

# **Department of Defence**

Ministerial and Executive Coordination and  
Communication

**28 PAGES**

Thursday, 24 March 2011

# **DAILY DEFENCE NEWS SUMMARY**

**For more information relating to this morning's news  
summary, please contact Media Operations on  
(02) 6127 1999.**



# Navy testing 4000 sailors for drug abuse

By David Ellery  
Defence Reporter

More than 4000 sailors would have been tested for prohibited drugs by the end of the financial year after the navy adopted an aggressive testing regime, a Defence spokesman has said.

Progress is well in hand to test a quarter of the Royal Australian Navy's 16,000 strong workforce.

Navy has adopted a new, stronger testing regime that targets a wide range of prohibited substances, including steroids, to deter drug use and to identify people whose drug use poses a risk to others.

Tests are timed to coincide with periods when drug abuse is considered most likely, for example, Monday mornings and on Fridays, the day after pay day.

Substance abuse is a sackable offence within the ADF and if a member is caught using prohibited substances their employment is reviewed.

"Where members are alleged to be involved in drug use or supply they may be subject to disciplinary action which will most likely result in a termination of their service," the

spokesman said. Drug and alcohol use within the navy has never been far from the headlines in recent months with the Australian Defence Force Investigative Service and state police services conducting raids at Garden Island in Sydney and HMAS Cairns in Queensland.

It is believed steroids were among the drugs targeted at Garden Island.

The Defence spokesman told *The Canberra Times* the use of all illicit drugs, including steroids, was regarded as a serious breach by the ADF.

He declined to comment on investigations stemming from the NSW and Queensland raids but said there was no evidence they were related.

Six navy personnel have been the subject of disciplinary or administrative action after 30 separate ADF investigative service probes in the past 12 months.

Eleven of the investigations remain open and another 13, almost half, were closed because of insufficient evidence to proceed.

None of these investigations involve personnel at Canberra's HMAS Harman communication facility.

The facility has its own wet bar and all staff are trained and licensed in the responsible serving of alcohol.

"One Harman sailor was hospitalised for suspected alcohol abuse early in 2010," the spokesman said.

"The sailor resided off base and the incident occurred over a long weekend when the sailor was not required for duty."

The ADF has a residential rehabilitation program for members with alcohol, tobacco and other drug issues that is run from the Richmond RAAF base.

This program has the capacity to treat 96 people a year.

The Defence spokesman said members who left before completing the program were offered alternative support options through the recently appointed Regional Alcohol, Tobacco, and other Drug Program co-ordinators based in Sydney, Melbourne, Hobart, Adelaide, Perth, Darwin, Brisbane, and Townsville.

There were no records to indicate an alcohol-dependent culture similar to that found to be in place on board HMAS Success had also operated on board HMAS Manoora, Kanimbla and Tobruk, the spokesman said.

"Over the last 18 months two HMAS Manoora crew members have been disciplined for being drunk on duty," he said.



**Herald Sun**  
**24-Mar-2011**  
**Page: 2**  
**General News**  
**By: Ian McPhedran**  
**Market: Melbourne**  
**Circulation: 495000**  
**Type: Capital City Daily**  
**Size: 109.26 sq.cms**  
**Frequency: MTWTFS-**

# Sailors face booze ban

**Ian McPhedran**

defence reporter

ALL 14,000 members of the Royal Australian Navy will take 10 minutes off today to hear their boss threaten them with alcohol bans, 100 per cent drug testing and curfews.

In the wake of the damning HMAS *Success* "sex ship of shame" inquiry, Navy Vice-Admiral Russ Crane has clearly had enough and has issued a blunt warning.

The HMAS *Success* report found a failure of leadership and a "predatory sexual culture" on the ship, where senior sailors ran a tribal culture and engaged in alcohol-fuelled public sex acts. In the video, the chief tells officers and sailors they must be aware of their responsibilities as ambassadors of Australia and the Navy.

He said the HMAS *Success* inquiry report highlighted deficiencies in the Navy's random breath-testing system.

"If we need to test 100 per cent of our people then this will be done," he said.

Vice-Admiral Crane said unless the Navy's heavy drinking culture changed "at every rank", he would ban consumption at some ports.

"If need be, I will introduce measures such as curfews and increased shore patrols," he said. "I don't want to have to do this but it will occur if I continue to see instances of poor and inappropriate behaviour."

He said the report showed alcohol-fuelled activity led to inappropriate behaviour, especially toward women.

"This is totally unaccept-

able, cannot, and will not be tolerated," he said.

He said he could not accept a situation where women felt threatened by their male counterparts, and said lack of leadership led to the debacle involving HMAS *Success*.

"During those *Success* runs ashore in 2009 had anyone from any rank displayed some courageous leadership and put a stop to a chain of events which has badly harmed our Navy and some of our people, I would not be speaking to you today," he said.

After the video commanding officers will conduct workshops focusing on leadership, cultural change and alcohol management.



## **Navy chief to warn sailors on alcohol and sex**

**Dan Oakes**

DEFENCE CORRESPONDENT

THOUSANDS of sailors will stop work today for a lecture on why binge drinking and sexual harassment are unacceptable in today's navy.

The video message from the Chief of Navy, Vice-Admiral Russ Crane, follows the release of a report detailing drunkenness and sexual intimidation on board HMAS Success during a deployment to Asia in 2009.

"Inevitably this report shows us that alcohol-fuelled activity led to inappropriate behaviour. This was especially directed against women. This is totally unacceptable, cannot, and will not be tolerated," Admiral Crane will say in his message.

"I cannot accept a situation where women in the workplace or ashore feel threatened by their male counterparts."

A commission of inquiry found that a "tribal" group of senior sailors on HMAS Success engaged in predatory sexual

and drunken misconduct, protecting themselves through a culture of "silence and mutual protection".

The commissioner, the retired NSW judge Roger Gyles, discounted lurid media reports of a "sex ledger", in which bounties were set for having sex with female sailors.

But he did find that some sailors placed a sex bounty on one young female sailor.

After the report's release, Admiral Crane and the Chief of the Defence Force, Air Chief Marshal Angus Houston, pledged to eradicate the cultural "cancer" of alcohol abuse in the Defence Force. In his message, Admiral Crane lambasts the leadership on board the Success, saying that "had anyone from any rank displayed some courageous leadership and put a stop to a chain of events which has badly harmed our navy and some of our people, I would not be speaking to you today".

He says the navy needs to

examine its promotion system and ensure that any sailors promoted are aware of their moral and ethical responsibilities, and their obligation to speak out against misconduct.

Admiral Crane threatens to ban alcohol consumption during port visits while overseas, and to increase shore patrols and introduce curfews in Australia. He also says the navy's random breath testing program needs to be tightened up.

"The misuse and abuse of alcohol is a common element throughout the report. Navy is not immune from the alcohol problems which confront this nation, especially when it comes to binge drinking, but we must hold ourselves to higher standard," he says.

"Simply put, [alcohol] ruins careers, ruins relationships and ultimately can kill you.

"Every one of us needs to step up here and address the debilitating effects of alcohol and drug abuse."

### **STERN WORDS**

**"Inevitably this report shows us that alcohol fuelled activity led to inappropriate behaviour. This was especially directed against women. This is totally unacceptable, cannot, and will not be tolerated."**

**Vice Admiral Russ Crane**





# Drinking in navy gone overboard

By NADJA HAINKE

EVERY Darwin sailor could soon be breath-tested while on duty under what the navy calls a "hard-hitting campaign" to crack down on alcohol abuse in the service.

They may also face complete alcohol bans and curfews in some ports.

The call came after an independent report revealed an embarrassing drinking culture aboard the HMAS Success, in which female sailors were being filled up with alcohol for sex.

One woman even had a "sex bounty" on her head. Vice-Admiral Russ Crane

will today call for a change of culture within the navy in a 15-minute video message shown to all sailors in Australia, including at the naval bases in Darwin.

