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**JOINT STANDING COMMITTEE ON
FOREIGN AFFAIRS, DEFENCE AND TRADE**

Defence Subcommittee

Friday, 16 June 2006

Members: Senator Ferguson (*Chair*), Mr Edwards (*Deputy Chair*), Senators Bartlett, Crossin, Eggleston, Hutchins, Johnston, Kirk, Moore, Payne, Scullion, Stott Despoja and Webber and Mr Baird, Mr Barresi, Mr Danby, Mrs Draper, Mrs Gash, Mr Gibbons, Mr Haase, Mr Hatton, Mr Jull, Mrs Moylan, Mr Prosser, Mr Bruce Scott, Mr Sercombe, Mr Snowdon, Dr Southcott, Mr Cameron Thompson, Ms Vamvakinou, Mr Wakelin and Mr Wilkie

Defence Subcommittee members: Mr Bruce Scott (*Chair*), Mr Hatton (*Deputy Chair*), Senators Bartlett, Crossin, Ferguson (*ex officio*), Hutchins, Johnston, Payne and Scullion and Mrs Draper, Mr Edwards (*ex officio*), Mrs Gash, Mr Gibbons, Mr Haase, Mr Snowdon, Dr Southcott, Mr Cameron Thompson, Mr Wakelin and Mr Wilkie

Members in attendance: Senators Ferguson, Hutchins, Johnston and Payne and Mrs Draper, Mr Edwards, Mr Snowdon, Mr Cameron Thompson and Mr Wakelin

Terms of reference for the inquiry:

To inquire into and report on:

Review of Defence annual report 2004-05

WITNESSES

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Subcommittee met at 9.33 am**NANCARROW, Mr Ian John, Private capacity**

ACTING CHAIR (Senator Ferguson)—I declare open this supplementary public hearing on the review of the Defence annual report 2004-05 by the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade. This supplementary hearing will examine in closer detail an issue that arose during the 3 March 2006 public hearing—that is, the allegation in relation to the falsification of Army aviation maintenance records.

I welcome Mr Ian Nancarrow, who is giving evidence on the allegations of falsification of Army aviation maintenance records. Although the subcommittee does not require you to give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as proceedings that might take place in the respective houses. I invite you to make an opening statement, after which we will proceed to questions.

Mr Nancarrow—Basically I am just here to make sure we can get this out in the open, and for my record—for me finally to have my say, because I have never been interviewed or anything. Hopefully we can avert any more cover-ups from the aviation side of it.

ACTING CHAIR—Do you have any other public statement that you wish to make before we ask questions?

Mr SNOWDON—Mr Nancarrow, for the purposes of the committee perhaps you could, as part of your opening statement, just explain what the allegation is so that everyone here understands exactly where you are coming from.

Mr Nancarrow—Very quickly: basically, about 18 months ago a young Army tradesman came to me and showed me his paperwork, which was forged. He told me that a bloke by the name of John Cochrane forged my signature in his journal and then he told me that John Cochrane was forging my signature in his journal as well. I then proceeded to the military and explained to them that there was forgery going on in journals. Since that time I have had ASIO investigate me for spying and DSO investigate me for inappropriate behaviour. I had allegations of—you name it—made against me. Anyone who talks to me from the unit has been told that they will be charged. No-one is allowed to give me statements. All I want is to get this out in the open so that it does not happen again.

Mr SNOWDON—Could you explain in brief who you spoke to in the Army about the allegations and then what happened, from the Army's perspective, about those allegations?

Mr Nancarrow—When Craftsman Phillips first came to me and told me about the forged signatures in his journal and the forgery in the other bloke's journal and who was doing the forgeries, I went to Corporal Glendinning, who was the person in charge of those journals, and spoke to him.

Mr SNOWDON—Could you explain what the journals are?

Mr Nancarrow—They need the journal signatures to be able to work on maintenance. Once their journal is all signed up, they can then go and work unsupervised on aircraft. The particular person who was initially forging signatures was for four years constantly being put from trainee to tradesman and back to trainee because his work was so poor. By forging his own signature, he could get signed up as a tradesman and earn more money. By forging those signatures he could actually work on aircraft when he was not capable of doing so.

Mr SNOWDON—Explain what happened.

Mr Nancarrow—I went to Corporal Glendinning, who was the bloke in charge of these journals, and we had a talk about it. Then we went to the engineering officer, John Partridge, and he said he would follow it up. They carried out their investigation and Partridge then had all the papers signed up, or whatever the Army do, to charge Cochrane for forgery. Cochrane admitted the forgery to Warrant Officer Wright. He actually told Warrant Officer Wright that I had ordered him to forge the signatures, so he admitted to Warrant Officer Wright that he was forging the signatures. Then it all turned pear shaped. Suddenly I was the one who was getting interviewed and questioned and the other fellow had nothing more done to him.

ACTING CHAIR—Who was Cochrane?

Mr Nancarrow—He was the one I originally found out was forging the signatures. He was signing my signature in his journal and other trainees' journals as well.

ACTING CHAIR—What was Cochrane's role?

Mr Nancarrow—He was only a trainee. He was constantly being taken off the floor, off the tools, because his trade work was so dangerous and he had a very high lack of integrity. They were constantly putting him back to trainee rate. By forging my signature, he was hoping to become a tradesman again quicker and get paid better. He was also forging my—

ACTING CHAIR—He was a trainee.

Mr Nancarrow—He was, but he was also forging my signature in other people's journals as well.

Senator JOHNSTON—You actually saw those signatures. They were not yours; you had not put them there but they resembled how you would sign?

Mr Nancarrow—Yes. The Army had a statement by Adam Phillips, who said that he was there when John Cochrane forged my signature in his journal. Adam Phillips also wrote a statement for the Army that he was there when John Cochrane was 'blanket signing' my signature in his own journal as well.

Mr SNOWDON—You made the complaint. Was there subsequently an investigation that involved you?

Mr Nancarrow—No. I have never been spoken to by the Army—not once—about these investigations.

Mr SNOWDON—Can you explain what transpired. You were working as a contractor to the Army?

Mr Nancarrow—I was a supervisor on the aircraft.

Mr SNOWDON—You were supervising the aircraft. What aircraft were these, by the way?

Mr Nancarrow—They were Bell JetRangers.

Mr SNOWDON—JetRanger helicopters. You were the supervisor. You made the allegation. After some time you started to be investigated yourself by the Army, for spying—is that right?

Mr Nancarrow—Spying, running sex tours, mail order brides, dobbing in. There was one instance where they pulled the whole squadron into the unit and they told them that in my time I had been keeping notes on anybody doing fraudulent tax claims and that I had dobbed the whole unit in to the tax department.

Mr SNOWDON—These are the allegations that were made about you?

Mr Nancarrow—These were made against me.

Senator JOHNSTON—So he has been victimised, in other words.

Mr SNOWDON—Yes.

Mr Nancarrow—It was horrendous. Only recently I was seen talking to a fellow I knew all the time at my place where I have my smoko and I was seen by Warrant Officer Wright. He went straight up to work and told the Army fellows that I was trying to get on the base to gather information and that anyone seen talking to me would be guilty by association and they would be charged.

Mr SNOWDON—So you then had an interview with DSD and ASIO? Is that correct?

Mr Nancarrow—ASIO first.

Mr SNOWDON—What happened there? Can you tell me?

Mr Nancarrow—I was told to go to an office and I thought: this must be about the forgeries. These two fellows showed me their badges and at first I was taken aback and then I got a bit angry. They started accusing me of being a spy for the Vietnam government.

Mr SNOWDON—You are married to a Vietnamese woman.

Mr Nancarrow—I am married to a Vietnamese. I go there four times a year. I love the country very much, but I live in a tin shed with a cement floor; I am not a spy. I grow cucumbers and mangoes.

Mr SNOWDON—DSD and then ASIO?

Mr Nancarrow—No, ASIO. I fully cooperated. I helped them and I did everything along the lines and so on. DSO sat in and they just listened. A month or two later I was called in by DSO and I took Joe Gallagher, my union rep, in with me. We sat down with the DSO and they said: ‘We are not here about the forgery allegations. We are here about allegations of conduct unbecoming’—or something like that by me—‘made by John Cochrane and Shannon Carey,’ the other bloke who was caught forging. He said, ‘We are not here about the forgeries at all.’ They asked me and the union rep to sign secrecy documents. We refused. We said: ‘We will cooperate. We will tell you everything, but I am not signing a secrecy document.’ Otherwise, how could we go any further? We refused to sign the documents and DSO made it very clear to us that they were not there for the forgery allegations. They were there for allegations made against me for—and I am not real sure because they will not tell us.

Mr SNOWDON—That happened. What then transpired? Did you leave the employ of the Army? What happened then?

Mr Nancarrow—No. I went to the *Bulletin* and the *Bulletin* ran an article. Then I was pulled into Major Fenwick’s office and I took Sean Wood, the one other civilian contractor there, and Jack Partridge. Major Fenwick then threatened that he could get the MPs in right away and have me put in jail for going to the media. He said that I was a bad influence on the unit, I had disgraced the Army and so on. He accused me of a million other different things. I lost my temper. I leaned over, picked his phone up and I said, ‘Ring them and get them in here and let’s go at it, or you can stick your phone where it should be!’ That afternoon another officer—there are a few officers, luckily, that are not intimidated by all of them—came up to me and said that Fenwick was then gobbing off that I would be out of that unit by the end of the week, and I was. They stood me down on the Friday. They stood me down because by then they had harassment charges against me. Cochrane had put harassment charges against me and they stood me down because they reckoned I was harassing Cochrane.

Mr SNOWDON—Your allegation is that Cochrane and others were involved in forging documents. Subsequently was there any attempt by the Army to investigate those forgery allegations by you?

Mr Nancarrow—Not as far as I know. I have never been spoken to—I do not know what the Army did behind my back. No-one from the Army, DSO, Federal Police, civilian police, or anyone else has ever spoken to me about forging—no-one.

Mr SNOWDON—You did not leave Darwin. You have a phone number in Darwin?

Mr Nancarrow—Every time I go to the media I get 10 people from around the country who look on the internet and ring me up and tell me about their cases of the Army doing them over.

Mr SNOWDON—So you could have been accessible to the Army if they had wanted to investigate?

Mr Nancarrow—Ian Barry went AWOL over this because he was getting harassed because he stood up for me. He went AWOL for nine months. The Army rang me and asked me whether Ian Barry was at work. They had my phone number every time.

Mr SNOWDON—What about the Federal Police? There is a news item here that says a defence department spokesman said that the matter had been referred to the Federal Police. Did the Federal Police ever make an investigation that you are aware of?

Mr Nancarrow—No-one has ever spoken to me.

Mr SNOWDON—Are you aware of other allegations in relation to the forgery of documents in other units or in the aviation unit?

Mr Nancarrow—I do know that there was an investigation carried out in Oakey and Townsville and that there were 11 or 12 cases of other forgeries being carried out in those units. I know that the fellows at 161 were told they had to keep it in house and not to say anything, because, when the *Sydney Morning Herald* reported it, 161 unit was pulled aside and told that there was an informer there and it was all supposed to be kept in house—someone in the unit was leaking information and they wanted it all covered up.

Mr SNOWDON—You have also asserted that—I forget the correct term—a motor was cooked on an aircraft. Is that right?

Mr Nancarrow—Yes. It was overtorqued.

Mr SNOWDON—What does that mean—could you explain that for us?

