into the Propriety of a Letter Allegedly Generated from within the Army*, Wellington, 18 March 2002; and
4. D.K. Hunn, *Review of Accountability and Structural Arrangements between the Ministry of Defence and the New Zealand Defence Force*, Wellington, 30 September 2002.

⁵ *Centurions in New Zealand*, available at <<http://kiwisinarmour.hobbyvista.com>>, accessed 27 October 2008.

⁶ *Defence Review 1978*, Government Printer, Wellington, p. 35.

⁷ Major General Piers Reid, Personal interview, 3 September 2003.

⁸ *Armoured Vehicles*, Cabinet Paper attached to STR (98) 34.

⁹ Major G.J. Clayton, *The New Zealand Army, A History from the 1840s to the 1990s*, New Zealand Army, Wellington, 1990, p. 64.

¹⁰ *Foundations of New Zealand Military Doctrine*, New Zealand Defence Force, Wellington, 2004, p. I-3.

¹¹ Paul Bensemann, 'The War with no Enemy', *NZ Defence Quarterly*, Summer 1994, p. 2.

¹² Helen Clark, Parliamentary Debate, 4 November 1998.

¹³ *Motorisation of the NZ Army*, Paper attached to STR (99) 87, p. 3.

¹⁴ Brigadier Roger Mortlock, Personal interview, 25 August 2003.

¹⁵ *Army News*, no. 113, 23 August 1995.

¹⁶ Gerald Hensley, Personal interview, 9 November 2003.

¹⁷ Hensley, Personal interview, 9 November 2003.

¹⁸ *Motorisation of the NZ Army*, p. 3.

¹⁹ *The Shape of New Zealand's Defence, A White Paper*, p. 8.

²⁰ *The Shape of New Zealand's Defence, A White Paper*, p. 27.

²¹ *The Shape of New Zealand's Defence, A White Paper*, p. 27.

²² *The Shape of New Zealand's Defence, A White Paper*, p. 27.

²³ James Rolfe, *The Armed Forces of New Zealand*, Allen and Unwin, St. Leonards, NSW, 1999, p. 129.

²⁴ Gerald Hensley, Personal interview, 9 November 2000.

²⁵ *Defence 10 Year Capital Plan*, paper attached to Cabinet paper CAB (98) 854.

²⁶ STR (99) 87, p. 1.

²⁷ *Motorisation of the Army*, p. 7 and p. 9.

²⁸ Max Bradford, Personal interview, 10 November 2003.

²⁹ *Ministry of Defence: Acquisition of Light Armoured Vehicles and Light Operational Vehicles*, Report of the Controller and Auditor-General, p. 32.

³⁰ *Motorisation of the NZ Army*, p. 2.

³¹ *Motorisation of the NZ Army*, p. 2. The growing popularity of 8x8 armoured vehicles was highlighted in an article in *Jane's International Defence Review* (vol. 37, pp. 40-47, January 2004) headed 'Armies go for eight-wheelers'. It commented, 'once a rarity, eight-wheeled armoured vehicles have proliferated to such an extent that there are now more models of them in service or under development around the world than of any other type of armoured vehicle'. (p. 40.) It added 'a dramatic demonstration of [greater operational mobility] was provided by the dash of a Russian unit equipped with BTR-80, which seized control of Pristina airport ahead of NATO forces during the 1999 operations in Kosovo. As a result the

“operational march to Pristina” became a benchmark in the process which led the US army to adopt what is now Stryker in preference to a tracked vehicle’. (p. 46.)

³² *Motorisation of the NZ Army*, p. 2.

³³ Hon. Max Bradford, Minister of Defence, Media Release, ‘Armoured Vehicle Project Underway’, 2 June 1999.

³⁴ *Ministry of Defence: Acquisition of Light Armoured Vehicles and Light Operational Vehicles*, Report of the Controller and Auditor-General, p. 25.

³⁵ *Ministry of Defence: Acquisition of Light Armoured Vehicles and Light Operational Vehicles*, Report of the Controller and Auditor-General, p. 26.

³⁶ Gordon Campbell, ‘Over and out’, *New Zealand Listener*, 26 August 2000.

³⁷ *Inquiry into Defence Beyond 2000*, Report of the Foreign Affairs, Defence and Trade Committee, Government Printer, Wellington, 1998, p. 23.

³⁸ *Ministry of Defence: Acquisition of Light Armoured Vehicles and Light Operational Vehicles*, Report of the Controller and Auditor-General, p. 32. (Graham Fortune clarified that, at this point, he had not made a recommendation; rather he was advising what the Government could expect for the money. Personal interview, 14 February 2005)

³⁹ *Ministry of Defence: Acquisition of Light Armoured Vehicles and Light Operational Vehicles*, Report of the Controller and Auditor-General, p. 32. This time, the Secretary of Defence noted that this was a recommendation, and that the Government were getting separate streams of advice from the Army, the NZDF, the MoD and Treasury. (Graham Fortune, Personal interview, 14 February 2005)

⁴⁰ *Light Armoured Vehicle Project: Cabinet Paper Seeking Approval in Principle to Purchase up to 105 Light Armoured Vehicles*, 10 August 2000, p. 6.