A transcript of the message, obtained by the *NT News*, shows the navy boss has had enough. He threatens to introduce the changes if the "poor and inappropriate behaviour" continued.

"I don't want to have to do this," he says. "(But) I cannot accept a situation where women in the workplace or ashore feel threatened by their male counterparts."

At least 30 sailors are being investigated for sexual misbehaviour and breaches of discipline on the navy supply ship HMAS Success.

A report tabled in Federal Parliament last month described a fierce tribal culture among the ship's engineers during a flag-showing voyage of Asia, with "out of control" sailors preying on younger female crew.

A "bounty" was placed on one sailor and there were competitions on who could have sex with others.

The commission of inquiry found sailors would fill

up their targets until the women gave in to end the pressure. The report also revealed sailors, dressed up as schoolgirls, went on a three-day drinking session in Hong Kong in 2009.

Vice-Admiral Crane says in the video he will accept all 24 recommendations made in the report. He says a lack of leadership has led to the debacle and calls on the sailors to show responsibility. "All of us must bear some of the responsibility to fix this," he said.

“

I cannot accept a situation where women in the workplace or ashore feel threatened by their male counterparts

## **FED: Court-martial date set for commandos**

By Andrea Hayward

CANBERRA, March 23 AAP - A date has been set for the court-martial of two Australian soldiers over a night-time operation that left six Afghan civilians dead.

Defence Minister Stephen Smith said pre-trial directions for two of three soldiers charged over the matter would be held in Sydney soon, ahead of a court-martial on July 11.

A third soldier will face a general court-martial.

Charges against the three commandos range from manslaughter to a failure to follow orders on February 12, 2009 in Oruzgan province.

The night raid on a residential compound in the country's south left six people dead, including five children.

Director of Military Prosecutions Brigadier Lyn McDade made the unprecedented decision to charge the three soldiers, provoking an outcry in defence circles.

Historically, any such decision was made by authorities who are part of the military command.

But in 2005 the parliament voted to appoint an independent director of military prosecutions to decide.

The Gillard government has rejected opposition calls to intervene in the matter and the Department of Defence has been questioned about the level of legal support given to the soldiers.

The best possible legal, administrative, medical and welfare support was being made available to all three soldiers, Mr Smith said.

He said the Australian Defence Force had built a reputation over years of professionalism and compliance with rules of engagement.

"Australian forces take all possible steps to ensure that operations do not endanger the lives of civilians," he told parliament.

"We have prided ourselves on our high standards and we have a well-regarded international reputation for doing so."

Instances involving civilians would always be investigated, he said.

AAP ah/sb/jhp

*reported in: Age, p6.*

*Courier Mail, p9.*



**Australian**  
**24-Mar-2011**  
**Page: 5**  
**General News**  
**By: AAP**  
**Market: Australia**  
**Circulation: 129166**  
**Type: Australian National**  
**Size: 76.83 sq.cms**  
**Frequency: MTWTF**

## Court-martial date set for Diggers over Afghan deaths

A DATE has been set for the court-martial of two Australian soldiers over a night-time operation that left six Afghan civilians dead.

Defence Minister Stephen Smith said pre-trial directions for two of three soldiers charged over the matter would be held in Sydney soon, ahead of a court-martial on July 11. A third soldier will face a general court-martial.

Charges against the three commandos range from manslaughter to a failure to follow orders on February 12, 2009, in Oruzgan province. The raid on a residential compound in the country's south left six people dead, including five children.

Director of Military Prosecutions Brigadier Lyn McDade made the unprecedented decision to charge the three soldiers,

causing outcry in defence circles.

Historically, such decision has been made military command. But in 2005, parliament voted to appoint an independent director of military prosecutions.

The Gillard government has rejected opposition calls to intervene and Defence has been questioned about the legal support given to the soldiers.

The best possible legal, administrative, medical and welfare support was available to all three soldiers, Mr Smith said, adding that the Australian Defence Force had a reputation of professionalism and compliance with the rules of engagement.

"Australian forces take all possible steps to ensure operations do not endanger civilians," he told parliament.

AAP



**Canberra Times**  
**24-Mar-2011**  
**Page: 17**  
**International News**  
**By: Nicholas Stuart**  
**Market: Canberra**  
**Circulation: 32116**  
**Type: Capital City Daily**  
**Size: 251.13 sq.cms**  
**Frequency: MTWTFS-**

## Are our diggers turning a blind eye to opium growing?

In Afghanistan

**NICHOLAS  
STUART**



**U**nited Nations sources in Kabul insist that, despite the deployment of Australian troops in the province since 2006, Oruzgan will produce more opium this year than at any time since the international intervention started. More than 9000ha is now devoted to opium poppies and the province produces nearly 8 per cent of the drugs originating in Afghanistan.

Officials working for the UN say the Australian army has a policy of not destroying the crop, and this is why the region is set for a bumper harvest of opium poppies. Asserting that the province could jump to become the area producing the third-largest amount of opium in the country, they also insist the drug will certainly remain the largest cash crop produced in the area.

They insist that, despite Australia's official stance against the drug trade, the army has turned a blind eye to the production and done nothing in the past to stop the poppy fields blossoming around the army base at Tarin Kowt. Because of this one official was not prepared to be identified. Nevertheless, other sources have confirmed the story when the claim was put to them.

The UN official claimed the soldiers were very aware of what was being grown right under their noses. "Hey, when your boys see those fields full of poppies, they surely don't think they're being grown for cut flowers," he said. "You can freely buy this stuff [the raw ingredients of opium] in the market just down the

road from the base at TK."

Mid-last year, farmers in Deh Rawud, a fragile area at the edge of Australian control, voluntarily stopped cultivating poppies. But analysts say locals are now unhappy because they feel they weren't rewarded for changing to other crops. It's understood this year many have announced their intention to return to poppy farming.

Through a translator, a headman from the local area described many people's anger towards the Australians and their own Government. "Why should we stop growing poppies when the soldiers allow other farmers to grow them right outside their own base? I believe these farmers are paying them [the Australians] to be allowed to do it."

Although the wilder claims such as the taking of bribes by Australian soldiers remain completely unsubstantiated and extremely unlikely, locals find it difficult to explain why no action has been taken against those growing poppies under the diggers' noses. As a result, perceptions have grown in the outlying parts of the province that the Australians are supporting, or at least condoning, the production of drugs.

Many villagers allege that the diggers are particularly close to a strongman Matiullah Khan, widely known to be heavily involved in the drug trade. Matiullah provides gunmen who guarantee the security of the roads – at a price. This also provides a perfect opportunity for

him to control the transit of drugs at the same time.

Observers who have recently returned from the area say opium production normally takes up more than half the capacity of the fields around the Australian base at Tarin Kowt. As the snows of winter melt and the ground becomes productive, it's anticipated these ideal growing conditions will lead to a bumper harvest in the coming year.

Poor security on the roads has also worked against the production of other cash crops. Getting alternative produce to markets in the region is often so difficult that locals will abandon the attempt. Other crops, such as almonds normally take at least five years to show even a meagre return. These long gestation periods waiting for a crop to be established have also led farmers to concentrate on the easier profits coming from the drug trade.

Other farmers have chosen to cut back on plantings of alternative crops because of lower global prices. At one time saffron, for example, would return about \$A3300 per kilo. Today, in part because Iranian production of the seeds has soared, it brings just over \$A2000.

It is understood a senior army officer in Canberra hung a photograph on his office wall, showing diggers patrolling poppy fields thick with brilliant red flowers. It's uncertain if he appreciated the irony of the image.

■ Nicholas Stewart is a Canberra writer



## Coalition Defence pension rise to cost \$1bn a year

**David Crowe**

Chief political correspondent

A Coalition policy to increase military pensions would add almost \$1 billion a year to annual federal outlays over the coming decades, says an analysis that is likely to intensify the fight over the federal budget.