Mr Nancarrow—The engine on the aircraft was put through limits for which it was not designed. Normally the pilot comes in and the aircraft gets grounded straight away. They come and notify a bloke like me—I was supervisor—and then we do checks. I remember that on this particular day I was sitting in the brew room and Warrant Officer Lorroway came in and said, ‘Ian, grab three of your best fellows; I have a job for you.’ I went out there and he said, ‘We’ve got to do an overtorque on this engine.’ We looked at the paperwork, and I said, ‘This was done nine months ago; it’s been flying for nine months.’ He said, ‘Shut up; get your crew and do it for me, please, mate.’

Mr SNOWDON—What would normally happen under those circumstances if an aircraft were overtorqued?

Mr Nancarrow—Normally it would be grounded straightaway and a bloke like me and some tradesmen would go over. A list of checks has to be carried out before the aircraft can fly.

Mr SNOWDON—Whose responsibility is it to make that report?

Mr Nancarrow—It would be the pilot’s. The pilot was—no, I am only guessing so I will not say; I cannot remember. I think I know his name.

ACTING CHAIR—It is better not to say if you are not sure.

Mr Nancarrow—No, I am not sure. I think I know who it is but I will not say.

Mr SNOWDON—Let me just go through this. You have made allegations that you say have not been investigated in terms of—

Mr Nancarrow—They are not allegations; they are facts.

Mr SNOWDON—I understand that, but they have to be proven. You have asserted a number of things which have not been investigated, as far as you are aware, because no-one has come back to you to test the allegations you have made. You are also aware, you think, that there have been other forgeries of that nature within the aviation regiment that you refer to, and you are also asserting that there was at least one instance on which an unsafe aircraft was flying because it had not been properly dealt with. Is that correct?

Mr Nancarrow—Yes. I have been made aware of a lot more, but I was not involved in them so I cannot really say anything.

Mr SNOWDON—The Army say that, because you are off the base and no longer employed by them, you are unable to be or they did not seek to—

Mr Nancarrow—I was never employed by the Army; I was employed by Helitech.

ACTING CHAIR—Helitech were the contractors, were they?

Mr Nancarrow—Yes.

Mr SNOWDON—An Army investigator, we are told, was appointed by the Chief of Staff of 16 Brigade Aviation and had not spoken to you because you were no longer at the Army unit or elsewhere in the Army organisation. That is probably a statement of fact—would it be?—because you were not there and therefore they did not—

Mr Nancarrow—Yes.

Mr SNOWDON—But they did not make any attempt to get hold of you at home?

Mr Nancarrow—Never.

Mr SNOWDON—No-one came to your house to knock on the door and say, ‘Would you mind giving evidence in relation to this allegation which you have made?’

Mr Nancarrow—Never. No-one has ever contacted me.

Mr SNOWDON—So what is your understanding of what happened to those people you allege were involved in the forgeries? What happened to them?

Mr Nancarrow—There were three. One of them has been discharged, but that was because he took a machete to a married couple in the married pats. It had nothing to do with the forgery

allegations. The other fellow is in Oakey. They were trying to put him on a Black Hawk course, but two officers were jumping up and down about that. Those two officers are now no longer working in aviation; they got side shifted. The other one is now in Oakey finishing off his Black Hawk course. He was the one who was forging the signatures so he could get his civilian qualifications to work on Black Hawks in Hunter. The Army know all about this and the Army still put him through the Black Hawk course. He was the one I rang the whistleblowers about. I said, 'I have concerns for my safety if I write a statement,' because this bloke was the one who was sent back from Timor for threatening to kill an Australian sailor; he was sent back because he had gun issues. So I rang up the whistleblowers and said, 'Look, I know this bloke is forging my signature, but I am concerned for my safety and my family's safety.' The whistleblowers said that they could not help me, so I rang Helitech and told them his name. I told them about everything that was going on, but I said, 'We have to handle it carefully because I am worried about my safety.' About three or four weeks later the EO, engineering officer, Jack Partridge, knew about it and this fellow that I made the allegations against knew about it, and they asked me to write a statement. I said, 'No; you blokes can't keep anything quiet; it's my family that's going to cop a hiding here,' and nothing more was done.

Mr SNOWDON—Can you tell us about other members of the Defence Force who you say have been affected—for example, the person who went AWOL?

Mr Nancarrow—That was Ian Barry. He is a good friend of mine, and also he was marrying a Vietnamese girl—who I have never met. I was accused by the Army of paying him money at the airport in Ho Chi Minh City. Ian Barry made the point that I was not in Vietnam on that date, and the Army said that did not make any difference. The Army then started to really harass Ian pretty badly. They said they were not going to give him leave to go and get married. They just niggled away at him. He went and saw a legal officer. The Army got up him because he went outside the unit. He then went and saw a social worker, and the Army got up him because he went outside the unit. I had his father ringing up about his mental health. He ended up going AWOL for nine months, and they discharged him and he came back to Australia.

ACTING CHAIR—Did you say that you were accused at the airport in Vietnam?

Mr Nancarrow—No; I am sorry. Ian Barry was accused by Warrant Officer Wright that I gave Ian Barry money at the Vietnam airport and I pushed a woman towards him. Ian Barry pointed out that I was not in Vietnam when he met his missus—and I have never met his missus—and the Army bloke said, 'That doesn't matter.' It was just so stupid. It was just accusation after accusation, and they were so childish. But after a while they all add up and they knock you around a bit.

Senator JOHNSTON—So that allegation was that you paid Mr Barry to marry a Vietnamese national to bring her to Australia?

Mr Nancarrow—Yes.

Senator JOHNSTON—Who made that allegation?

Mr Nancarrow—Warrant Officer Wright, Ed Wright.

Senator JOHNSTON—In writing?

Mr Nancarrow—No, verbally.

Senator JOHNSTON—To whom?

Mr Nancarrow—Ian Barry. Ian was very upset that afternoon. He came home and he was a wreck. My wife and I were very concerned that he was going to do something silly to himself.

Mr SNOWDON—Are there any other individuals like Ian Barry?

Mr Nancarrow—I am not really sure about giving their names, because every time anyone has been vocal for me the Army has nailed them and destroyed their career and their family. There were two other officers who were very concerned about Cochrane and Carey still working on aircraft, and they were very vocal about it. They were very concerned about the way that these other maintenance issues were being sidestepped and they made their feelings very clear. One of them had been on aircraft for 15 to 17 years. He has now been posted out of aviation and away from his family. The other fellow was very vocal about the safety of aircraft and has now been posted out of aircraft work.

Mr SNOWDON—In terms of the aircraft that are being serviced, what implications are there potentially for those aircraft if people who are not properly accredited and skilled service those aircraft?

Mr Nancarrow—Disaster, absolute disaster. If the Army ever wanted to look at the paperwork on the two fellows who are still in the Army, there is this much in written records of conversations about them being questioned about their integrity and lying and not doing jobs properly and lying about what work was carried out. These blokes have serious integrity issues. We constantly had meetings, at least every six or eight weeks—supervisors and Army—regarding these blokes being careful with what is in their work.

Mr SNOWDON—What is the ultimate impact upon you and those other people of the allegations that you have made?

Mr Nancarrow—For me personally, 161 have still got a vendetta against me and I have not been there for a year now. They are still telling people that anyone who speaks to me is guilty by association and that anyone who speaks to me will be charged on the spot. I see blokes in the street that I worked with for five years, and when I say, 'G'day mate,' they do not answer. I say, 'You're not allowed to talk to me, are you?' It is just incredible. For these other two fellows, the two blokes who are still there, their careers have gone pear shaped, haven't they, because they were vocal. I know for a fact—and I got an SMS this morning from a young tradesman still in the Army supporting this—that now the feeling on the floor is that, if you raise any safety issues, the Army will not support you.

Mr SNOWDON—So the impact of your whistleblowing, you allege, is that people are no longer prepared to raise issues of concern about safety of aircraft if they are working on the floor of the maintenance hangar.

Mr Nancarrow—Why would they, when they see what has happened to me?

ACTING CHAIR—I just want to try to establish the nature of your work and your relationship. What are your qualifications?

Mr Nancarrow—I am a fitter machinist.

ACTING CHAIR—You were employed by this company, Helitech?

Mr Nancarrow—Yes, Helitech.

ACTING CHAIR—To work on engines within the aviation area.

Mr Nancarrow—Yes. Because I did four years in 161 as a soldier back in the 1980s—

ACTING CHAIR—So you were a soldier?

Mr Nancarrow—Yes, back in 1988, 1989, 1990 and 1991 and I worked with 161 then on the same aircraft. Then I left the military, went away and did my own thing as a fitter. In 1999 I went back. I was on the floor for six or eight months as a tradesman and then the Army asked me to be a supervisor within six or eight months and I have been a supervisor since early 2000.

ACTING CHAIR—Are you alleging that only one person has forged your signature?

Mr Nancarrow—No, there were three.

ACTING CHAIR—Three different people?

Mr Nancarrow—Two that I knew of definitely and one that Ed Wright said he found. That person is now no longer in the Army. But the two people I knew—

ACTING CHAIR—What is the nature of your relationship with the man Cochrane you have named? Do you work with him?

Mr Nancarrow—Yes, I worked with him, but also he and the other fellow are married to my nieces and they were bragging that, because they were married to my nieces—I do not speak to them, I have had no contact with them for a long time because I do not think they are men that are of high integrity. They are not people I would have liked anyone in my family, Vietnamese, Australian or anyone, to marry. But they were bragging that because they were related to me they could do anything on the aircraft and get away with it. I am afraid that when it comes down to aircraft safety I do not care who you are.

Senator JOHNSTON—I will just pick up on this. Let us try and get this nailed down a bit. You say that three people at this premise, which was in Darwin, were forging your signature on aircraft safety maintenance journals.

Mr Nancarrow—They are personal journals.

Senator JOHNSTON—What is a personal journal?

Mr Nancarrow—Before they can work on aircraft on their own, they have to do X amount of work on the engine, X amount of work on the radar and so on. Every time they do that work they have to write it down in a journal and then go to their supervisor, me, and I have to say, ‘Yes, they did that work.’

Senator JOHNSTON—So what they were writing was a document that was personal to their hours of experience?

Mr Nancarrow—Yes.

Senator JOHNSTON—It was not an aircraft safety maintenance release form.

Mr Nancarrow—No.

Senator JOHNSTON—It is not a document that a pilot looks at before he takes the aircraft into the air?

Mr Nancarrow—No.

Senator JOHNSTON—That is important. They were doing something dishonestly that was to their personal benefit. That is your allegation.

Mr Nancarrow—Yes.

Senator JOHNSTON—You say that you are a fitter machinist?

Mr Nancarrow—Yes.

Senator JOHNSTON—Do you have any specific qualifications to aircraft maintenance?

Mr Nancarrow—Only the same qualifications that military personnel have. I have done all the exact military qualifications. I did the 12 months at Wagga. I did the Bell JetRanger course. I have the exact same qualifications as a military supervisor would have.

Senator JOHNSTON—Let us come back to these three people who forged their records of service.

Mr Nancarrow—Yes.

Senator JOHNSTON—Are they called apprentices or trainees?

Mr Nancarrow—They are called trainees.

Senator JOHNSTON—How many trainees in this maintenance facility were there?

Mr Nancarrow—Everyone has to be a trainee to start off with. I am only guessing now, but maybe seven or eight.

Senator JOHNSTON—Seven or eight young men?

Mr Nancarrow—Trainees, yes.

Senator JOHNSTON—Their ages range from what approximately?

Mr Nancarrow—From 18 to 28.

Senator JOHNSTON—The three that you say were forging your signature—

Mr Nancarrow—Two that I know and one that the Army found.

Senator JOHNSTON—How old were the two you know that were forging your signature to validate their personal hours of service?

Mr Nancarrow—Approximately 23 to 24 and 28 to 30.

ACTING CHAIR—You said there were two that you know about or allege were doing this and one that the Army found out. I thought you said the Army had not spoken to you about this at all. How do you know the Army found out?

