

Dear Editor

The article Audit office hits defence body over ship defects (The Age, Monday 5 February 2007) contains a number of errors of fact about Defence's purchase of the civilian tanker which has now been commissioned as HMAS Sirius. It also misquotes the ANAO audit report and fails to acknowledge the Defence Materiel Organisation's (DMO) rebuttal within that report.

The very first line ('Fire safety checks were not done ...') is wrong. All fire and safety checks were completed satisfactorily before Navy took responsibility for the ship. All safety-signage and first-aid equipment was installed and tested before Navy took the ship to sea.

The foam fire fighting system had to be tested at sea by the contractor rather than alongside because discharge of fire fighting foams into Cockburn Sound is illegal under the Environmental Protection Act. This was done, and the system was fully operational and certified before the Navy took over the ship in October, not September as reported.

There was a minor procedural infraction in regard to public moneys. This occurred in the context of the DMO having to adjust to commercial ways of doing business, in which a sale of these ships is normally completed in a few days. These procedures did not result in any money being lost. The Commonwealth actually raised approximately \$8m in revenue by leasing the vessel on the commercial market prior to its conversion to a Naval Auxiliary Oiler.

The ship's speed is within Navy's original specifications. Commercial tankers do not normally have an economical cruising speed of above 15 – 16 knots. Replenishment at Sea is normally conducted at twelve knots.

Finally, the report is not 'deeply critical' of the DMO. It made a single recommendation regarding financial procedures.

Your journalist has not understood the subject matter and clearly has not read the full report. In fact, this project was very much a good news acquisition: on time, under budget, to the required standards of capability and safety and eight million dollars of leasing income to the taxpayer.

Regards

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