The government actuary warned that the plan would hit the budget with significant costs and should be offset by a "clawback" to recover funds.

Finance Minister Penny Wong sent the advice to her opposition counterpart Andrew Robb yesterday in another bid to derail a Coalition bill that would increase pensions for those leaving the military.

Senator Wong challenged the Coalition to find savings elsewhere in the budget to pay for its commitment, which could be debated today.

Defence pensions are increased

each year at a rate set to the consumer price index, but the Coalition would set the rate at the highest of three indices – the CPI, male total average weekly earnings or the pensioner and beneficiary living cost index.

Opposition spokesman for defence Stuart Robert advocated the change to prevent military personnel suffering a lower increase compared with other pensioners.

Actuary Michael Burt told the Defence Department that the policy would cost \$175 million over the next four years, and the total would grow quickly as thousands of military personnel retire. The extra annual outlay would swell to \$205 million by 2020 and keep growing until it peaked at \$950 million in 2046, he found.

"It can be seen from the results that

a move to the opposition's proposed indexation methodology for [defence] pensioners aged 55 or more is an expensive benefit improvement," Mr Burt wrote. "Additional commonwealth cash expenditure in the first few years after any change would be relatively small but the additional amount of cash expenditure would increase and become very noticeable."

It would add \$6.2 billion to the existing \$25.5 billion liability for the future payments.

But Mr Robb called the report a "pathetic attempt by Penny Wong to hide the government's embarrassment for their lack of support for this measure and the budget difficulties caused by their wanton spending".

## **FED:ADF member cleared of detainee mishandling**

An Australian Defence Force member has been cleared of mishandling detainees at an Afghan prison housing suspected insurgents .. but another is under investigation.

The ADF took over the management and processing of insurgents .. captured by Australian and other coalition forces in Oruzgan province in August .. when the Dutch withdrew from Afghanistan.

Defence Minister STEPHEN SMITH says there's no substance to claims that the detention management team might not have complied with procedures .. and they've been dismissed.

He's told parliament .. a further allegation of detainee mistreatment has been received since the last complaint .. and is under investigation.

Mr SMITH says the outcome will be reported to the International Security Assistance Force and appropriate humanitarian organisations.

AAP RTV ah/ajw/

## **Australia welcomes Afghan transition**

SYDNEY, March 23, 2011 (AFP) - Australia Wednesday welcomed Afghanistan's decision to begin taking over security in parts of the country in July, but said its soldiers would remain in the troubled nation for at least a year.

Afghan President Hamid Karzai on Tuesday said Afghan forces would take over security of three provinces and four cities from NATO, the first step towards the withdrawal of foreign troops from Afghanistan by the end of 2014.

Australian Prime Minister Julia Gillard said the move was a "significant step".

"Transition is a process, not an event, and Australia and its International Security Assistance Force (ISAF) partners will continue to support Afghanistan as the mission progresses," she said in a statement.

"The key challenge for the Afghan government and ISAF is to ensure that transition is sustainable and irreversible."

Australia, which has some 1,550 troops in Afghanistan and which has lost 23 soldiers in the conflict since 2001, would continue to train the Fourth Brigade of the Afghan National Army in the southern province of Uruzgan, Gillard said.

"We expect the transition in Uruzgan province and its districts will begin in the next one to three years," Gillard said.

Karzai's announcement comes 10 years after the US-led invasion that ousted the Taliban regime following the September 11 attacks on the United States in 2001.

The transition process was agreed at a summit in Lisbon in November 2010 by the 48 ISAF nations but with a major Taliban insurgency still raging, doubts remain over the readiness of the Afghan security forces.

Last year was the deadliest by far for international troops since the conflict began in 2001, with more than 700 fatalities reported.

mfc/mp/jjt



## Sydney Morning Herald

24-Mar-2011

Page: 6

International News

By: The Washington Post

Market: Sydney

Circulation: 209644

Type: Capital City Daily

Size: 68.10 sq.cms

Frequency: MTWTFS-

# Ministry set ablaze

**CAIRO:** The Egyptian Interior Ministry, long a symbol of heavy-handed repression, was set ablaze during a protest by police officers demanding more pay and better working conditions from the military-run government.

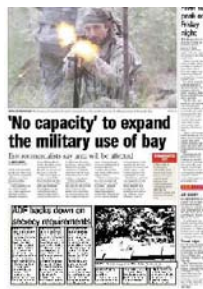
The fire, which largely gutted one wing of the seven-storey building and scorched another, underscored an abiding concern among many Egyptians that the revolution that toppled Hosni Mubarak on February 11 has weakened law enforcement and raised the risk of violent crime. It was also a reminder that beneath the uplifting promises of a new democratic era, many Egyptians have accounts to settle from years of military dictatorship.

The headquarters building of Mr Mubarak's National Democratic Party was burnt by angry crowds during the Tahrir Square demonstrations in January, for instance, and this month protesters stormed the dreaded State Security Agency and rifled through offices in search of thousands of surveillance files accumulated by an army of undercover officers over the years.

Officials speaking anonymously told reporters that the fire at the Interior Ministry on Tuesday was apparently set by police protesters.

But witnesses in the street outside said they had seen no evidence that demonstrators had entered the heavily guarded building.

The Washington Post



# ADF backs down on secrecy requirements

THE Australian Defence Force has backed down over the secrecy requirements which fired up Rockhampton's Mayor Brad Carter.

Cr Carter says he is now satisfied there will be no repeat of the confidentiality clause which prevented council officers from revealing to him information they had been given about the upcoming war games exercises at Shoalwater Bay.

It appears that a relatively junior officer acted incorrectly when

he insisted that the details he supplied to council officers were strictly confidential and could not be revealed to anyone – including the mayor and council chief executive Evan Pardon.

In the council chamber on Tuesday, the mayor told of how he had been embarrassed to have a discussion with the Parliamentary Secretary for Defence about the forthcoming Talisman Sabre exercises during which he was under-prepared.

He told councillors the refusal of a council

officer to provide him with a background brief on what had already been discussed between Defence and council officials, placed him in a difficult and compromising situation

The council has now resolved to forbid its staff to have any discussions where there was a request that information be kept secret from elected representatives.

In a response to questions from journalists, a Defence spokesman said there was no confidentiality arrange-

ment that prevented council staff briefing the mayor or councillors.

Cr Carter said he had been contacted by the ADF to explain where the confusion arose and to be assured there would be transparency about the conduct of Talisman Sabre this winter.

The Defence Department will provide a comprehensive briefing on the exercises to Cr Carter and council officials on April 4.



**TANKS A LOT:** A soldier enjoys the 2009 Talisman Sabre exercise.

PHOTO: ALLAN REINIKKA, AR18/0709/4



# Failures put department under fire

As problems compound and no one is held accountable, pressure is building for Defence reform. **Geoffrey Barker** comments.

**P**ersistent and costly Defence Department failures in key weapons acquisition and sustainment programs have revived urgent political pressure for root-and-branch reform of the way Defence does business.

With tens of billions of dollars at stake, and defence industries concerned for their future viability, the Department of Defence and its procurement agency, the Defence Materiel Organisation (DMO) are under increasingly harsh scrutiny over failures to deliver new weapons on time and on budget.

Early last month the Senate voted to set up a new inquiry into the DMO to "assess the procurement procedures utilised for major Defence capital projects currently underway or shadowed in the Defence white paper". It will hold public hearings and is due to report by November 30.

Barely a week after the Senate inquiry was set up – on the unlikely joint motion of Green Senator Scott Ludlum (WA) and Liberal Helen Kroger (Vic) – Defence Minister Stephen Smith blasted Defence and the DMO over the parlous state of navy supply ship maintenance.