Mr Nancarrow—Because only one time Ed Wright pulled me into his office and he showed me a signature and said, ‘Is that your signature?’ and he had all these signatures on the board. It was not an official talk about it. It was very early in the allegations and he just said, ‘Is that your signature?’ and I said, ‘That one and that one are and that one’—because he had all these different things and I was in there for a couple of minutes. He said, ‘Righto.’ He pointed to this turner’s book and I said, ‘That’s not my signature,’ and he said, ‘That will be enough.’

ACTING CHAIR—So it is not really fair to say that the Army has never spoken to you about the forged signatures.

Mr Nancarrow—It was not official. It was not on the record. He never asked me about my personal ones.

ACTING CHAIR—I understand that, but it is not fair to say that the Army has never spoken to you about forged signatures, because in this case they must have.

Mr Nancarrow—Okay, maybe—

Mr EDWARDS—Not necessarily as part of an investigation.

ACTING CHAIR—No, not as part of an investigation, but they had spoken to him.

Mr SNOWDON—You were based with the Army.

Mr Nancarrow—If you say that, they probably spoke to me for three minutes, but it was not about the allegations I made. It was about further allegations about another person.

Senator JOHNSTON—Who was the person who showed you the signature and said, ‘Is this your signature?’

Mr Nancarrow—Ed Wright.

Senator JOHNSTON—He is whom?

Mr Nancarrow—The SSM, squadron sergeant major, of Squadron 161.

Senator JOHNSTON—When you discovered the two signatures which were not yours but which were clearly a forgery of yours, to your understanding, how did you know that you had not signed the document?

Mr Nancarrow—Because this particular bloke, Cochrane—we had had meeting after meeting—

Senator JOHNSTON—This is one of the two?

Mr Nancarrow—Yes, this is the first fellow. This is the one that was signing my signature in another bloke’s journal as well.

Senator JOHNSTON—So there is one forger, one writer, but two beneficiaries—two people who benefited from the forgery but one bloke who did the signing?

Mr Nancarrow—Yes, that was Cochrane. Cochrane was signing my signature in other trainees’ journals.

Senator JOHNSTON—How many others?

Mr Nancarrow—Only one was prepared to give me a statement. The others did not want anything—

Senator JOHNSTON—So they are the two you are talking about?

Mr Nancarrow—Them, and then there was another fellow, Carey.

Senator JOHNSTON—But he would not confirm it?

Mr Nancarrow—No. Carey was signing my signature in his journal.

Senator JOHNSTON—So Cochrane signed in two journals and Carey signed in one.

Mr Nancarrow—Only his own. Carey signed in his own and Cochrane was signing my signature in other people’s journals—that is how we found out about it.

ACTING CHAIR—Are these the two guys who were married to your nieces?

Mr Nancarrow—Cochrane and Carey, yes.

Senator JOHNSTON—And the one that Cochrane signed is the one that the sergeant major called you in about and said, ‘Is this your signature?’

Mr Nancarrow—No.

Senator JOHNSTON—So there are four?

Mr Nancarrow—No, you are still missing it. There was Cochrane, who was signing my signature in his own journal and in Adam Phillips’s journal. So it was only one forger but in two journals. Carey, as far as we know, was only signing my signature in his own journal. Then Ed Wright found that another bloke, Turner, was forging his own signature in his own journal. I knew nothing about that one.

Senator JOHNSTON—So there are in fact four journals with forged signatures?

Mr Nancarrow—Yes, that we know of. But then they did another investigation and they found forgeries also in Oakey and Townsville.

Senator JOHNSTON—So there are in fact four journals with three versions of your signature?

Mr Nancarrow—Apparently so, yes.

Senator JOHNSTON—The two that Cochrane did, the one that Carey did and the one that Turner did?

Mr Nancarrow—Yes, and I have been told that those journals are still standing and those signatures are still in that book.

Senator JOHNSTON—You said that the two trainees you talked about—and I take it the two you are talking about are Cochrane and Carey—were 22, 23 or 24.

Mr Nancarrow—Cochrane is 23 to 24 and Carey is in his late 20s or early 30s, something like that.

Senator JOHNSTON—What level of qualification did they have at the time this all occurred?

Mr Nancarrow—Cochrane was constantly being made up as a tradesman and taken back off because he was doing—

Senator JOHNSTON—When you say ‘made up’ as a tradesman, what do you mean?

Mr Nancarrow—When you get your journal all signed up they do a test on you and you become a tradesman.

Senator JOHNSTON—Did he successfully become a tradesman?

Mr Nancarrow—He was twice and they kept on taking it from him and putting him back to trainee.

Senator JOHNSTON—Why?

Mr Nancarrow—Because he was doing dangerous work or he was signing out work that was not completed.

ACTING CHAIR—What do you mean by ‘dangerous’? Do you mean he was not doing his work satisfactorily?

Mr Nancarrow—No. There was one instance in particular where he signed up that a fuel pump was fitted and, when the supervisor went out, it was still sitting on the deck.

Senator JOHNSTON—So he was dequalified, if you like?

Mr Nancarrow—Yes.

Senator JOHNSTON—What qualification was he acquiring as a trainee? Was he going to be a fitter?

Mr Nancarrow—Aircraft fitter.

Senator JOHNSTON—How long had he been a qualified aircraft fitter prior to the signing of these signatures?

Mr Nancarrow—He had been in the unit—this is very approximate; I only made this phone call last night—for approximately four years. Out of those four years, he was a trainee for almost 3½ years.

Senator JOHNSTON—So you say that for six months during the period that you know he was in that facility he had been a qualified aircraft fitter?

Mr Nancarrow—But never for longer than that, before being made down. The normal period is six months as a trainee to become a tradesman.

Senator JOHNSTON—What about the other fellow?

Mr Nancarrow—Carey had been signed up as a tradesman since 2000 or 2001—something like that. He had been on the tools as a tradesman and was never made down as a trainee; he was always a tradesman. But his gain out of it was that he was going for his civilian licence and, to get his civilian licence, he needed his journal to be signed up.

Senator JOHNSTON—So the forgery of your signature on his journal had no impact on Defence at all really?

Mr Nancarrow—I do not know.

Senator JOHNSTON—He is a qualified tradesman.

Mr Nancarrow—I do not know about Defence, if he needed his journal to do his subject course. I do not know about that side of it.

Senator JOHNSTON—It might have affected his civil qualification and future employment, but as far as Defence was concerned he was a fully qualified tradesman.

Mr Nancarrow—Yes, but the NAC journal was a Defence document, so he was still forging a Defence journal.

Senator JOHNSTON—I agree with you. That does not excuse it, but in terms of the repercussions for Defence employing a person who has falsely acquired qualifications, that did not apply to him.

Mr Nancarrow—It does, actually, because he is now applying for a job to work at Hunters on a Black Hawk helicopter with his civilian qualifications.

Senator JOHNSTON—But Defence is now aware of that?

Mr Nancarrow—Yes, but they were not aware of that way back then.

Senator JOHNSTON—Let us not speculate about what happens there. Let us stick to this. What about the other person?

Mr Nancarrow—Turner? I really do not know much about him.

Senator JOHNSTON—Was he qualified or not?

Mr Nancarrow—Yes.

Senator JOHNSTON—So he was a tradesman too?

Mr Nancarrow—To a certain level. There are different levels. You can get signed up for before flights and after flights. When they get signed up that much they can do that. Then they get signed up for another level and then they get engines. Then they get another lot and they get frames. Because he was forging, I would say he cannot have been to the full level and was still chasing signatures.

Senator JOHNSTON—But he might have been doing what Carey was doing.

Mr Nancarrow—Not him, no.

Senator JOHNSTON—So he did not want to leave Defence and go—

Mr Nancarrow—No, because to do what Carey is doing you have to be a tradesman for X amount of years.

Senator JOHNSTON—But the other guy—Turner, I think his name is—was a tradesman?

Mr Nancarrow—Yes, but I do not know at what level.

Senator JOHNSTON—So it is about a level. Does money flow with a level? If you go up a level, do you get paid more?

Mr Nancarrow—I believe—

Senator JOHNSTON—If you do not know, do not answer.

Mr Nancarrow—I do not know.

Senator JOHNSTON—What about the guy that Cochrane signed for? Was he qualified?

Mr Nancarrow—Junior or only a very low level of a tradesman, only very particular types of jobs.

Senator JOHNSTON—He was a tradesman, though?

Mr Nancarrow—There are different levels of tradesmen. Do you say that he is a tradesman because he can go and do a before flight and after flight? Does that make him a tradesman, or is he a tradesman when you can give him any kind of job? Before I could give a bloke a job, I would have to ask him what level he was signed up to. You can say that he has to be signed up for everything to be a tradesman, or you can say he is a tradesman because he can do a minor service—or can he do a major service? So, when you say ‘tradesman’, you are talking about—

Senator JOHNSTON—You either have your ticket or you have not. Did he have a ticket?

Mr Nancarrow—It is not that simple in the Army. You get different levels. You get signed up for competencies, one competency after another. Normally, after a year you would be signed up to do major servicing, minor servicing and before flights. He could be signed up to do minor servicing but not major servicing, so he would need signatures to get the major servicing.

Senator JOHNSTON—Would you call him a trainee?

Mr Nancarrow—He was kind of floating in between both. He had a certain amount of competencies but he did not have all the competencies.

Senator JOHNSTON—From what you have said, the Army was scrutinising and maintaining surveillance over the performance of these maintenance personnel.

Mr Nancarrow—Yes.

Senator JOHNSTON—They were being demoted and promoted according to—

Mr Nancarrow—Only Cochrane.

Senator JOHNSTON—Cochrane was the one who was being demoted. So there was an active system of watching what these guys were doing.

Mr Nancarrow—To a degree.

Senator JOHNSTON—You then say that you made a complaint about these four signatures that were not yours.

Mr Nancarrow—I made a complaint about Cochrane forging my signature in Adam Phillips's journal and in his own journals.

Senator JOHNSTON—And you did not know about the other two?

Mr Nancarrow—Not at that time.

Senator JOHNSTON—Who did you complain to?

Mr Nancarrow—I complained to Corporal Sean Glendinning, who was in charge of the journals.

Senator JOHNSTON—You complained to a corporal?

Mr Nancarrow—Yes. Then I walked straight over and I complained to the engineering officer, Captain John Partridge.

Senator JOHNSTON—And you complained to a captain?

Mr Nancarrow—Yes.

Senator JOHNSTON—What happened after that?

Mr Nancarrow—They said they would look after it.

Senator JOHNSTON—That is all you heard of it?

Mr Nancarrow—Officially, that is all I have ever heard of it—except for that one or two minutes when I was in Ed Wright's office.

Senator JOHNSTON—You then say that things began to happen adverse to you. How did you first become aware that someone had made allegations against you?

Mr Nancarrow—A craftsman Graham Marshall was down at the Q store.

Senator JOHNSTON—Who?

Mr Nancarrow—Graham Marshall. He was a tradesman that worked with me. He was down at the Q store and he heard people down there—

Senator JOHNSTON—He heard something and reported it to you?

Mr Nancarrow—Yes, that they were trying to get rid of me because I was a disturbance to the unit.

Senator JOHNSTON—Did he say who had said that?

Mr Nancarrow—Yes, Warrant Officer Pennington.

Senator JOHNSTON—So you were told by someone that they were going to get you?

Mr Nancarrow—Yes, and I went straight to the engineering officer and asked the military to clarify that or deny it so that I could get on with my life.

Senator JOHNSTON—What happened?

Mr Nancarrow—I went back every day and asked them to deny it, and they refused to deny it.

Senator JOHNSTON—So you complained that you thought you were going to be victimised?