⁴¹ *Light Armoured Vehicle Project: Cabinet Paper Seeking Approval in Principle to Purchase up to 105 Light Armoured Vehicles*, p. 13.

⁴² Major General Piers Reid, Personal interview, 3 September 2003.

⁴³ *Light Armoured Vehicle Project: Cabinet Paper Seeking Approval in Principle to Purchase up to 105 Light Armoured Vehicles*, p. 12.

⁴⁴ *New Zealand Herald*, 25 August 2000.

⁴⁵ *Army News*, no. 230, 12 September 2000.

⁴⁶ *Ministry of Defence: Acquisition of Light Armoured Vehicles and Light Operational Vehicles*, Report of the Controller and Auditor-General, pp. 42–47.

⁴⁷ ‘Report on LAV III Only The First Step’, Press Release, ACT New Zealand, Wednesday 22 August 2001, available at <<http://www.scoop.co.nz/mason/stories/PA0108/S00440.htm>>, accessed 29 October 2008.

⁴⁸ Keith Locke, ‘Defence dinosaurs cause of LAV3 confusion’, available at <<http://www.greens.org.nz/searchdocs/PR4565.html>>, accessed 24 June 2008.

⁴⁹ *Hawkes Bay Today*, 20 August 2001.

⁵⁰ Suggesting that Bureaucratic Politics be used to its maximum, Lieutenant Colonel I.J.M. Gordon had written a nine page briefing letter to the Deputy Chief of General Staff, Brigadier Rick Ottaway. (Influence in the Centre, Opening the Second Front, 21 March 1997. *Letter attached to the Review of the Performance of the Defence Force in Relation to Expected Standards of Behaviour, and in Particular the Leaking and Inappropriate Use of Information by Defence Force Personnel, Report to the State Services Commission*, by Douglas White QC and Graham Ansell, Wellington, 20 December 2001.) In the letter, Gordon contended that the Army had lost influence and that the Navy and Air Force had been more successful in securing funding. He suggested that ‘Army appears to lack influence in the Centre and a different approach is now required to regain this influence. Army must now open a “second front” in its war with the Centre’ (p. 1). Later in the letter he added, ‘the vulnerability of the air strike capability needs to be exploited to the Army’s advantage’ (p. 4).

⁵¹ C.R. Carruthers QC, *Report of Inquiry into the Propriety of a Letter Allegedly Generated from within the Army*, Wellington, 18 March 2002, p. 4.

⁵² *New Zealand Herald*, 5 January 2002.

⁵³ *New Zealand Herald*, 5 January 2002.

⁵⁴ White and Ansell, *Review of the Performance of the Defence Force in Relation to the Expected Standards of Behaviour, and in Particular the Leaking and Inappropriate Use of Information by Defence Force Personnel, Report to the State Services Commission*, p. 35.

Timing is Everything

⁵⁵ White and Ansell, *Review of the Performance of the Defence Force in Relation to the Expected Standards of Behaviour, and in Particular the Leaking and Inappropriate Use of Information by Defence Force Personnel, Report to the State Services Commission*, p. 36.

⁵⁶ Robin Johansen, Personal interview 29 April 2005.

⁵⁷ *New Zealand Herald*, 20 February 2002.

⁵⁸ *New Zealand Herald*, 20 February 2002.

⁵⁹ *Army News*, no. 266, 21 May 2002.

⁶⁰ *Army News*, no. 268, 18 June 2002.

⁶¹ *Army News*, no. 289, 17 June 2003.

⁶² *Army News*, no. 294, 26 August 2003.

⁶³ *New Zealand Herald*, 30 July 2003.

⁶⁴ *New Zealand Herald*, 8 August 2003.

⁶⁵ *Sunday*, TV One, 24 August 2003.

⁶⁶ *Sunday*, TV One, 24 August 2003.

⁶⁷ *Sunday*, TV One, 24 August 2003.

⁶⁸ *Sunday*, TV One, 24 August 2003.

⁶⁹ Captain Dougal Baker, Personal interview, 9 March 2005.

⁷⁰ The May 2005 issue of *Army News* carried a story written by the commander of the US 1st Battalion, 24th Infantry Regiment Stryker Brigade Combat Team, in which he indicated that one *Stryker* (LAV equivalent without the 25mm turret) had been hit over a six-month period by one suicide car bomb, nine IEDs, and eight RPG direct hits as well as small arms fire. Six soldiers from the squad had been wounded, but all were still fighting in Iraq and the vehicle was never out of action for more than 48 hours. (*Army News*, no. 330, 3 May 2005)

⁷¹ The August 2003 issue of *Army News* carried an article which gave some indication of the ability of the 25 mm cannon saying:

1. A LAV company can engage and destroy targets at well over two kilometres and along a frontage of up to four kilometres or more;
2. The co-ordinated fire from the LAVs can kill a large portion of tanks in existence today, excluding newer generation tanks; and
3. On recent UN operations in East Africa, it was assessed that neither of the former warring factions possessed any AFV that could not be destroyed by a LAV.