Smith's remarks reflected his

impatience over Defence procurement and sustainment problems. Addressing the scandal of the unseaworthy rust-bucket supply ships HMAS Manoora and HMAS Kanimbla, he spoke of "the adverse side effects of a can-do and make-do culture" and "a lack of sufficient adherence to verification, certification and assurance processes". Describing supply ship maintenance and sustainment as "failed", he appointed an independent outside inquiry headed by Paul Rizzo and moved to lease a British Bay-class supply ship to fill the gap.

It was a brutal rebuke to Defence and a vote of no confidence in the DMO. His remarks also reflected badly on the Navy which struggles to keep its ships and submarines at sea (and which misled Smith about the availability of the support ship HMAS Tobruk to assist with Queensland cyclone relief).

Industry experts are now asking whether Smith might enlist an overseas expert to review DMO's failures. The issue has gained political traction against the background of the rearmament program outlined in the 2009 Defence white paper and rising concerns over China's aggressive military expansion.

24-Mar-2011

Page: 2

Special Report

By: Geoffrey Barker

Market: Australia

Circulation: 74733

Type: Australian National

Size: 1149.71 sq.cms

Frequency: MTWTFS



Smith's remarks followed his earlier warning that Defence had to live within its means, and his words echoed a speech made a decade ago by a former Defence Department secretary, Allan Hawke, who spoke of Defence's "culture of learned helplessness". *Plus ça change...*

The Senate committee will examine the Defence Capability Group "and its relevant sub-committees" which define requirements for equipment procured by the DMO. It will also make recommendations for "enhancing the availability of public information and parliamentary oversight and scrutiny of defence procurement".

But Defence management seems incapable of or resistant to change. Foul-ups and incompetence seem endemic. Last month the DMO and the government listed 11 major "projects of concern" – all seriously delayed, over-budget and not delivering promised capability.

At the same time it announced that it was dumping six watercraft

built for Kanimbla and Manoora because they were too big and heavy for the supply ships. Those responsible for this expensive error have not been held accountable.

Australian defence firms hope to find commercial opportunities in Smith's disillusionment with DMO.

But the prospects look grim. Perhaps the most deeply embedded problem facing Smith is the formidable civilian and service culture within Defence, which is highly resistant to political accountability. It has thwarted eight Defence ministers over the past 15 years and will now hunker down and wait for Smith to move on.

Defence is also top heavy with senior civilian and military managers whose major skills include concealing or minimising department failings. The Defence Materiel Organisation, headed by Stephen Gumley, is no less top-heavy while down-the-line DMO project managers struggle to complete acquisitions.

Yet no one seems anxious to

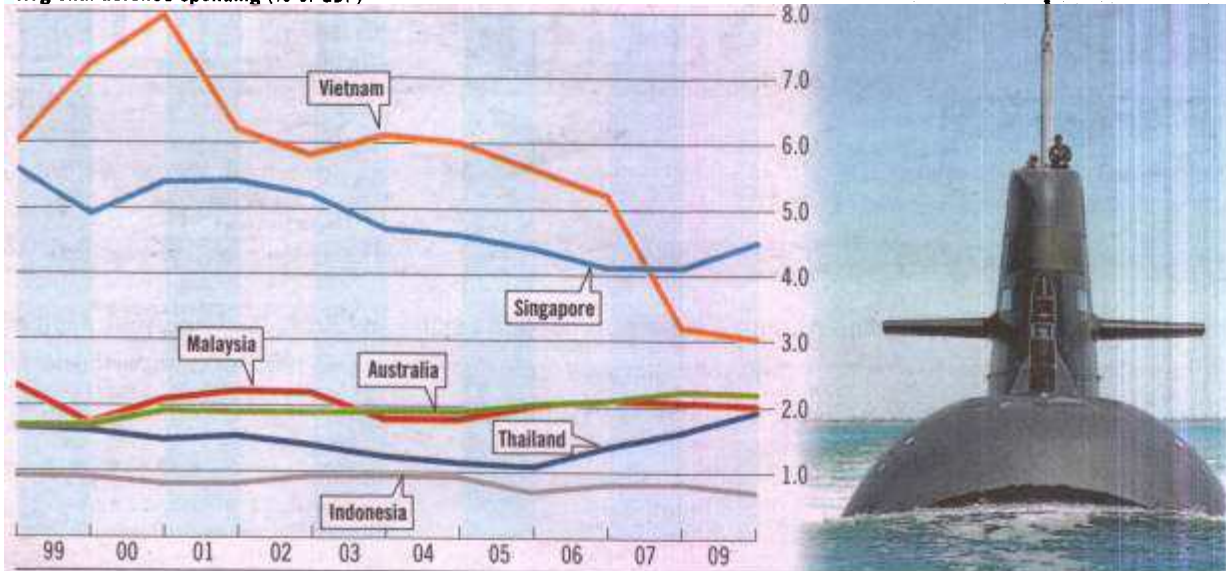
tackle these issues – not Smith, not department secretary Ian Watt, not outgoing Defence Force Chief Air Marshall Angus Houston, not Gumley. Progress towards on-time and on-budget acquisitions is glacial as Capability Development Group officers seek to satisfy the demands of their service chiefs for augmented equipment and for their cut of the spending spoils.

In fairness, Defence is hard-

**Defence is top heavy with senior civilian and military managers whose major skills include concealing or minimising department failings. Yet no one seems anxious to tackle these issues.**

## Big spenders

Regional defence spending (% of GDP)



SOURCE: DIO



24-Mar-2011

Page: 2

Special Report

By: Geoffrey Barker

Market: Australia

Circulation: 74733

Type: Australian National

Size: 1149.71 sq.cms

Frequency: MTWTF5



pressed at home and abroad. At home it is struggling to implement a strategic reform program designed to save up to \$10 billion over a decade for investment in new equipment; it is running the \$100 billion-plus white paper rearmament project headlined by acquisitions of 12 new submarines, warships, cruise missiles and up to 100 F-35 Joint Strike fighters.

But promised future funding increases in the current \$22 billion Defence budget look increasingly uncertain as the government pushes to bring the budget back to surplus in 2012-13 while paying for flood reconstruction and accepting reduced income from planned mining super-profit legislation.

The gap between likely future revenue and the cost of planned acquisitions is widening and Defence's ambitious rearmament program looks increasingly likely to face cutbacks and delays. Observers see the program as a wish list rather than the apparently firm commitment set out in the Defence white paper.

Abroad, Defence has some 1550 troops fighting a limited but pointless war in Afghanistan; it is also seeking to come to terms with the rise of China as a potential strategic competitor while seeking to enhance its close alliance with the United States.

Some things Defence does well. Combat forces in Afghanistan have shown supreme valour and made supreme sacrifices resulting in two Victoria Cross awards and 23

deaths in action. Army personnel contributed courageously and compassionately in the recent flood and cyclone crises.

But Smith's speech highlighted management failures that cannot be ignored. They are creating grave uncertainty for the eight prime contractors and 3000 small to medium contractors who make up Australia's defence industry base with its 29,000 employees.

Even the globalised prime contractors are feeling financial strain and there is talk of job shedding as government contracts and spending slow to a trickle. There are concerns that recent defence cutbacks in Britain and the US will encourage hard-pressed British and American firms to look aggressively for contracts in Australia, stiffening already tough local competition.

The federal government has added further pressure by adopting a purist pro-competition policy for Defence contracts, which doubtless makes good economic sense.

But 50 per cent of defence industry jobs are in small and medium-sized firms. Local community dependence on those jobs is a challenge to economic purity. Moreover the government recognises the strategic importance of retaining identified priority industry capabilities (the so-called PICs) even if they need support.

Further complications arise from the government's decision, after the 2008 Mortimer review of Defence acquisition, to mandate greater

consideration of commercial and military off-the-shelf purchase of equipment. Advantages include faster and usually cheaper acquisition with fewer delays arising from so-called gold-plating of equipment by the military.