Mr Nancarrow—No, I asked them to clarify that it was not true, because at that stage I could not see why it would be true.

Senator JOHNSTON—When you say ‘clarify that it was not true’, what was not true?

Mr Nancarrow—That Warrant Officer Pennington said, ‘We got to get rid of Nancarrow because he is a disturbance to the unit.’ I have actually got a statement—

ACTING CHAIR—This is hearsay.

Senator JOHNSTON—It is absolutely hearsay.

ACTING CHAIR—Yes.

Senator JOHNSTON—You never spoke to Warrant Officer Pennington personally?

Mr Nancarrow—No.

Senator JOHNSTON—Did you ever confront him about this allegation?

Mr Nancarrow—No, I did the chain of command kind of thing. Marshall did write a full statement about that and submitted it to the Army.

Senator JOHNSTON—Who?

Mr Nancarrow—Marshall, the fellow who overheard the statement, gave a written statement to the military.

Senator JOHNSTON—You made your complaints. How long after you had made your complaints did the next event occur—or was there a next event?

Mr Nancarrow—I think the next one was ASIO. That would have been—I am only estimating—about three months.

Senator JOHNSTON—Three months later?

Mr Nancarrow—ASIO rocked up.

Senator JOHNSTON—When you say that ‘ASIO rocked up’, let us put that in clear terms. You were at your job, working away, and what happened?

Mr Nancarrow—I got asked to go over to Major Fenwick’s office. I assumed that it was over the forgeries. I went into Major Fenwick’s office, and there was an ASIO bloke and a DSA bloke.

Senator JOHNSTON—You were asked to sit down?

Mr Nancarrow—Yes.

Senator JOHNSTON—And what happened?

Mr Nancarrow—DSA asked if I minded if they sat in—they went there but they wanted to sit in. I said, yes. I still did not have a clue what it was all about. They both flashed their badges, and then the ASIO bloke said to me, ‘We’re here about allegations that you are working for the Vietnamese government.’

Senator JOHNSTON—So he said to you openly and up-front, ‘We’re here because there are allegations against you that you work for the Vietnamese government?’

Mr Nancarrow—Yes.

Senator JOHNSTON—You go to Vietnam four times a year, you have said.

Mr Nancarrow—Yes.

Senator JOHNSTON—Every year?

Mr Nancarrow—Yes.

Senator JOHNSTON—How many times have you been to Vietnam?

Mr Nancarrow—Fifteen, 18 times.

Senator JOHNSTON—Over the last what—four or five years?

Mr Nancarrow—Since 2000.

Senator JOHNSTON—Fifteen or 18 times since 2000?

Mr Nancarrow—Yes.

Senator JOHNSTON—How long do you stay in Vietnam during those visits?

Mr Nancarrow—I am going over in the next fortnight; I am going for four days.

Senator JOHNSTON—That is a very short trip.

Mr Nancarrow—It is only \$400 out of Darwin. It is cheaper than flying to Katherine.

Mr EDWARDS—He has done nearly as many trips to Vietnam as I have in the last decade, and no-one has accused me of being a spy—that I am aware of.

Mr Nancarrow—I said to the ASIO bloke and DSA bloke, ‘I’ll pay for your air fares; I will take you over and we’ll have a good time.’

Senator JOHNSTON—What sort of aircraft do you work on?

Mr Nancarrow—Then?

Senator JOHNSTON—Yes.

Mr Nancarrow—Bell JetRangers—Vietnam veteran era aircraft; 30- to 40-year-old aircraft with no armament, no weaponry and no secrecy stuff on them at all.

Senator JOHNSTON—Bell JetRangers that are Army helicopters?

Mr Nancarrow—Yes.

Senator JOHNSTON—Do you ever work on any others?

Mr Nancarrow—No, never.

Senator JOHNSTON—Only on Bell JetRangers?

Mr Nancarrow—That is all I know.

Senator JOHNSTON—Are there any other aircraft on that base that you go to?

Mr Nancarrow—No. Our hangar was that; that was it.

Senator JOHNSTON—But the hangar is on a base.

Mr Nancarrow—No. When all the other 18s and that park up, they are 100 miles away and I am not allowed over there.

Senator JOHNSTON—So the 18s are never near you?

Mr Nancarrow—Never.

Senator JOHNSTON—There are never any other aircraft with sophisticated weaponry or electronic equipment near you?

Mr Nancarrow—I think once there was an Orion parked up in the hangar.

Senator JOHNSTON—So the ASIO officer said to you, ‘I want to talk to you about your trips to Vietnam.’

Mr Nancarrow—Yes.

Senator JOHNSTON—How did that conversation go, as best you can recall?

Mr Nancarrow—He goes, ‘Well, what do you do over there?’ and I said: ‘Well, my Vietnamese wife is over there’—she is over in Australia—‘my family is over there and I have friends over there. I do what any bloke does when they go on holidays. I go and visit my family. When I have had a gutful of them, I go and visit my friends, we have a few beers, have a good time, have a yahoo and I go back and visit my family and then I go back and visit my friends and have a few beers.’ I said, ‘Come on, I’ll pay for you, we’ll go over.’

Senator JOHNSTON—Was he rude to you in any way?

Mr Nancarrow—No, he was great. He was a champ.

Senator JOHNSTON—So you left that interview. What happened then?

Mr Nancarrow—I went out and rang my union bloke.

Senator JOHNSTON—You went out and spoke to a union bloke.

Mr Nancarrow—Yes.

Senator JOHNSTON—Why did you do that?

Mr Nancarrow—Because I had just been interviewed and been accused of being a spy.

Senator JOHNSTON—Did he actually accuse you of being a spy? You did not say that.

Mr Nancarrow—No. He said to me, ‘There have been allegations made to us that you are working for the Vietnamese government and passing information on.’ I do not know about you, but that is pretty serious.

Mr CAMERON THOMPSON—Did you think the people who were putting that to you actually believed it?

Mr Nancarrow—I think ASIO—I got told unofficially ASIO walked straight out and said, ‘There’s nothing here,’ and I have heard nothing more back from ASIO. But DSA, when they were carrying out the inappropriate behaviour interviews and they interviewed 20 or the whole unit and they all had to sign secrecy documents and they were not allowed to tell anyone—I have a few mates and they all told me what was going on—they were pursuing what does Nancarrow do when he is over there? Does he meet anybody suspicious blah blah blah? So DSA was going along on that line.

ACTING CHAIR—Can I just say that I understand the questioning is to try to elicit more information. I just do not think we ought to go too far down this track because the concern that we had and was raised initially by Mr Snowden was over the forgery of documents. I just do not think we ought to go too far down the other track.

Mr Nancarrow—In view of what happened, the Army—

ACTING CHAIR—I understand. Just let me finish what I am saying. I do not think we ought to get into too many extraneous matters.

Senator JOHNSTON—So you have never been charged with an espionage offence.

Mr Nancarrow—I have had one car-parking fine in my life.

Senator JOHNSTON—And the ASIO investigating officer was not rude to you and did not brow beat you in any way.

Mr Nancarrow—No, he was a champ.

Senator JOHNSTON—What you are really concerned about is that there is no apparent action with respect to the forgeries.

Mr Nancarrow—Never.

Mr EDWARDS—I want to follow up on what Senator Johnston has had to say. It seemed to me—I could be wrong—I just wanted to follow up on some of the questions you were putting

because it seemed to me that you were putting that there was no consequence to the Army or to safety as a result of these forgeries.

Senator JOHNSTON—I think he has amended those.

Mr EDWARDS—I just want to get to whether that is what you were trying to establish. I simply take a different view. My understanding is that what we are talking about are journals or logs that, once completed, are the trainee's passport to a higher level of work with less degree of supervision.

Mr Nancarrow—No supervision.

Mr EDWARDS—That is one point. But the other point is—and I think this came out of the inquiry into the Sea King disaster which cost nine lives—that there does indeed appear to be some regular occurrence of forgery of documents relating to work conducted or not conducted but signed off on on helicopters within the ADF. I just think this is a very serious issue in relation to safety matters that may well impact on the safety or otherwise not only of aircraft themselves but the ADF personnel who fly in them. That is why I consider this issue to be a fairly serious one. So I do indeed see that there are significant safety issues that could at the end of the day cost people's lives if these forgeries are widespread within the ADF.

ACTING CHAIR—I think that is something we will have to discuss as a committee and include in the report rather than direct to the witness. Do you have questions of the witness?

Mr CAMERON THOMPSON—I would say apropos that, you said in relation to Carey, he was the one who was basically qualified and was going for that external position, wasn't he?

Mr Nancarrow—Yes.

Mr CAMERON THOMPSON—Are you aware if the other ones got into supervisory positions that they should not have, as a result of your—

Mr Nancarrow—No, I do not know about the ones at Oakey and Townsville, into which they carried out that other investigation. Of the three that I know of in Darwin, Cochrane was sent to Oakey to do Black Hawks but now he has been taken off it through peer group pressure, Carey is still on the Black Hawks and Turner has been discharged from the Army.

Mr CAMERON THOMPSON—What about Phillips?

Mr Nancarrow—I do not really know what has happened to him.

Mr CAMERON THOMPSON—So you do not know if, as a result of the forgeries, they got to do anything that they should not have done?

Mr Nancarrow—I do not believe so at the moment, because it has been being aired out pretty heavily for the last couple of months.

Mr CAMERON THOMPSON—Thanks.

ACTING CHAIR—There are a couple of issues that I want to raise. One of the reasons that we are holding this inquiry is that, not long after having our previous inquiry into the annual reports, the Deputy Chief of Army wrote, correcting some of the evidence that you gave. Mr Snowdon has raised the issue with us in order to make sure that you could be here today. I am concerned that a number of names have been put on the public record and, if we do our jobs properly, each of those people who have been adversely commented on should really have a right of reply and a right to respond, so this may take us some time when I had hoped it would not. You have placed a number of names on the public record, and those people have a right to defend their version of events and point of view.

There is one thing that has bothered me from the start, when we talk about the falsification of records—that is, if you raised with the Army the question of falsification of record, I cannot understand why you would then come to the opinion that the Army thinks you are a troublemaker on hearsay evidence that they did not really want you around. I cannot work out, if you raised the issue of falsification of records and it was shown that they were falsified, why that should label you as a troublemaker. That has really got me puzzled, because I would have thought that the Army would be pleased to acquire the knowledge that somebody had been falsifying records. Can you give me any idea as to why they should think that you are a troublemaker because you approached them about the falsification of signatures?

Mr Nancarrow—I will cover my backside a little bit on this because I was warned that they might turn on me. I do not know why. I was told this, so I got statements from all my previous warrant officers and engineering officers, and they all said that my workmanship, my integrity and my professionalism in my job is beyond reproach. In the time that I worked with the Army, you will not find a skerrick against me—not a word.

ACTING CHAIR—But that does not satisfy my questions as to why the Army—

Mr Nancarrow—I was told that, because they were going to have the Tiger, they did not want any bad publicity. It was easier to get rid of one civilian than it was to deal with bad publicity. They were under the impression that I would walk away and not say anything.

ACTING CHAIR—It seems a very thin argument to me—that the Army would react badly to the report of a falsification of signatures.

Mr Nancarrow—And this is the problem I have had since I have been involved in this. People say, ‘The Army don’t do this,’ and straight away it is getting turned back on me. Even today in the Senate—

ACTING CHAIR—We will ask the Army, so do not worry.

Mr Nancarrow—Yes, but since I have been involved in this it has all come back on me. I have had more questions today about me being a spy than about the forgery. This is how it has gone. Since the moment I did it, it seems to have always been turned back on me rather than how our Defence Force can be wrong. It has destroyed—well, not destroyed, but it has put my marriage under pressure. But I am determined. That is why I am here now: no matter how much it costs my health, we have to clear this, because you are going to have another accident one day and I want to be able to look in the mirror and say, ‘I did all I could.’