(*Army News*, no. 293, 12 August 2003)

If in fact Defence had gone for an M113 upgrade to M113A4 specifications, as Major-General Piers Reid indicated was the likely alternative initially, there would have been very little weight difference between the LAV III and the M113A4. The M113A4 is a recycled M113, lengthened by 34 inches, and with an additional road wheel on each side to help spread the extra 4000 kg weight over a regular M113. (Refer Global Security.Org, 'M113A3+/M113A4 Mobile Tactical Vehicle Light (MTVL)' available at <<http://www.globalsecurity.org/military/systems/ground/m113a4.htm>>, accessed 24 June 2008) The M113A4 Infantry Fighting Vehicle is built on the same lengthened, heavier hull as the MTVL, but carries the additional weight of a turret fitted with a 25mm chain gun. (Global Security.Org, 'M113A3+/M113A4 Infantry Fighting Vehicle Light (IFVL)', available at <<http://www.globalsecurity.org/military/systems/ground/m113a4-ifvl.htm>>, accessed 24 June 2008)

⁷² Major General Piers Reid, Personal interview, 3 September 2003.

⁷³ The day after the television program, Brigadier Roger Mortlock posed the question: 'Why would you want to put one on a *Hercules* anyway? We would normally send them by sea.' (Personal interview, 25 August 2003) It was true that that had been the case in Bosnia, and mostly the case in East Timor. With the development of a multi-role vessel under Project *Protector*, New Zealand now has its own tactical lift ship, but there may still be times when you do want armoured vehicles to be air-transportable, as was the case with East Timor. The MV *Edamgracht*, a Dutch merchant vessel, left Wellington bound for Darwin on 30 September with 21 M113s on board. (*Army News*, no. 210, 12 October 1999) However four M113s left 10 days earlier for Darwin aboard RNZAF *Hercules* aircraft (*Army News*, no. 209, 28 September 1999), and were transported into theatre by RCAF C-130s. (John Crawford and Glyn Harper, *Operation East Timor: The New Zealand Defence Force in East Timor 1999-2001*, Reed Books, Auckland, 2001, p. 64-IV.) The main body of *Victor* Company arrived in Dili on 29 September 1999 (Crawford and Harper, *Operation East Timor*, p. 70) The Australians had two battalions in Dili, but the

Indonesian Army had eleven, and there were an unknown number of militia. Crawford and Harper wrote: 'Little wonder then that the arrival of an additional rifle company, complete with four armoured personnel carriers, was greatly welcomed by the Australians. ... As Major General Cosgrove acknowledged, getting *Victor* Company to East Timor so quickly was "like gold".' (Crawford and Harper, *Operation East Timor*, p. 71.)

The first successful flight of a NZLAV in a RNZAF *Hercules* took place from Ohakea on 24 April 2004. (*Army News*, no. 308, 11 May 2004)

⁷⁴ *Sunday*, TV One, 24 August 2003.

⁷⁵ *Sunday*, TV One, 24 August 2003.

⁷⁶ *New Zealand Herald*, 3 December 2004.

⁷⁷ Robert Ayson, Director of Graduate Studies in Strategy and Defence at The Australian National University, and formerly Advisor to the Foreign Affairs, Defence and Trade Committee in 1998. Personal interview, 21 July 2003.

⁷⁸ Jennie Derby, Personal interview, 14 February 2005.

⁷⁹ *Army News*, no. 330, 3 May 2005.

⁸⁰ *New Zealand Herald*, 16 June 2004. The review was the *Defence Capability and Resourcing Review* (DCARR) published in February 2005, which formed the basis for *The Defence Sustainability Initiative: Building a long-term future for the New Zealand Defence Force*, released on 2 May 2005. The *Initiative* promised an increase of NZ\$4.4 billion in baseline funding over 10 years, and a further NZ\$209 million of additional capital for the LTDP. Following the publication of the *Initiative*, the Chief of Army noted that the CDF had 'agreed for Army to grow by 741 people'. (*Army News*, no. 330, 3 May 2005)

⁸¹ New Zealand Defence Force, *New Zealand Defence Force Annual Report 2003-2004*, NZDF, Wellington, 2004, p. 10.

⁸² *Questions and Answers, The NZ Light Armoured Vehicle (NZ LAV)*, paper provided by the New Zealand Army on 9 March 2005.

⁸³ *New Zealand Herald*, 3 December 2004.

⁸⁴ Colonel Mark Wheeler, Personal interview, 9 March 2005.

⁸⁵ Wheeler, Personal interview, 9 March 2005.

⁸⁶ *New Zealand Herald*, 30 July 2003.

⁸⁷ *Army News*, no. 312, 6 July 2004.

⁸⁸ Ministry of Defence, 'Light Armoured Vehicle Acquisition Project'.

⁸⁹ Ministry of Defence, 'Light Armoured Vehicle Acquisition Project'.

⁹⁰ *Army News*, no. 346, 13 December 2005.