Disadvantages include reduction of opportunities for innovation for Australian firms and the loss of any technological edge to the warriors.

The immediate question is how acquisition cock-ups can be stopped now that Smith has indicated his frustration with what is an unsustainable situation.

Earlier this month Smith told ABC television that senior Defence officials including the Defence Force Chief, department secretary and DMO chief all had to accept responsibility. But has he the will – and the time – to impose accountability on them? He will succeed only if he becomes more ruthless than he has been to date.

### A cultural challenge

- Defence Minister Stephen Smith has highlighted defence management failures that cannot be ignored.
- These create grave uncertainty for the defence sector and its 29,000 employees.
- There is a culture embedded in Defence that is highly resistant to political accountability.
- If he wants defence officials to accept more accountability, Smith needs to be more ruthless.





## Army has to learn to work from highly capable new LHDs

The new ships present a variety of options for the ADF to explore, writes **Mark Lawson**.

**W**ith the Navy about to acquire two ships capable of major amphibious operations, the defence forces should consider how they should use the capability they represent.

In particular it should consider the size, type and composition of the forces to operate from the ships, and the training required for amphibious operations, with one model being a Royal Marine commando brigade.

This is the message of a paper entitled *Amphibious Warfare: A Discussion Paper* by Lt Colonel Jon Hawkins, deputy director for Army Headquarters in the Joint **Amphibious Capability**

Implementation Team, presented at the recent Land Warfare Conference held in Brisbane.

In the paper Hawkins says the two LHDs (for landing helicopter dock – a multipurpose amphibious assault ship) will allow the Australian Defence Force to achieve amphibious best practice in line

with our allies.

That means the defence forces should create a highly trained, specialist marine unit capable of operating from the ships, with two good examples offered by the US and UK forces.

To operate from similar-sized vessels the Americans have Marine Expeditionary Units which consist of battalion landing team, a composite helicopter squadron and a combat logistics squadron. This joint amphibious organisation is trained, certified and then held “on-line” for 13 months, which is “not a typical figure” for an Australian unit.

“The US [Marine Corps] training regime is long, resource intensive and complex, and for a MEU involved 22 weeks of training and certification,” the paper says.

The UK model involves drawing assault elements from across a brigade but still requires significant training.

Once the LHDs arrive in 2014 the ADF will have several options,

including the creation of a specialist amphibious battalion, similar to the airborne battle group. However, this introduces significant “rotation issues”. (The unit cannot be kept in the field or in readiness constantly.)

Another is a brigade grouped as a combined arms task force, similar to the UK commando brigade structure.

Whatever the eventual decision on this issue, and the creation of a specialist command and control element, the LHDs offered excellent facilities. These include accommodation for up to 1000 soldiers per ship, room for a large number of fighting and support vehicles, four landing craft per LHD and large helicopter flight decks. They also have considerable planning and briefing facilities.

“The Army needs to learn how to live, deploy, operate in, and operate from the LHDs to maximise the government’s investment in this capability,” the paper says.



# ASIO enters the cyber fray to reveal hackers

Australia's intelligence agency has a new unit to counter hostile online initiatives.

**Julian Bajkowski** examines the complexities.

**A**ustralia's already burgeoning computer warfare club has just added another high profile member.

The Australian Security Intelligence Organisation (ASIO) has come out of the cold and publicly said that it has developed a specialist cyber investigations arm to ferret out foreign hackers.

Revealed in a speech to the National Security College in Canberra this month by Attorney-General Robert McClelland, the creation of the new unit under the auspices of Australia's domestic intelligence agency should help clear away some of the fog that permeates the maze of legal responsibilities and limitations in terms of who can do what when tackling state-sponsored hacking.

But while few contest there has been a rise in electronic espionage attempts, much less clear is which government agency tackles what issues and the action they can take.

Historically the Defence Signals Directorate been the torch-bearer for computer and communications hacking and cracking thanks to its long history of developing and dismantling cryptography and computer security standards.

However DSD's interception and surveillance powers are limited by legislation which prohibits it from spying within Australia, a role demarcated to ASIO and state and federal police.

A key challenge that both agencies continue to face is that the new tradecraft of cyber espionage (where communications, computing and cryptography all collide) simply doesn't conform to boundaries that were largely established before the internet became a household fixture.

While DSD is authorised to tap and hack into overseas communications, its powers effectively stop at the border, leading to potentially awkward situations when attempting to investigate or mitigate international intrusions aimed at Australia.

Conversely, while ASIO has traditionally executed domestic surveillance and interception functions in matters of national security, it largely left computer protection to DSD, which is also officially charged with setting and testing standards.

One of the biggest problems faced by agencies and corporations is that attempts to exfiltrate sensitive information from within Australia are often performed using covert software programs or system

tweaks that are planted into systems to give intruders access.

The new cyber investigations unit essentially transfers what was once a ring-fenced set of skills and puts them into a much less ambiguous legal framework so that onshore national security nasties can be dealt with promptly (and silently.)

ASIO's latest official function as a digital rat-catcher follows the rapid escalation of co-ordinated and sustained cyber intrusions linked to foreign military interests that would previously listen in to satellites or undersea cables.

Over the past three years tensions over state-sponsored hacking have repeatedly flared as European governments and the US military pointed accusatory fingers at China over network penetrations that seemed aimed at siphoning out the paper equivalent of truckloads of documents.

Along the way, the director-general of ASIO, David Irvine, has made plain his views on the urgent need to change and respond to the new threat.

"From a national security point of view, the internet presents particular difficulties," Irvine said in a speech to the University of Canberra late last year.

"The explosion of the cyber world has expanded infinitely the opportunities for the covert acquisition of information by both state-sponsored and non-state actors.

"Today, we see constant attempts by cyber means to steal the nation's

24-Mar-2011

Page: 4

Special Report

By: Julian Bajkowski

Market: Australia

Circulation: 74733

Type: Australian National

Size: 653.20 sq.cms

Frequency: MTWTFS



secrets, as well as information vital to the effective operation of critical national industries and infrastructure, not to mention commercial intelligence and criminal fraud.”

But while few dispute the force of the threat being faced, there is far less agreement on the structure of Australia’s response in terms of how duties are divided between agencies.

One point of friction has come from the Kokoda Institute, a defence and security think tank, which over the Christmas break released a scathing assessment that singled out DSD in warning that Australia’s response to cyber threats was falling behind.

Kokoda’s heavily publicised cyber report followed previous warnings by the group that domestic restrictions on DSD’s activities could have to be relaxed to effectively respond to new technology threats because traditional demarcation lines had become blurred.

A key recommendation from Kokoda’s assessment is that responsibility and co-ordination of cyber-security issues be handed to a national security adviser, a view echoing a House of Representatives committee call to appoint a so-called cyber-security tsar.

However, the push to appoint a single leader has been resisted by key agencies, including the Attorney General’s Department, which has argued that existing co-ordination mechanisms are adequate.

These include the creation of a new cross-agency Cyber Security Operations Centre housed within DSD that includes ASIO, the Australian Federal Police, Defence and Critical Infrastructure Protection representatives from the Attorney-General’s Department.