ACTING CHAIR—We have to put these questions to other people. Are there any further questions for Mr Nancarrow?

Mr CAMERON THOMPSON—On that issue, you said that you were not aware of any evidence that these people had been put in a supervisory position as a result of the forgeries.

Mr Nancarrow—Yes.

Mr CAMERON THOMPSON—Having had this complaint from you that there were forgeries on these documents—and you say that Wright called you in and spoke to you about the question of another forgery in relation to some documents—are you aware of any subsequent analysis of the work to which those signatures appertained to try to match up whether the work was done or was not done?

Mr Nancarrow—Yes, they did, but I do not know the outcome of it.

Mr CAMERON THOMPSON—They did have a study into that?

Mr Nancarrow—Apparently so. Ed Wright did, yes.

Mr CAMERON THOMPSON—And what kind of work would it have been? You spoke before about someone who said they had, in a separate incident, inquired about a fuel pump being installed but not being installed. What was the actual work we are talking about?

Mr Nancarrow—The journal gets very specific so it could be down to a very fine line like—

Mr CAMERON THOMPSON—I am just after an example.

Mr Nancarrow—Just roughly, it could be ‘tail rotor aligned’ and then his signature and then I would sign it. Every job has four different areas, but you could tick next to it that the person was competent without being supervised—I cannot remember the exact term—but there were three levels for a trainee: limited supervision, average supervision or maximum supervision.

Senator JOHNSTON—You are saying that you are wondering why it comes back onto you. I am wondering if, for example, this Wright guy identified an incident and you responded to it and said ‘That is not my signature on that particular release,’ could it have been possible that that was a kind of testing process and that that might, in his mind, have created some inconsistency in what was being said?

Mr Nancarrow—I believe not, because I spoke to Jack Partridge, the EO, afterwards and he told me that he had already raised the charge against Cochrane for forging; that is fact. I can’t quite remember the details about Turner, but there was a bit more about Turner and the forgery, but I got them second hand so you are better off asking them about that. I don’t want to pass on something second hand.

Mr CAMERON THOMPSON—So basically you are saying there were already some concerns about one or more of these people. So this brings me back to what Senator Ferguson

was saying: wouldn't that merely be helpful corroboration of some suspicions that they may already have had?

Mr Nancarrow—There are two sides to the Army. We are talking about the mechanical side and then we are talking about the Army side. When it was brought up at the mechanical side they were all behind it—'Let's get this sorted out, let's get this bloke charged, let's get his journal taken off him,' blah, blah, blah—and then suddenly it got taken over to the other side of the Army and that is when it all went pear shaped. The engineering officer, John Partridge, started all the paperwork, he did everything he could and then when it went across the road to the Army side of it it all got squashed.

Mr WAKELIN—The issue of the accepted forgeries of signatures in the journals, particularly related to incorrect hours of work—is that the main allegation?

Mr Nancarrow—It was saying that they had done work and they had my signature to say that they had done the work but it was all different levels of work.

Mr WAKELIN—I am just trying to simplify it as best as I can. Is it about falsification of hours essentially?

Mr Nancarrow—Not so much the hours, but a particular job.

Mr WAKELIN—In terms of the time line, I understand you left the service in April this year?

Mr Nancarrow—No, I left my job as a civilian around June 2005.

Mr WAKELIN—I am just looking from when the falsification occurred to the allegations and then you leaving. Over what time was that?

Mr Nancarrow—About six months.

Mr WAKELIN—So about the beginning of the year, approximately—November, December?

Mr Nancarrow—No, it was around November.

Mr WAKELIN—And you left the position in June? You have just left it now?

Mr Nancarrow—No, I got stood down because Cochrane raised harassment claims against me.

Mr WAKELIN—It was 2005.

Mr Nancarrow—Yes, in 2005 Cochrane raised harassment claims against me and I was stood down. On the Tuesday they rang me up and they said, 'DSO is here now to read the allegations against you.' I said, 'Can I bring my union rep to the allegations?' They said no. I said, 'Can I bring a lawyer to the allegations?' They said no. I said, 'I'm going to get allegations read against me and I can't have anybody representation?' and they said yes.

Mr WAKELIN—That is fine. I was just looking at Greg McLean's piece in the *Northern Territory News* from April last year. So the issues occurred in October, November of the previous year?

Mr Nancarrow—Yes. It was around then.

Mrs DRAPER—With regard to the journals or the logbooks, as they have been named, as I understand them they are essentially a series of competency tasks—is that right?

Mr Nancarrow—Yes.

Mrs DRAPER—That is why they have to be supervised and signed off on?

Mr Nancarrow—Yes.

Mrs DRAPER—In that case, if there have been forgeries, I would like to agree with Mr Edwards: my concern is that there are some very serious safety issues in question. Would that be so?

Mr Nancarrow—Yes.

ACTING CHAIR—As a follow-up to Mr Wakelin's question: with regard to the forged signatures, I think I heard you say earlier that one of them was for a fuel filter, which was signed for as work that had been done and it actually had not been done.

Mr Nancarrow—A fuel pump.

ACTING CHAIR—In the case of the forgeries that you know of that have occurred, was it because there was a falsification of work that was intended to be done and was not done and so there was a deliberate attempt to sign up for work that had not been done, or do you think that in many cases the work had been done and it was just a matter of convenience for this person to forge the signature?

Mr Nancarrow—It is two different pieces of paperwork. With the work that gets done on the aircraft and signed for, if they are a trainee they cannot sign for it; it has to be signed by a tradesman.

ACTING CHAIR—Is that what was falsified?

Mr Nancarrow—No. That was only an instance, when Cochrane was made as a tradesman, of him signing for work—

ACTING CHAIR—He was competent to sign.

Mr Nancarrow—That was not forgery. The forgeries were only in his journal and the journals were not related to actual—

ACTING CHAIR—Actual work done.

Mr Nancarrow—That paperwork was different paperwork. What we know that he was forging was his personal competency book. That was separate paperwork to the other paperwork.

ACTING CHAIR—The personal competency book was meant to be signed by you as a supervisor to assure them that he was competent to do the work—not necessarily that the work had been done, but he had done the work at the level it was required to be done?

Mr Nancarrow—Yes.

ACTING CHAIR—I think I understand.

Mr Nancarrow—That incident with the fuel pump was a separate issue. That was why the Army had concerns about him as a tradesman. But that was not a forged signature there; that was a totally separate issue. I probably confused the matter by putting that one in.

Senator JOHNSTON—He was demoted for that. He said he had done it and he had not done it—it was on the deck—and he got demoted for that. I think that is what you were telling me.

Mr Nancarrow—Yes.

ACTING CHAIR—We have gone slightly over time but we needed to get these things on the record. Mr Nancarrow, I thank you for your attendance here today. I do not think you have been asked to provide any additional material. You will be sent a copy of the transcript of your evidence to which you can make corrections of grammar or fact—not content, just grammar or fact. Thanks very much, Mr Nancarrow, for appearing before us today.

Proceedings suspended from 10.35 am to 10.43 am

GORDON, Major General Ian, AO, Deputy Chief of Army, Department of Defence

SCULLY, Mr Timothy Paul, Head, Defence Security Authority, Department of Defence

ACTING CHAIR—I now welcome representatives of the Department of Defence who are giving evidence in relation to the allegation of falsification of Army aviation maintenance records. Although the subcommittee does not require you to give evidence on oath, I would advise that these hearings are legal proceedings of the parliament and therefore have the same standing as the proceedings of the respective houses. I invite you to make an opening statement before we proceed to questions.

Major Gen. Gordon—Firstly, I want to acknowledge to the committee that when I visited you last time I gave some information which turned out to be incorrect. I certainly regret that. I wrote to the committee secretariat and acknowledged those mistakes and corrected them. I might just say, to reflect back on that, that my appearance before the committee was made only at several hours notice, so we gathered the information that we could, and I was concerned to find that some information had been incorrect.

I would also like to make the point that we take any accusations of forgeries of documents extremely seriously and we will deal with them comprehensively whenever we find those accusations. It almost goes without saying, of course, that we take the matter of aircraft safety and safety across the Defence Force extremely seriously. Again, where there are any concerns or allegations of unsafe practices then we would also react comprehensively and aggressively to make sure that we stop unsafe practices. I am grateful to hear that there have been concerns and, if there are any that we have not already followed up, then we will take them up straightaway.

Mr Scully—The only thing I would like to do is correct a few comments that have been made here. Several mentions of DSD and DSO have been made. The only authority in Defence investigating security is DSA, the Defence Security Authority. My role in this is purely to protect the security interests of Australia. DSA's role in investigating this incident is along those lines. I am charged by the secretary of Defence and the Chief of the Defence Force to investigate matters of serious security concern.

Mr SNOWDON—You must be the only organisation in the Army we have not spoken to.

Mr Scully—I am actually Defence Security Authority. I answer directly to the secretary.

Mr SNOWDON—I appreciate that. I am just making a glib observation that we have spoken to almost every other subunit in the defence forces but I do not think we have not spoken with the DSA.

ACTING CHAIR—General Gordon, following on from your opening statement, there is one very obvious question that needs answering: in the light of the allegations that were made by Mr Nancarrow, why didn't the Army go to the Nth degree to try and contact him to get his version of the allegations? He said he has had no contact from the Army.

Major Gen. Gordon—I am happy to speak to that. After the initial accusations were made about falsification of journals, there was a military police investigation; that led in due course to several other investigations. One of them was by the 16th Brigade, and that was a comprehensive investigation into the question of falsification of documents. It transpires subsequently that the investigating officer was guided by what you would call the appointing authority—the person who told him to do the investigation and gave him his terms of reference.

Mr EDWARDS—Can I just ask who that person would have been?

Major Gen. Gordon—It was the Chief of Staff of the 16th Aviation Brigade. The chief of staff, as it turned out, had reservations about the investigating officer talking to Mr Nancarrow. He advised the investigating officer that he was concerned that Mr Nancarrow being interviewed by the investigating officer might confuse or disrupt the investigation. He has advised me that he influenced the investigating officer to not talk to Mr Nancarrow.

ACTING CHAIR—That is the strangest decision I have ever heard in my life, General Gordon—that the person who actually made the allegation was advised not to talk to the person who made the initial allegation of the falsification of documents or fraudulent signatures. I fail to see how that could even possibly eventuate.

Senator PAYNE—General Gordon, when was that decision made by the appointing authority, the chief of staff?

Major Gen. Gordon—I only have the document here where I have advice that the investigating officer was cautioned about discussing the matters with Mr Nancarrow. These matters of course are being passed on to other organisations, the Australian Federal Police.

Senator PAYNE—You do not have the date of that?

Major Gen. Gordon—No, sorry. At the moment I do not know what—

Senator PAYNE—Is that something you can obtain on notice for the committee?

Major Gen. Gordon—Yes. I can find out for you when the chief of staff had a discussion with the investigating officer and, in his words, influenced him to be ‘cautious’ about talking to Mr Nancarrow.

Senator PAYNE—Could you please restate the reasons that you put to the committee a moment ago for the appointing authority’s decision in that regard—why he influenced the investigating officer in that manner?

Major Gen. Gordon—The investigating officer confirmed that he did not attempt to contact Mr Nancarrow about the inquiry, and he said that the appointing authority advised him that Mr Nancarrow’s restricted security clearance had been withdrawn and as an investigating officer he needed to be circumspect about discussing matters with Mr Nancarrow. It is the chief of staff’s opinion that that advice led to the investigating officer not talking to Mr Nancarrow.

