

## **Confidence in our navy is sinking without trace**

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In May every year a PhD-wielding theoretical physicist at the Australian Strategic Policy Institute sifts through the Federal Budget to try and account for how our Defence Force and Defence Department have spent the \$26.8 billion we give them to provide for our national security. Mark Thompson has been doing his brilliantly expert work for a decade and it still takes him weeks to decode what Defence reports.

It doesn't take a rocket scientist though to know that our Navy is in crisis. For the past six months, the Department and Minister have been telling the public that our amphibious ships were still meeting operational needs and prepared to put to sea if required. Yesterday Stephen Smith made an extraordinary speech where he criticized his own department for not only failing to do its job, but failing to keep him properly advised.

Smith says that faulty Navy advice suggested that the amphibious support ship *HMAS Tobruk* was prepared to respond to cyclone disaster relief in Queensland, when in fact it was unable to leave its home base in Sydney. Smith also confirmed the worst kept secret in the Australian Defence Force – that our other amphibious ships *HMAS Manoora* and *HMAS Kanimbla* are broken and likely to never sail again.

Amphibious ships are a critical capability for a maritime country like Australia. They let us send troops, boats, and helicopters to regional disasters and emergencies. They provide floating hospitals, airports, and command posts to control an evacuation of Australian citizens from a regional country in crisis. All three broken Navy ships have been critical to ADF operations in East Timor, the Solomon Islands, and Fiji over the past decade.

The British military strategist Basil Liddell Hart referred to such ships as "the best kind of fire extinguisher". Australia now will have no such regional fire extinguisher for several years at least – and only a lightly sketched plan to seek support from the New Zealand Defence Force in the event of a regional crisis.

Stephen Smith is rapidly learning that bad news doesn't get better with age. The Minister's original announcement flagging this bad news was two weeks ago and focused on a "new comprehensive plan" to transition the navy to two shiny new amphibious ships which won't become operational until the middle of 2015. Troubles with the current amphibious ships were buried amongst a series of other announcements; all released the day before Cyclone Yasi, which ensured no Navy story would reach any front page.

It's hard for the Australian public to know what's going on in Defence. Military jargon is bewildering, secrecy is a necessary status quo, and with 22,000 public servants and 55,000 uniformed staff the portfolio is so immense it is often hard to comprehend. Large amounts of public trust are placed in the defence hierarchy to give frank and fearless advice, and to the Defence Minister who must hear problems and act on them.

That trust must now be wavering - as Smith acknowledged yesterday, "We have very significant accountability issues in Defence".

Those accountability issues start at the very top and the Minister has effectively called in the administrators on Navy corporate management to work out what exactly has gone wrong. The Chief of Navy has been valiantly trying to initiate change within his own service for the past three years with a wide array of reform programs. To be fair to him – most of the problems in his fleet are the fault of the Defence Material Organisation, which controls the contracts and budgets that really effect ship serviceability.

But the problems in Navy are beyond the abilities of one officer alone to resolve – no matter how highly placed he might be. The HMAS Success Inquiry Report, to be released in a week, will outline chronic cultural issues within Navy's personnel. A police investigation report into an alleged drug ring at the Navy's major base in Sydney looms within the coming months. Navy's budget, already reduced to potentially unsustainable levels, is likely to be savaged in a tight Federal budget in May this year.

Two weeks ago I proposed an inquiry into the failure of our amphibious capability and now it looks like we'll get one. The Defence Minister has promised an independent expert team will review exactly what happened to let our amphibious capability wither away. The team's head Paul Rizzo has been on Defence's Audit and Risk Committee since 2008. Panel member Rear Admiral Brian Adams is on the Board of Directors of Saab Systems Pty Ltd – a company with contracts for Navy's ANZAC frigates and contracted to provide a major component of the Navy's new amphibious fleet. What's missing is an eminent corporate figure who can approach defence with fresh eyes and no prior ties in the defence industry.

What is needed is a comprehensive and honest effort to understand the holistic problems within our Navy – particularly as over \$20bn of new naval assets are planned for in the 2009 White Paper. It's also time for a frank conversation with the public about how good the management of our Defence Force really is.

In the last election the government committed to making Defence more transparent - now would be a good time to start.

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