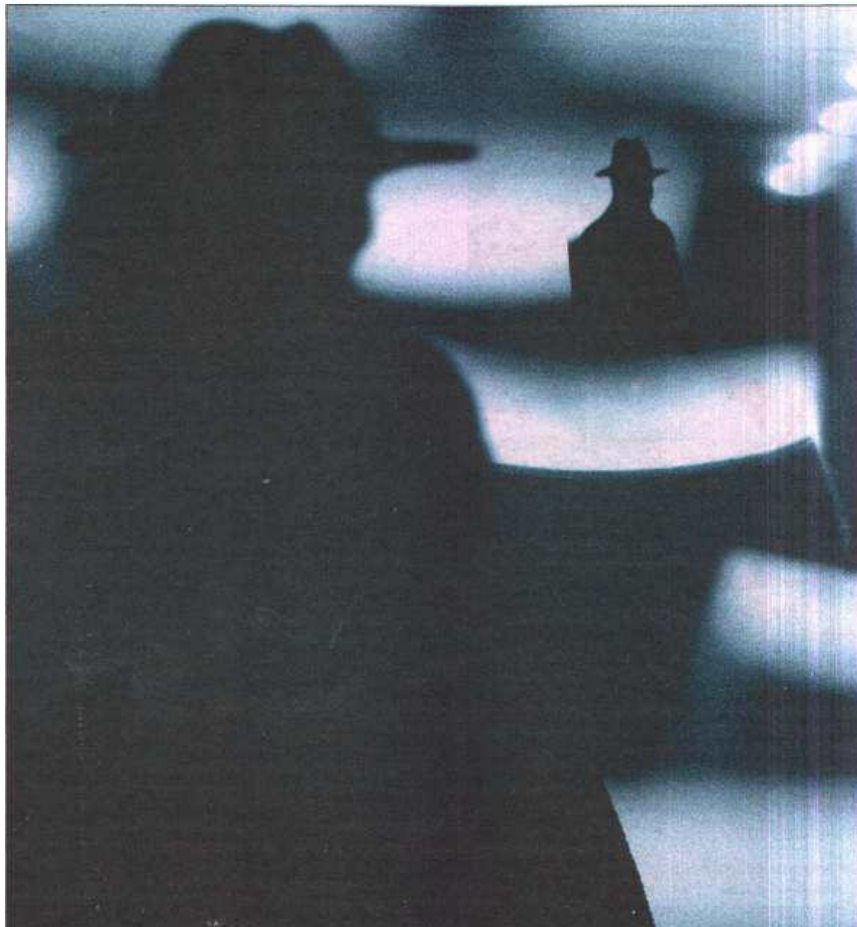
Another sticking point is the recently created CERT (Computer Emergency Response Team) Australia, which combined the public and private sector resources in tracking and warning of threats from malicious software.

One line of thinking is that the appointment of a “cyber tsar”, as has occurred in the United States through the creation of a position within the White House under President Obama would act to entrench divisions and rivalries between agencies that compete for funding.

On that front, David Irvine and ASIO would appear to have won the latest skirmish in the perpetual battle for funding and influence over an issue that is unlikely to go away any time soon.

### Cracking the code

- ASIO has developed a specialist cyber investigations arm to uncover foreign hackers.
- A challenge is that cyber espionage doesn’t stop at the border and the rules are hazy.
- Some groups have called for the appointment of a security tsar but key agencies resist this.





# JSF composite deal a boost for Sydney

Quickstep will invest \$15 million and move operations to the former Boeing factory in Bankstown, **Peter Roberts** writes.

**B**oeing's move to consolidate manufacturing in Melbourne and Australia's involvement in the F-35 Joint Strike Fighter (JSF) has spurred a major new aerospace composites investment in Sydney.

ASX-listed Quickstep Holdings plans to invest \$15 million and relocate composite production from Perth to the former Boeing factory at Bankstown to make parts for the JSF.

The move, backed by a New South Wales government assistance package, will occur gradually as Boeing relocates and Quickstep ramps up JSF production under an agreement with Northrup Grumman.

Production is expected to rise to as much as \$50 million a year, by which time the Bankstown plant could employ 400 people.

"There is nothing more sophisticated than the JSF in terms of composite aircraft anywhere in the world," Quickstep chief executive Philippe Odouard says. "To be part of it is a fantastic boost to quality and capability."

When the company completes its relocation, Australia will boast three major aerospace composites manufacturing sites — Boeing in Melbourne, Australian Aerospace in Brisbane and Quickstep in Sydney.

Boeing makes major civilian aircraft components while Australian Aerospace makes composite helicopter structures and has plans to build the NH90 NFH combat machine for the RAN.

Small Australian companies such as Quickstep were given an entree into the JSF's global supply chain as part of Australia's investment in the development of the JSF. However, the companies

must win production orders against global opposition.

Quickstep will supply 16 different JSF components including lower skin sides, access panels, fuel tank covers and weapons bay doors, ultimately making up to 36,000 parts worth \$700 million over the next 20 years. Trial parts will be delivered this year and the first parts will be assembled into production aircraft in 2012.

In a separate contract, Quickstep is providing composite components to Marand Precision Engineering as part of JSF parts production for BAE Systems.

"To us this is absolutely making the company," Odouard says. "Starting with a big bang like this has enormous implications for us."

Quickstep has enjoyed revenue to date of less than \$2 million a year, mainly selling its unique composite production technologies, with its JSF contracts setting it on a fast-growth path as a manufacturer.

The company talked to most state governments but was ultimately attracted to Sydney because of the ready-made skilled workforce being left behind with Boeing's exit.

"It is very hard to find skilled labour of this kind in the west as you can imagine," Odouard says. "While the buildings [at Bankstown] are important, the deal clincher was access to the skilled labour that will be available there."

The company's long-term agreement with Northrup Grumman will allow Quickstep to pursue manufacturing contracts with other aerospace customers and in fields such as the automotive sector, where quality standards are not as rigorous.

24-Mar-2011

Page: 5

Special Report

By: Peter Roberts

Market: Australia

Circulation: 74733

Type: Australian National

Size: 449.63 sq.cms

Frequency: MTWTFS



“The moment you qualify with Northrup Grumman on an aircraft as complex as the JSF, other work seems very easy,” Odouard says.

Quickstep has incorporated a US subsidiary that will enable it to deal directly with its customers there and has signed its first licensing agreement with US manufacturer Vector Composites for its advanced production technologies.

While Quickstep will initially make JSF parts using traditional techniques, the company and Vector recently were awarded a US Air Force

small business innovation research (SBIR) grant of \$US4 million to apply its new technologies to the JSF. Quickstep is pioneering techniques to cure composites without using an autoclave, potentially saving time and dollars in the manufacturing process.

“Selling our technology has been the largest part of our business to date. Within a year or two manufacturing production will take over from that in size,” Odouard says.

### Climbing power

Quickstep Holdings market performance Share price (\$ RHS)



SOURCE: BLOOMBERG



24-Mar-2011

Page: 6

Special Report

By: Jason Clout

Market: Australia

Circulation: 74733

Type: Australian National

Size: 373.60 sq.cms

Frequency: MTWTFS

# Desperate navy may push for US helicopters

With Australia's anti-submarine capability in doubt. **Jason Clout** examines the limited options facing the Royal Australian Navy.

**A** push to get a naval combat helicopter into service quickly may give the US contender an edge over its European competitor.

Outfitting the Royal Australian Navy with combat helicopters is one of the major projects expected to be announced soon by the federal government, with a probable order of about 24 aircraft.

The choice is between the Lockheed Martin-Sikorsky Romeo, which is a version of the US Navy's Seahawk, and NHIndustries' NH90, developed by a number of European countries.

Australian Strategic Policy Institute program director for operations and capability Andrew Davies says the US helicopter has a long track record of flying, which may be very appealing to the navy.

"The Romeo has 80,000 flying hours with the US Navy and that could be a big factor whereas the frigate version of the European helicopter is still some time away.

"Given there is a push to get the helicopters soon, that gives the Romeo an edge. Also, some problems have occurred with existing versions of the European helicopter."

Utility and transport versions of the NH90 are in service with a number of countries, including Australia. But Davies says there are a number of issues with those aircraft, which won't help the cause of the NH90.

He says the decision on the winning helicopter could come in April or May this year. One of the reasons for choosing soon is the poor state of Australia's anti-submarine warfare capability.