Senator PAYNE—Unsurprisingly! What rank is the investigating officer?

Major Gen. Gordon—He was a captain at that stage.

Senator PAYNE—And the appointing authority's rank?

Major Gen. Gordon—He was a lieutenant colonel.

Senator PAYNE—Major General Gordon, in your experience in such matters is there a precedent for a complainant not being interviewed expressly in a manner such as this, and what possible—

Major Gen. Gordon—I am not aware of a precedent. I am aware, however, that there were a number of other investigations being conducted. There was an investigation being conducted, I think, at that stage, by the Defence Security Authority.

Senator PAYNE—We will come to that.

Major Gen. Gordon—There was intent to ask the Australian Federal Police to become involved, although I am not too sure about the timing there and so I had best put that one aside. But I am not aware of a precedent.

Senator PAYNE—So, Major General Gordon, what credibility can this committee put on the quality of an inquiry made without interviewing the complainant?

Major Gen. Gordon—I have the results of the investigation which was done—this is the one we are talking about. One of the recommendations was that there was sufficient evidence for further investigations into allegations of fraudulent entries and falsification of what are called NAC journals—the competency workbooks—to be referred to the military police Special Investigation Branch. So here you have the investigating officers saying, 'I think there is enough evidence for us to turn it over to the military police.' On the grounds that the investigating officer did not interview Mr Nancarrow, in my opinion it is reasonable that the investigating officer would say, 'Well, it should be turned over to the SIB.' I believe that the chief of staff felt that the investigating officer may have not been experienced enough to talk to Mr Nancarrow about a complex business like this.

Senator PAYNE—Major General Gordon, are you seriously telling the committee that an investigating officer with inadequate experience was appointed to carry out this investigation?

Major Gen. Gordon—No, I am not telling you that.

Mr Scully—Can I address that please, Senator?

Senator PAYNE—I am sorry: did you just say to me that there was a concern from the appointing authority that the investigating officer may not have adequate experience to interview the complainant in a complaint for the purposes of making the inquiry?

Major Gen. Gordon—No. I said that the appointing authority cautioned the investigating officer and asked them to be circumspect about interviewing Mr Nancarrow. In the event, the

investigating officer chose not to but recommended that the matter be turned over to the military police.

Senator PAYNE—General, he chose not to because he was a captain told not to by a lieutenant colonel.

Major Gen. Gordon—No, I do not believe he was told not to; he was influenced.

Senator PAYNE—‘Cautioned’?

Major Gen. Gordon—Cautioned.

Senator PAYNE—‘Reservations about talking to Mr Nancarrow’, ‘influenced against’—these are the words that have been used.

Major Gen. Gordon—Told to be circumspect, yes.

Senator PAYNE—Right.

Mr EDWARDS—Influence from a commanding officer usually carries a lot of weight.

Senator JOHNSTON—It is different to being told.

Senator PAYNE—If Senator Minchin cautions me against speaking to or doing something—actually, let me withdraw that! You did, though, General Gordon, say that there was a concern that the investigating officer may have been thought by the appointing authority to have inadequate experience to deal with a complex set of questions relating to this matter. You did use the words ‘inadequate experience’.

Major Gen. Gordon—Mr Scully can answer this.

Mr Scully—I can clarify the process of investigation in Defence. There are certain levels of competencies in investigation. At the unit level at which this captain was appointed, he is not a qualified investigator, but it is well within normal process for the chief of staff to appoint an investigating officer. When the chief of staff—in this case—or the investigating officer himself realises that this is beyond his investigative role or capabilities, he can then make a decision to refer that to a higher defence investigative authority such as the SIB in the military police, as General Gordon has mentioned, or to the Defence Security Authority, who have qualified and experienced investigators.

Senator PAYNE—Mr Scully, due to other circumstances, I have some familiarity with the matters to which you refer, in relation to not this committee but another committee. As I understand what you just said—and I stand to be corrected by reference to the record—when it is realised it is beyond the investigating officer’s role or capability that they may perhaps not have the skills or the experience or whatever it might be to proceed, other arrangements are made. What I am putting to you both is the surprise that I, as a member of this committee, now have that the job which was beyond the capability or impacted by inadequate experience was what I would regard as the threshold point of the inquiry—that is, talking to the complainant.

Mr Scully—Mr Nancarrow has already said today that he was not interviewed by DSA or the Army. Mr Nancarrow did not wish to be interviewed by the DSA investigators. You heard him say that he wished to bring along a union representative when he was asked to be interviewed.

Mr SNOWDON—And a lawyer.

Mr Scully—The DSA investigators declined to allow the union rep to be at the interview if he would not sign a confidentiality document—such as Mr Nancarrow would also have to sign. The requirement to sign a confidentiality document protects the integrity of the investigation. If people are not beholden to confidentiality in the course of the investigation, they can influence other people who may well be interviewed during the course of that investigation. My point there is that Mr Nancarrow had in late April declined to be interviewed by defence authorities.

Senator PAYNE—You also said to the committee that his restricted security clearance had been withdrawn. How did that happen?

Mr Scully—This matter was referred to the Defence Security Authority on 2 March last year. You have heard the allegations that were made against members of 161 recce squadron, including Mr Nancarrow. The nature of those allegations were contact by defence personnel with foreign intelligence services or service; fraud, specifically forgery; inappropriate relationships between members of the unit; and immigration and taxation irregularities. Given the allegations of foreign intelligence contact—and this, I suppose, relates to a captain who does not have high-level investigative skills—when DSA sees evidence or potential evidence of espionage, we call ASIO in, as occurred in this case. ASIO, with a DSA investigator present, interviewed Mr Nancarrow and ASIO informed DSA that there were no foreign intelligence concerns in this matter. Given that the other allegations were not specifically security related—and Defence Security Authority, of course, is concerned with security and usually only security—in aggregate, if true, the remainder of the allegations would have an impact on security within the 161 recce squadron, particularly with the forthcoming acquisition of the Tiger helicopter.

At that point my predecessor in DSA decided to continue with the investigation and, as I stated earlier, when Mr Nancarrow was asked by DSA to be interviewed, he declined to sign the confidentiality agreement. Sorry, I am getting to the question of the suspension of Mr Nancarrow's restricted level security clearance. The head of Defence Security at the time decided to suspend his clearance because there was sufficient doubt surrounding the allegations. Mr Nancarrow had declined to be interviewed; we still had a security issue, in the opinion of the head of the Defence Security Authority, and in these matters security will be given primacy over other matters.

ACTING CHAIR—Can I just correct that. He declined to be interviewed without somebody else being present: a union representative or someone. That is what he declined.

Mr Scully—He wanted the union rep present, and the union rep and Mr Nancarrow, I believe, would not sign the confidentiality agreement.

Mr SNOWDON—Did you make plain to him that your inquiries went to the nature of his connections with a foreign intelligence service?

Mr Scully—I do not think that claim was made by DSA investigators because we did not get to interview him.

Mr SNOWDON—He made an allegation within the unit in the previous October or November. That allegation is not pursued with him by the unit, and DSA comes in. You would forgive him for thinking that this was some sort of exercise of examining his bona fides, would you not?

Mr Scully—Yes, I understand that, and Mr Nancarrow—

Mr SNOWDON—So you could see how he might well say to himself and his union advisor and/or a lawyer, given the nature of your allegations—that is, the allegations about the forgery: why would you need to sign a security document?

Mr Scully—As I mentioned earlier, when we conduct these investigations we conduct them in accordance with the proper legal standards of evidence and, as I also mentioned earlier, signing a confidentiality agreement gives confidence to the investigators that each individual that they speak to is not going to influence someone else.

Senator PAYNE—I want to go back to the threshold question or what at least I perceive to be a threshold question, which is that the complainant was not interviewed by the investigating officer for what appears to be a conflation of two reasons: firstly, advice by a senior officer—the appointing authority—that he had reservations about interviewing Mr Nancarrow and, secondly, a concern that the investigating officer had inadequate experience to carry out that aspect of the inquiry. My confusion is how an investigating officer could have been appointed to carry out an inquiry for which the investigating officer had inadequate experience to interview the complainant.

Mr Scully—I think the term ‘inadequate experience’ is an unfortunate one. In the chain of events of an investigation, a unit will appoint an investigating officer who is a normal member of the unit—usually an officer. They do not have formal investigative skills or training.

Senator PAYNE—I understand that.

Mr Scully—However, I think the chief of staff and the investigation officer in this case exercised good judgment in saying, ‘This needs to go a step higher,’ and that is when the SIB, who have qualified competent investigators, were brought in and, when we get to the security issues, that is when the Defence Security Authority was brought in.

Senator PAYNE—Mr Scully, if you landed from Mars on Earth and you were given the bare bones of an inquiry which forms an opinion—that is, that there is sufficient evidence to refer the matter to the military police Special Investigation Branch—but does not show on the face of it that you have actually interviewed the person who made the complaint, wouldn’t you think that was an unusual way to go about business?

Mr Scully—I suppose it would depend at what point in the investigation the initial investigating officer got to before he made a decision whether to interview Mr Nancarrow or not.

Senator PAYNE—What I would seek from you on notice, General Gordon and Mr Scully—I am not sure which part of the department is appropriate to provide the response—is a chronology. I am confused by the time frames. Perhaps you could give me some conflation of when certain inquiries occurred and when they were shifted from DSA to ASIO and back again and so on. So could you, if possible, prepare a chronology for the committee of when the complaints were made, when the IO was appointed, when the IO commenced their investigation, when they concluded their investigation, and the other investigations which have taken place since then—including the ones that Mr Scully referred to which involved concerns about foreign intelligence contact, immigration and taxation issues.

Mr Scully—I can give you those details now.

ACTING CHAIR—Give them now?

Mr Scully—In relation to DSA, not the investigator—

Senator PAYNE—No, I would like it in a single unit, please.

Mr Scully—Okay.

Mr SNOWDON—General Gordon, in a letter dated 3 April, you wrote to this committee correcting the evidence which you gave previously. I want to go back to this question of the investigator. You stated in your evidence:

He was accused of doing that but because we were unable to interview the supervisor we were not able to take it to the charge.

The real issue is that there was no question that you were unable to, it was just that you did not do it. Is that correct? Because subsequently, in the correction to your evidence, you say:

He was accused of doing that but because we did not interview the supervisor we were not able to take it to charge.

Major Gen. Gordon—That is true. We could not do it at that stage.

Mr SNOWDON—Subsequently, in a further correction, you said:

The Army investigator, appointed by the Chief of Staff ... reported that he had not spoken to Mr Nancarrow—

and it was not because he was not qualified to ask him but—

because Mr Nancarrow was no longer working at the Army Unit, or elsewhere in the Army Organisation.

That is incorrect, is it not?

Major Gen. Gordon—Let me just go to my copy of the evidence. Which page are you on?

Mr SNOWDON—I am on your letter.

ACTING CHAIR—Your letter of correction to the subcommittee.

Mr SNOWDON—Your letter in which you made four corrections. The first one is that the Army investigator did not speak to him because he was no longer in the Army. The second was that he had not spoken to him because he did not have enough information to proceed. You have just subsequently told us that you had plenty of information to proceed and you have referred it to the SIB. Lastly, you said:

The Army investigator ... reported that he had not spoken to Mr Nancarrow because Mr Nancarrow was no longer working in the Army Unit, or elsewhere in the Army Organisation.

That seems to me to be very different to the information we have just received.

Major Gen. Gordon—The investigating officer's report—the one from the 16th Brigade—made the statement that Mr Nancarrow had ceased employment with the unit and was not available to assist with the investigation inquiry.

Mr SNOWDON—If he said that he is wrong, isn't he? He never sought the availability of Mr Nancarrow. What he said was that he was no longer employed in the unit.