Davies says, as with any major weapons

24-Mar-2011

Page: 6

Special Report

By: Jason Clout

Market: Australia

Circulation: 74733

Type: Australian National

Size: 373.60 sq.cms

Frequency: MTWTF5



program, there are questions about the relative importance of being able to easily operate with allies, the real total cost of the acquisition when maintenance and servicing is calculated and the risks inherent in buying an unproven aircraft.

It is important to consider the decision from as many angles as possible, he says.

But given the choice between a less risky off-the-shelf solution from the US or waiting for the NH90 to become fully developed and tested, the government may well select the Romeo.

Should that be the choice, US Department of State figures from last year show Australia would pay \$US2.1 billion for the acquisition of the helicopter and \$US1.6 billion for the 10-year maintenance contract.

Davies says the US government approach is to charge the cost of production for overseas weapons systems and then add 3.8 per cent on top of that figure, as a way of recouping some of its research and development expenditure on a program.

When the Navy finally receives its naval combat helicopters, it will close the page on one of the worst procurement incidents, the failed Super Seasprite program. Ultimately cancelled by former minister for defence Joel Fitzgibbon, it cost the taxpayers \$1.4 billion.

"Super Seasprite was a fiasco, that's the right word for it. That happening has clearly been part of the thinking behind buying a mature system," says

Davies.

In some respects the Romeo is the opposite of the Super Seasprite, he wrote in a recent ASPI analysis paper: "It is here, now and proven."

The naval combat helicopter purchase has been accelerated under this federal government. That could be due to the perception that Australia's anti-submarine warfare capability is unsatisfactory.

That weakness could lead to vulnerability in a region where other countries have been purchasing submarines.

The plan could be to fit the new US Mark 54 torpedo to the Romeo to enhance the navy's anti-submarine warfare capability. Australia acquired around 200 of those torpedos for about \$US169 million last year.

Equipping the Romeo with Mark 54 lightweight hybrid torpedos could cause logistical problems because the navy also operates the MU90 EuroTorp torpedo, so it will mean both will have to be stored and their systems maintained. But that problem may just have to be dealt with for the medium term.

Romeo does not have significant anti-ship capability. Davies explains the US Navy does not use helicopters in that role because of the substantial strike capability it has in other assets.

The Romeo can use its Hellfire missiles to attack smaller vessels, such as may be used by insurgents.

SPEB 006





24-Mar-2011

Page: 7

Special Report

By: Geoffrey Barker

Market: Australia

Circulation: 74733

Type: Australian National

Size: 373.65 sq.cms

Frequency: MTWTFS

# Time for Australia to leave Afghan quicksand

**P**rime Minister Julia Gillard told US President Barack Obama recently that she was “very personally committed” to the success of Australian military operations in Afghanistan.

With Australia’s battle deaths now totalling 23, and likely to rise, it seems timely to ask what “success” might mean for the 1550 Australian troops fighting the war against Taliban insurgents.

At present, the answer is ambiguous. For Gillard, it is about helping to train the Afghan army and bringing security to the country. For Defence Minister Stephen Smith, it is about staring down “international terrorism”.

Neither answer is persuasive. As former army chief General Peter Leahy has noted, the government has yet “to provide a definitive link between Australia’s national security interests and our presence in Afghanistan”.

“If our objective in Afghanistan is a society resembling ours, forget it. We are unlikely to get a society free from corruption and violence, with a fully representative government and high-performance security forces,” he wrote.

Leahy’s words largely dispose of the Prime Minister’s justification. Smith’s claim that the war is about staring down international terrorism is equally unconvincing. There’s little evidence of al-Qaeda involvement, and preventing terrorist strikes in Australia doesn’t require Australian troops to stare down insurgent tribesmen in Afghanistan.

Australia’s presence in Afghanistan is really part of the price of the American alliance. The deployment started 10 years ago, when Australian troops joined the US and others to oust the Taliban regime that sheltered the al-Qaeda jihadists who were behind the 2001 terrorist attacks on the US.

It was a worthwhile effort and it succeeded. Now the Australians are fighting an insurgency by the ousted Taliban and helping to train the Afghan army. Unhappily, the so-called democratic Afghan government is deeply corrupt and incompetent and the Afghan military and police forces are no better.

Gillard, military should begin scheduling the withdrawal of troops from Afghanistan, comments **Geoffrey Barker.**

24-Mar-2011

Page: 7

Special Report

By: Geoffrey Barker

Market: Australia

Circulation: 74733

Type: Australian National

Size: 373.65 sq.cms

Frequency: MTWTFS



But Gillard is willing to let the costly (at least \$6 billion and counting) deployment grind on. The deployment has strong bipartisan support and there's no public pressure for withdrawal. It is, for Gillard, a small, safe, politically uncontested war and it's winning praise for Australia in Washington.

The war is also benefiting the Australian Defence Force. The troops have performed with distinction, which is reflected in two Victoria Cross awards. Through careful media control, the ADF has projected the military funerals, as well as the medal awards, to reinforce support for military virtues and to mute criticism of military shortcomings.

During last year's parliamentary debate on Afghanistan, Gillard said Australians could be in the country for at least a decade, with no troop draw-down until 2014. Smith talks in terms of 12 months to two years.

But withdrawal of the 94,000 US troops is set to start in July and Britain has said its 9000 troops could start leaving this year. The German parliament has voted to start withdrawing its 4900 troops at the end of this year. Dutch troops have left already. So it seems reasonable to ask how long the 1550 Australians can remain.

Australia had no apparent qualms about

withdrawing its troops from Iraq – another war it entered to fulfil its perceived US alliance obligations – despite the lack of effective political and security leadership and despite continuing violence in the country. In Afghanistan, as in Iraq, Australia seems to be looking to US leadership rather than judging its own national security interests.

There is no doubt the Taliban are monsters, but they are Afghanistan's monsters. The huge Afghan army and police forces now have sufficient training to assume immediate responsibility for stopping the Taliban's bid to reclaim the country for their brand of fundamentalist Islam.

Success for foreign armies in Afghanistan has always been elusive and costly. The British learned this lesson in the 19th century; the Russian 40th army learned it between 1979 and 1989.

Despite troop surges and dutifully optimistic assessments by field commanders, the present US-led coalition has paid dearly in blood and treasure to confront the insurgency and to mentor the Afghan government and army. Gillard might consider whether Australia has now satisfied its alliance obligations sufficiently to start bringing the troops home.





# Serious holes in the latest navy blame game

Many have made incorrect assumptions about problems with the navy's amphibious craft. comments **Neil James.**

**R**ecent controversy about the poor state of the Royal Australian Navy's amphibious fleet has demonstrated three great truths about the public debate in Australia on defence issues.

First, public understanding is often limited and more influenced by World War II films and popular mythology than by up-to-date knowledge. This has led to the widespread but incorrect assumption that problems with the navy's amphibious ships must automatically and solely be the navy's fault.

Second, most media coverage of why our amphibious ships are worn out has been superficial, short term in its analysis and often factually incorrect and/or sensationalist.

Consequently this coverage has been quite inaccurate, especially in analysing varied causes and apportioning blame.

Third, those culturally, institutionally or personally most responsible for the neglect of this defence capability (and others) have largely escaped censure.

To supposedly save money, in 2003 the maintenance of the navy's ships was largely centralised in the Defence Materiel Organisation and the Navy Support Command was

disbanded.

Not one TV program, radio news grab or talkback radio rant has reported this. It would seem no newspaper article has registered the importance of this fact either.

Similarly, few media stories have noted that the navy has ably continued to meet all the tasks levied on it by government despite its 40-year old amphibious ships being worn out. Or that unlike Darwin after cyclone Tracy, north Queensland was always more likely to be assisted by road and rail links after cyclone Yasi.

Virtually no media coverage has examined the root cause issue of why our navy is forced to operate 40-year-old ships. Or why most other first-world navies scrap their amphibious ships around the 25-year mark because they rust on both sides of the hull – more than other ships.