Major Gen. Gordon—Yes, it is true. He was not in the unit but, as we followed that up subsequently, and I asked the question, 'Well, why not?' That was when I found out, as I have reported, that the investigating officer was told to be circumspect about talking to Mr Nancarrow. That is to say, if he felt uncomfortable, that he—

Mr SNOWDON—Why didn't you tell us that when you wrote this letter?

Major Gen. Gordon—Because I did not know that when I wrote the letter.

Mr SNOWDON—I am sorry. I am a bit confused here—no, I am not confused, I am just wondering what the course of events is here. What happens in the Army? We made this request during the review of the annual report and we made it very clear what the intention was. If you go back to my questions, if you reread the questions, it is very clear what the intention is. I will come to the question of Oakey in Townsville in a moment. You say to us that certain events have taken place. You then write to us saying you want to correct the record. You come here again and you correct the record again.

Major Gen. Gordon—The first statement I made, as I said in my opening remarks here, was made after I had several hours notice to come and talk to the committee. I gathered the information that I could in that short time and made some statements. After I came back from that committee, I consulted with my staff, we went back to the document that I have just quoted to you from and we had another look at it. I then wrote to the committee secretariat and corrected at that moment to make sure that I had given you the information which I believed to be correct. In the time between then and now, of course, we have continued to investigate this, both through seeking investigations by the Military Police Special Investigation Branch and the AFP. I have been gathering documents in order to talk to you today to make sure that I can give you the most accurate information that I have, and that is the most accurate information that I have.

Mr SNOWDON—Thank you. So we can expect, we hope, that after this intervention we have got all the information that is available to us at the moment.

Major Gen. Gordon—Yes, Mr Snowden. I will give you the most accurate information that I have at any moment.

Mr SNOWDON—I appreciate that. What is the status of the SIB investigation?

Major Gen. Gordon—There are currently eight investigations being conducted by the Military Police Special Investigation Branch. In fact, to give you the full rundown, two investigations have finished and we are awaiting advice from the Office of the Director of Military Prosecutions about which disciplinary charges could be laid, and there are eight other soldiers still being investigated by the Military Police.

Mr SNOWDON—Do these relate to the substance of Mr Nancarrow's allegations?

Major Gen. Gordon—Yes, they all relate to the matter of fraudulent entries, and, in order that I give you the most accurate information that I have, there is one other piece of information which came to light two days ago. We had previously thought that all of the cases of forgeries of documents were to do with what are called the NAC journals—the national aerospace competency journals—called the soldier's workbook. As it turns out, there is one allegation of forgery on an aircraft maintenance document. I found that out two days ago, and I want to make sure that I keep up to speed on this.

ACTING CHAIR—That is the only one of the eight or nine that is—

Major Gen. Gordon—The only one.

Mr SNOWDON—It is additional.

Major Gen. Gordon—That is the only one. So all of the others were workbooks, and we have now found one which relates to aircraft maintenance documentation, and I can speak to that in more detail if you wish.

Mr SNOWDON—In a moment, if you might, but I just want to go back to the substance of Mr Nancarrow's allegations. Is it true to infer from what you have just told us that the SIB investigation has confirmed the allegations which have been made by Mr Nancarrow?

Major Gen. Gordon—No, sorry—the SIB investigations are into those allegations, so the investigations are into the allegations. I only have two cases where the investigations are finished, and the matter of whether they can lay charges is now with the Office of the Director of Military Prosecutions.

Mr SNOWDON—They are going to military prosecutions. But I can infer from that, can I not, that there is sufficient evidence for it to be referred to them to give some validity to Mr Nancarrow's allegations?

Major Gen. Gordon—There has been only one case. There was one case where there was not a prima facie case for it to go for a military policy investigation. There was enough evidence to warrant putting all the others to the military police, yes.

Mr SNOWDON—Thank you. Can you tell us whether SIB have sought to interview Mr Nancarrow?

Major Gen. Gordon—I do not believe they have. That is because we have asked the Australian Federal Police if they will interview Mr Nancarrow for us.

Mr SNOWDON—When was that request made?

Major Gen. Gordon—That request was made in March.

Mr SNOWDON—It is now 16 June.

Major Gen. Gordon—Yes.

Mr SNOWDON—According to Mr Nancarrow, no Federal Police have approached him.

Major Gen. Gordon—No, in fact, the situation with that is that I have asked but the Federal Police have not yet accepted the task of conducting that investigation. The principal reason, as I understand it, is that they have been gathering documents. We have given them a range of documents, and the last one they requested was the investigation done by 16th Brigade. I have to get the minister's approval to release that document to the AFP, and we are going through that process now.

Mr SNOWDON—At our initial inquiry, I asked a question of you:

Mr SNOWDON—Are you aware whether there are any other assessments or investigations into possible forgery on other bases, including Oakey and Townsville?

Major Gen. Gordon—No, I am not aware of any of those allegations or accusations.

Are you now aware of any accusations?

Major Gen. Gordon—Yes. I am aware of 10.

Mr SNOWDON—Could you explain what they are about?

Major Gen. Gordon—Ten are allegations of falsifying of competency journals and one is an allegation of falsifying aircraft maintenance documentation.

Mr SNOWDON—So when Mr Nancarrow made these allegations or these suggestions to us, and we passed them on to you, it came back, as I read the evidence you have given us—then and subsequently—that, in the first instance at least, it looked as if Mr Nancarrow's allegations were not being taken very seriously. We have subsequently heard that the investigating officer did not

bother investigating because he did not think he had the competence. I would have thought that that was a bit bizarre, given that all he really needed to do was to establish the accusations—that is, get a statement of fact from Mr Nancarrow, who had made the allegations—then go and test the facts. That cannot be that hard; even I could do that.

Major Gen. Gordon—I think we have been through that—the investigating officer decided the best course of action for him was to find that he should pass this on to the military police and not seek to conduct that part of the investigation himself.

Mr SNOWDON—In the meantime, from Mr Nancarrow's evidence—not that it is germane directly to the allegations—we learned that he believes he has been vilified implicitly and explicitly by persons within the Defence Force, that other Defence Force members feel they have been vilified and excluded from participating in processes which might otherwise bring to light more information. Is that a very healthy set of events, do you think?

Major Gen. Gordon—By no means, and I am disappointed that he feels that he has been harassed or whatever word you want to use. I am also disappointed whenever we find a soldier who feels that he has been harassed. I might add that there was concern within the unit that there was an unhealthy relationship between Mr Nancarrow and some of the soldiers. And I believe it is that concern which may have led, in due course, to the Defence Security Authority being asked—no, in fact, that concern was passed on to the security section and I believe the officer who expressed that concern was doing it because he felt it was his responsibility to pass on those concerns.

Mr SNOWDON—And not because Mr Nancarrow had made a set of allegations against the unit?

Major Gen. Gordon—No; I do not believe so.

Senator JOHNSTON—The timing on that is very important and the committee would like to see absolutely the essence of the timing on Nancarrow's complaint and then the allegations and who they came from with respect to his security standing.

ACTING CHAIR—I think we have asked for that in chronological order, sir.

Major Gen. Gordon—I understand your line of questioning. I believe that the request that the security staff look at this further was based on their concerns about the relationship between Mr Nancarrow and the soldiers, rather than the fact that Mr Nancarrow had made accusations of falsification of documents. That is my belief, based on the documents that I have read. I do not believe that that is written down anywhere.

Mr SNOWDON—You can see how the impression might be got from someone who might not be in your position that they are being flogged for making an accusation, and anyone they are associated with has been similarly flogged or victimised—can't you?

ACTING CHAIR—I think we are delving into the speculative a bit. We all know what you are trying to say. But you are asking the general for an opinion.

Mr SNOWDON—I am happy to leave it at that.

Mr CAMERON THOMPSON—Mr Scully, would it be normal for the DSA to investigate allegations in relation to maintenance safety records and issues of a safety nature?

Mr Scully—No, it would not be—only where those issues touch on security.

Mr CAMERON THOMPSON—So Mr Nancarrow made a complaint. There was an investigating officer appointed and then the DSA turned up.

Mr Scully—The DSA was not appointed or requested to investigate, based on Mr Nancarrow's complaint. The DSA was brought in based on the investigation being referred to us by the Military Police.

Mr CAMERON THOMPSON—Did the DSA make any advice to the appointing officer that the investigating officer would not be a competent person to investigate Mr Nancarrow because of these other allegations about his supposed spying activities?

Mr Scully—No, not at all.

Mr CAMERON THOMPSON—So there was no communication in an effort to coordinate what were two separate investigations? So the failure to appoint an investigating officer that could investigate Mr Nancarrow did not have any link to the other investigation that your organisation apparently conducted? There were two separate investigations and they went their own course without any tick-tacking between the two, did they?

Mr Scully—The way you state that, that is true, yes. But there is no connection between the two investigations. DSA's sole purpose is to investigate the implications to security of this matter. DSA will not investigate forgery alone per se that has allegedly occurred in this incident. As I stated earlier, the allegation of foreign intelligence involvement, the allegations of fraud, the inappropriate relationships between the members of the unit and the immigration and taxation irregularities, in aggregate, are a security concern to DSA. DSA will start its own investigation from scratch. If it were necessary, and if it would add to our investigation, we would discuss the case with the investigating officer appointed by—

Mr CAMERON THOMPSON—But you had no worries about that investigating officer interviewing Mr Nancarrow and your organisation did not, in any way, have any say in this bizarre appointment of the investigating officer that could not investigate?

Mr Scully—No.

Mr CAMERON THOMPSON—Just to clarify the record, because we keep talking about improper relationships and spying, and things like that, has that other investigation—the DSA investigation into all those other allegations, which from what I can figure out probably emerged from this other party Cochrane, or whatever—been completed?

Mr Scully—Yes, it has.

Mr CAMERON THOMPSON—So is Mr Nancarrow a spy?

Mr Scully—I think we determined—

ACTING CHAIR—Mr Thompson, I think there are some limits to questions.

Mr CAMERON THOMPSON—Mr Chairman, we have heard again and again this kind of improper claim about Mr Nancarrow, this kind of aspersion on his character. It needs to be put to bed. This is going around and around and around in this forum, and this is wrong.

ACTING CHAIR—I do not think it is in the competency of Mr Scully to answer that question.

Mr Scully—However, I did mention earlier that in the investigative process it does go through a range of levels. When DSA is concerned about allegations of foreign intelligence, we refer it to ASIO. And, as I stated earlier, ASIO, in the company of a DSA investigator, interviewed Mr Nancarrow and determined that the foreign intelligence contact was not a security concern.

ACTING CHAIR—You said that before.

Mr Scully—So, in essence, there was no foreign intelligence contact.

ACTING CHAIR—No concern.

Mr CAMERON THOMPSON—We had a statement from Mr Nancarrow that said that they had walked straight out. We have not had that from this authority, which continues to assert—

ACTING CHAIR—Mr Scully said earlier that they had no concerns.

Mr SNOWDON—Just to correct the record, Mr Nancarrow said that he had a meeting with ASIO and DSA, where the DSA were present. I forget his exact description of the ASIO bloke, but he said that he was a good bloke, or words to that effect.

ACTING CHAIR—He said earlier in evidence that there were no foreign implications.

Mr SNOWDON—But I want to make the point that there was another meeting which involved DSA and ASIO, quite separate from the one that you are referring to now, Mr Scully.

Mr Scully—I am sorry. Could you repeat that, Mr Snowdon.

Mr SNOWDON—Mr Nancarrow had an interview with ASIO and DSA. That is the interview that you just referred to. That is a separate meeting to the one that you subsequently sought to have with him. Is that correct?

Mr Scully—That is correct.