Instead, to grab a headline or a rating, seek a scalp, save time in reporting, push a partisan line or even satisfy some anti-defence force bias, the media has mostly concentrated on blaming the navy organisationally and its chief Russ Crane individually.

Our politicians have gladly let them do so in order to divert attention from their own culpability.

No media and thus public blame has been appropriately apportioned to the organisational management gurus, ministries of defence and finance bureaucrats, armchair theorists and expedience-driven politicians from all parties that have forced unsuitable matrix management methods on the support structures of our defence force. This began in the late 1980s and has continued, particularly since the thoroughly misnamed Defence Efficiency Review in 1997.

The result, as the unfairly blamed chief of navy is currently experiencing, is that in both the public view of accountability, and in budgetary structures, he retains the responsibility for operational outputs, but has clearly insufficient control over the financial, administrative, engineering and logistic inputs needed to meet them efficiently in both operational and financial terms.

And even then, like all the service chiefs, he is constantly hectored in the current, so-called Defence Reform Program to make further financial savings even at the real cost of diminishing defence force capabilities and incurring greater long-term financial costs.

24-Mar-2011

Page: 8

Special Report

By: Neil James

Market: Australia

Circulation: 74733

Type: Australian National

Size: 603.22 sq.cms

Frequency: MTWTFS

## Contested seas

■ Public understanding is often more influenced by World War II films than by up-to-date knowledge.

■ The media has mostly concentrated on blaming the navy and its chief.

■ If new amphibious ships were brought at the right time they would now be under halfway through their 30-year lifecycle.

The real bottom line here is not, however, a financial one.

The operational efficiency of a defence force at deterring and winning wars, and its financial efficiency, are often necessarily quite separate requirements, both conceptually and practically.

This is particularly the case if a short-term approach to cost saving holds sway, rather than one focused on efficient long-term investment. As in 1994, when the Keating

government (in which the current Treasurer and Minister of Defence were prime-ministerial advisers) procured second-hand, partly unsuitable, amphibious ships built in 1970 rather than invest in new, purpose-designed vessels suited to Australian operational requirements.

If Australia had obtained new amphibious ships in 1994, or even better around 2000 when we finished refurbishing the second-hand ones, those new vessels would now be less than halfway through their 30-year life cycle.

It would also have been cheaper over the long run to buy and maintain new and suitable ships than to adapt and maintain old ships long past their use-by date.

Yet when ADF professional advice explains such concepts, it often meets an ignorant clamour that the defence force somehow “gold-plates” operational requirements.

The bitter irony is that the clamourers are almost invariably never those called on to risk their lives in harsh environments.

tempests at sea or in combat, operating the suboptimal ships, vehicles and aircraft. In terms of clashing perspectives in planning and investment, the 10-15 year defence capability development cycle and the 20-30 year lifecycle of major weapons platforms and equipment continually confronts the annual budgetary cycle and the three-year federal electoral cycle.

Consequently defence needs continually clash with the much shorter attention span of the public, the media and particularly our politicians prone to buying votes by diverting defence investment for short-term electoral gain.

Perhaps if the journalists covering defence issues were qualified and experienced specialists, as they tend to be for business, economic, health and science journalism, the true state of our bureaucratically and financially beleaguered defence force might be better understood by Australian taxpayers.

■ *Neil James is executive director of the Australia Defence Association.*





# Crimes agency caught bypassing law

**Dylan Welch**

NATIONAL SECURITY CORRESPONDENT

THE country's peak criminal intelligence agency has been caught bypassing part of its oversight regime regarding one of its most secretive activities: officers participating in crime.

The Commonwealth Ombudsman criticised the Australian Crime Commission yesterday for renewing its own "controlled operations authorities".

Controlled operations are undercover investigations where officers are given permission to be involved in certain crimes in order to catch criminals.

The Crimes Act requires the commission to seek a renewal for ongoing controlled operations every three months from the Administrative Appeals Tribunal. But the Ombudsman discovered

the commission had taken to issuing wholly new authorisations internally in what amounted to bypassing the law.

The report, released yesterday, revealed that two controlled operations that began in 2007 had their last tribunal reviews in December 2008, but continued for at least another 12 months.

No law enforcement officer is allowed to participate in or allow serious crimes such as grievous bodily harm, rape or murder. Dealing or trafficking drugs or money are allowed, however.

"That's a fairly significant power that an agency has ... and the Parliament's intent was that power be used judiciously and there be significant oversight," the acting Ombudsman, Alison Larkins, said.

The commission's chief executive, John Lawler, said it had

been complying with the Ombudsman's interpretation of the Crimes Act since November: "The ACC does not view this as a breach ... However, the ACC does acknowledge and accept the Ombudsman's position and has adjusted its practices."

Meanwhile, Australia's foreign spies have the right to monitor Australians overseas if they are engaged in UN sanctions busting. The change, to Australia's Intelligence Services and ASIO acts, was among several amendments passed by the Attorney-General, Robert McClelland, in Parliament yesterday.

Australia's foreign spies – ASIS, the Defence Signals Directorate and the Defence Imagery and Geospatial Organisation – are only allowed to collect intelligence on Australians if given permission by their minister.



**Australian Government**  
**Department of Defence**

## **DEFENCE MEDIA RELEASE**

MECC 125/11

Wednesday, 23 March 2011

### **Exercise Combined Strength takes Hercules to Norway**

A contingent of 15 Air Force personnel have journeyed to the Arctic Circle for an international exercise focused on the C-130J Hercules transport aircraft.

Exercise Combined Strength 2011 is being conducted at Bodø Air Force Base in Norway from 19-25 March. The exercise is open to countries that operate C-130J aircraft, and will this year feature participants from Denmark, Australia and the host nation Norway.

Air Commodore Gary Martin, Commander Air Lift Group, said the Hercules supports Australian Defence Force tasks across the globe.

“In 2010, our C-130s flew from Australia to as far as continental United States, Sweden, throughout South East Asia, and the Pacific,” Air Commodore Martin said.

“At the same time, we remain committed to operations in the Middle East, where our C-130J crews face conditions that run from below freezing in Afghanistan to above 50 degrees Celsius in United Arab Emirates.”

As evidenced with Australian C-17A Globemasters currently operating in Japan in support of Operation Pacific Assist, the operating environment for Air Force’s Air Lift Group varies significantly.

“The diversity in our operating environment makes participating in Exercise Combined Strength 11 all the more important,” Air Commodore Martin said.

The Australian contingent will meet with fellow C-130J operators at Bodø, where nations will present the latest methods and practices for operating the Hercules.

“The Australian contingent will be there to deliver presentations on our training structure, which includes how we develop and prepare our aircrew and maintenance professionals.

“They’ll also participate in flying exercises that include search and rescue practice, day and night-time operations, airdrop missions and cold weather survival.”

Australia’s No. 37 Squadron operates 12 C-130J Hercules at RAAF Base Richmond, alongside a fleet of seven older C-130Hs. The C-130J is the latest generation of the Hercules design and has been in Australian service since 1999 and is continuing to be

---

Issued by Ministerial and Executive Coordination and Communication,  
Department of Defence, Canberra, ACT Phone: 02 6127 1999, Fax: 02 6265 1545

Media Releases are available via e-mail if you register at [www.defence.gov.au/media](http://www.defence.gov.au/media)

---



**Australian Government**  
**Department of Defence**

## **DEFENCE MEDIA RELEASE**

developed in service. Today's C-130J is similar in external appearance to the C-130Hs, but has more powerful engines, modern avionics and navigation systems.

Future developments include Defence programs to upgrade the C-130J with new hardware and software under a block-upgrade program, and installation of additional electronic warfare self-protection equipment.

**Media Contact:**

Eamon Hamilton, Air Lift Group Public Affairs Officer (02) 4587 3844  
Defence Media Operations 02 6127 1999 or 0408 498 664