Mr CAMERON THOMPSON—Major General Gordon, in that case, does the Army owe Mr Nancarrow an apology?

Major Gen. Gordon—For what?

Mr CAMERON THOMPSON—For his treatment. I think it was pretty well documented this morning.

ACTING CHAIR—I am sorry, Mr Thompson. I cannot allow that question because there are current investigations going on, they are in the middle of questioning and I do not think ‘Does the Army owe Mr Nancarrow an apology?’ is a proper question to ask General Gordon now. There are still investigations under way and so I cannot allow that question.

Mr SNOWDON—We will expect an apology once the investigation is finished.

ACTING CHAIR—Mr Snowdon, I think we have taken that far enough.

Mr EDWARDS—It is all very unfortunate, and I do want to separate some things out. I quickly want to say that what we are being asked to accept here this morning is that there has been some sort of an unhealthy relationship between Mr Nancarrow and other members of the unit.

ACTING CHAIR—Yes, that is true.

Mr EDWARDS—I do not accept that. Having said that, I want to put it on the record that I do not accept that. I now want to turn to things that we can deal with as a committee. My understanding is that Major General Gordon gave evidence before the committee and it was subsequently discovered that that evidence was incorrect. We subsequently had a letter from Major General Gordon which purported to set the record straight, and there are three instances in here.

ACTING CHAIR—Are you questioning me or is this a question for General Gordon?

Mr EDWARDS—No, I am simply putting this question through you as the chair.

ACTING CHAIR—To General Gordon?

Mr EDWARDS—To General Gordon.

ACTING CHAIR—Okay.

Mr EDWARDS—General Gordon, you state:

This is incorrect. The correct information is that ‘The Army investigator, appointed by the Chief of Staff 16th Brigade (Aviation), reported that he had not spoken to Mr Nancarrow because Mr Nancarrow was no longer working in the Army Unit, or elsewhere in the Army Organisation’.

That is one. I know that these have been raised, but I want to raise them again. In the next paragraph, you say:

The correct information is that ‘... we could not proceed because the Army investigator had not spoken to Mr Nancarrow and did not have enough information to proceed’.

You go on to say this, Major General Gordon:

I wish to correct this information. The correct information is that ‘The Army investigator reported that he had not spoken to Mr Nancarrow because Mr Nancarrow was no longer working at the Army Unit, or elsewhere in the Army Organisation.

You have now come along and corrected the record again. I find it extraordinary that, in setting the record straight, you could not set it straight accurately and you have had to come and give further evidence to the committee this morning. I am not saying that you have done that deliberately, but I find it extraordinary that this committee is subject to such sloppy work from a senior officer in the Australian Army.

ACTING CHAIR—Mr Edwards that is a statement, not a question.

Mr EDWARDS—And the last point I want to make is this. It would appear to me that the investigation that has been referred to the AFP has only been referred to the AFP subsequent to your appearance before this committee in the course of us examining the annual report. I just do not think that is good enough, Mr Chair.

ACTING CHAIR—Yes, but that is a debate for us to have elsewhere.

Mr EDWARDS—Exactly, but I want to put these things on the record. I want the Army representatives here to know before they go away that we are far from happy with this.

ACTING CHAIR—Can I say—

Mr EDWARDS—And I resent the committee being treated in this way by witnesses who appear before it and who we expect are in a position to be able to give us accurate and up-to-date information. I will leave it there, Mr Chairman.

ACTING CHAIR—I accept your statement, but we are here to ask questions of General Gordon and these are matters that we will discuss as a committee and prepare and report. In the report, we can say all those things if we so desire. I will invite General Gordon to comment if he wishes to, but I did not really see a question there.

Major Gen. Gordon—I would certainly like to comment. I made the point initially that my appearance here in March was at very short notice, a matter of hours. I was certainly not given time to properly prepare. I had very little notice about the nature of the questions. In that little time available, I gathered the information that I could and answered the questions as honestly as I could. When I received the *Hansard* report and was asked to clear it, I looked at what I had said and I attempted to make sure that I understood exactly what the situation was to make sure it was clear. I was given some more information, which led me to write back and say that I would like

to correct what I said. I did that in a reasonably short time. Subsequently, and in preparing for this appearance, I have done some more work and I have spoken in person to and had correspondence from people to try to clarify exactly what happened. I certainly regret having to change or clarify my original statement. I regret even further having to make another statement on top of it, but those are the circumstances I found myself in. I gave honest answers to the questions that I had in front of me.

As far as the AFP investigation goes, there was a misunderstanding. Fairly early on in the piece it had been the intent to refer the matter of his role in the forgery of documents to Mr Nancarrow. There was a stated intent to refer it to the AFP and I was told, because people believed it to be the case, that the matter had been referred to the AFP. As it turned out, all we had was a statement of intent. It was on a log. Someone saw, 'Matter to be referred to the AFP' and so in good faith I was informed that the matter had been referred to the AFP. After my last appearance here, I went back and I checked and said, 'What's the status of this?' It transpired that the matter had not been referred to the AFP. We immediately wrote to them and asked them if they would take it up. Again, I regret that, of course, but it had not been my intent in any sense to mislead this committee. I gave the information as quickly and as accurately as I could. As I stated at the beginning in my opening statement, I am very sorry and I regret that I had to correct myself.

Mrs DRAPER—Firstly, I have two aspects of a question. I find it really concerning—and I know others have raised this point—that we could not find anybody competent enough to investigate the forgery complaint. Once the complaint was lodged, there were all manner of investigations and competent people to look at and investigate very serious allegations against Mr Nancarrow. In terms of the forgery that you found in the aircraft maintenance logs, I am concerned that we still have not really addressed the issue of safety and maintenance. I am interested to know whether the maintenance carried out on the forged maintenance sheets related to the Bell JetRanger helicopters or some other aircraft that other people were working on. Can you clarify that for us?

Major Gen. Gordon—Yes. As I understand it, the allegation of forgery of aircraft documentation is on the Bell JetRanger, the aircraft we call the Kiowa. Immediately that was discovered, the senior tradesman in the unit did what we would call a quick assessment, to make sure that there was no compromise of what we would call the technical airworthiness of the aircraft. He did that investigation and he decided that there was no compromise—that is to say, the aircraft was airworthy. That was the immediate response when they found out that there had been an allegation of forgery of the aircraft maintenance documentation. That allegation is still being investigated by the military police.

Mr SNOWDON—What about the assertion by Mr Nancarrow about the motor that had been overtorqued and took nine months before it was remedied?

Major Gen. Gordon—Yes, that was the first I had heard of that, Mr Snowdon, and I will follow that one up.

Senator JOHNSTON—I have some short questions, General. Can you tell me if any of the complainants in the investigations relating to the security standing of Mr Nancarrow or indeed his 'unhealthy' relationships with other people were in fact the forgers?

Major Gen. Gordon—There is a strong correlation between those mentioned in the quick assessment on relationships within the unit and those who are now under investigation for allegations of forgery.

Senator JOHNSTON—Do you understand that the committee might be very, very concerned about that strong correlation?

Major Gen. Gordon—Absolutely, yes.

Senator JOHNSTON—Good, so we know we are on all fours here as to where this is going. How many other civilians in anticipation of the deployment of the Tiger armed reconnaissance helicopter to this unit were investigated on the grounds of security by ASIO and DSA?

Major Gen. Gordon—I am not aware of any other civilians who were subject to an investigation.

Mr Scully—Nor am I, Senator.

ACTING CHAIR—We have gone a bit over time, General Gordon, but I think it is important that we get things on the public record. You made a statement earlier about the possible unhealthy relationship between Mr Nancarrow and some of his co-workers at the place. Mr Edwards has stated publicly that he does not accept that; I am not sure that we as a committee are in the position to make a judgment on that yet because we have only heard one side of the story, so I think that is something else that we may look at.

Major Gen. Gordon—Can I just clarify the words we are using here?

ACTING CHAIR—Yes.

Major Gen. Gordon—The concern was, in the words I have in the initial quick assessment, ‘an inappropriate level of influence’.

ACTING CHAIR—By whom?

Major Gen. Gordon—By Mr Nancarrow over some of the soldiers in the unit.

ACTING CHAIR—Okay, that is on the record.

Mr SNOWDON—Can I just ask what that might mean?

Major Gen. Gordon—I would not speculate on what it means.

ACTING CHAIR—It is a report that he has got.

Major Gen. Gordon—The words are the words. This, I believe, led to a request that the matter be dealt with by a security authority. That was why the report was written: to express a concern and ask that further formal investigation take place.

Mr SNOWDON—Can I just conclude, Mr Acting Chair, if I may and sum up where we are at here. Mr Nancarrow has made a series of allegations which have not been tested with him. He has been vilified and accusations have been made against him—which turned out to be spurious—about intelligence.

ACTING CHAIR—They are your words.

Mr SNOWDON—They may well be my words; this is my summation where we are at. It seems to me very clear: we have heard that no other civilian has been investigated by DSA. We hear there is a correlation between the complainants about those matters and those people possibly involved in the allegations of forgery. You can see how Mr Nancarrow and others outside the unit might be very concerned about what has happened in that unit, can you not?

ACTING CHAIR—I think you are asking for an opinion here, aren't you? I am not sure you can. We ask for facts.

Mr SNOWDON—I made it very clear.

Mr Scully—Senator, I would just like to make one point for the record because there appears to be some confusion here. There seems to be a perception that no opportunity was given to Mr Nancarrow to be interviewed on these matters. The head of DSA wrote to Helitech, to Mr David Dowling, on 28 April informing him that Mr Nancarrow's security clearance would be suspended. In that letter, which was read by Mr Dowling to Mr Nancarrow, he was given the opportunity to respond. On 29 April—

ACTING CHAIR—This is April last year?

Mr Scully—Last year. On the 29 April last year Mr Nancarrow was given a further opportunity to respond to DSA investigators through our Northern Territory office. He again declined. His declining was pretty much based on the fact that he did not want to sign the confidentiality agreement, nor did the union rep—

Mr SNOWDON—This is not the investigation of these allegations though, is it?

Mr Scully—Sorry?

Mr SNOWDON—This is not the investigation of these allegations; this is your investigation of him.

Mr Scully—The investigation the DSA conducted was not purely into Mr Nancarrow. It would be into all persons involved in this matter.

Mr SNOWDON—No, but you just said a while ago you were not competent or charged with investigating his allegations about forgery.

Mr Scully—No, I do not think I said that, Senator.

Mr SNOWDON—It will be on the record—and I am not a senator, by the way.

ACTING CHAIR—You can correct it if you want to.

Mr Scully—When we refer an investigation to another authority, in the case of espionage or potential espionage we give it to ASIO, or we will refer a potential criminal charge to the AFP and sometimes do it jointly with the AFP.

ACTING CHAIR—I think we must wind it up there because there is another inquiry starting in three or four minutes times.

Mr CAMERON THOMPSON—I just have one more question, which was about this inappropriate level of influence. I want to check, just to confirm, that Mr Nancarrow was the supervisor of these people.

Major General Gordon—He was a trade supervisor in the unit.

Mr CAMERON THOMPSON—Over those people?

Major General Gordon—I would not want to be too firm on this but, from the names I know, I believe that he supervised some of them at least, yes. It could be all, but I know that, in a trade sense, he supervised at least some of them.

ACTING CHAIR—I want to wind things up here now. I want to thank you, General Gordon and Mr Scully, for attending here today. The committee will determine where we go from here, but I suppose that one could make a short summary: had Mr Nancarrow been spoken to at a much earlier stage, we probably would not even be here and the normal processes would be taking their place. But it is for the committee to decide where to go from here. Thank you very much for your evidence before us today.

Subcommittee adjourned at 11.42 am