

EXCLUSIVE

PAOLA TOTARO

The federal parliament has been urged to establish a Senate inquiry into the awarding of the private security contracts to guard both Australian embassies in Iraq and Afghanistan.

In an unprecedented move, more than 40 primarily Australian ex-military and police officers who worked on the Baghdad embassy's personal security detail have written an open letter to the federal opposition urging an independent investigation of their former employer, Unity Resources Group. The letter warns that "con-

ditions and experience on the ground" for the few staff who renewed their contracts are "deplorable" and that they have grave concerns both for their safety and that of their embassy charges.

Opposition foreign affairs spokeswoman Tanya Plibersek yesterday described the embassy affair as "a complete debacle" that "must be dealt with immediately by the Foreign Minister, Julie Bishop". "Ms Bishop needs to explain the arrangements she has in place for the safety of Australian personnel at our embassy in Iraq," Ms Plibersek said.

Last month, almost two-thirds of the former Australian soldiers and security specialists guarding the embassy refused to renew

their contracts with URG, citing large pay cuts, changed working conditions, a lack of medical and death insurance and unchecked and aged weapons and safety equipment. Since then, two URG top managers who were forced to report the resulting staffing shortfalls to the embassy, chose to leave the company.

The ex-staffers also question the federal government's decision to send DFAT official Paul Molloy to report on their claims. Mr Molloy, a former deputy high commissioner to Pakistan, was the DFAT official responsible for signing off on the Baghdad and Kabul security contracts. *The Australian* has been told of serious alleged security breaches by URG by a senior

Embassy guards 'lost' pistols

EXCLUSIVE two former company senior security and operations managers, Africa. In it, Mr Stewart was that the then embassy

How *The Australian* has been covering the story

source who wishes to remain anonymous. This source has pledged to provide detailed information to Ms Bishop, or an inquiry if requested.

The allegations include that:

- Monthly staff invoices sent by URG to DFAT over the past five years always showed a full complement of men and women but the rota in Baghdad was "always short".
- Serial numbers on weapons issued to security staff were often

altered, due to the fact that the ageing AK47s used by URG staff have been butchered and rebuilt to keep them operational.

- URG does not have access to the International Zone in its own right after it failed to heed an Iraqi Interior Ministry request five years ago. On several occasions, non-diplomatic URG clients were escorted into the International Zone using embassy passes in contravention of regulations.
- Despite no spending on new

weapons for a decade (its SIG Sauer Commando 552 assault rifles and AK47s were bought for use on contracts before the Baghdad embassy deal), they have been factored into the DFAT contract and invoices and "their cost has been recouped numerous times".

Further questions have been raised about the quality and standard of frontline medical services provided by URG under the terms of its contract, with specialist nurses left without clinicians' support and unable to legally prescribe medication.

Internal reports also warned that the ambassador's personal security staff lack the specialist first aid, medical and life-sustain-

ing medical training expected in other Commonwealth countries. The problems have been blamed on cost-cutting after URG undercut its own, first contract, worth \$101 million over five years to \$51m for its second contract, which began on January 1.

DFAT has consistently defended the URG contract, arguing that safety and standards had not been compromised, but last week stated that the new contract, billed as a five-year contract on its own website until December 31, was only a three-year contract. A DFAT spokeswoman said yesterday the department had "nothing to add to our earlier response".

**ADDITIONAL REPORTING:**  
**JARED OWENS**

## Grape expectations for India's wine class

GREG BEARUP  
SOUTH ASIA CORRESPONDENT

If you love bargain plonk, you'll be disappointed if you wander into Drops Total Spirits, wine and spirit wallahs of New Bel Road, Bengaluru; in fact you're unlikely to find much joy anywhere in India, no matter how well you haggle.

A bottle of Yellow Tail Shiraz, which sells at Dan Murphy's for \$7, was yesterday on the shelves at Drops for 1425 rupees, a whopping \$29.99, while a 750ml bottle of Yalumba Unwooded Chardonnay sells for \$38.50 a bottle — it's available in Australia for \$12.99 in a two-litre cask.

Wine is so expensive in India that when expatriates have friends and relatives coming to visit they're often asked to bring the maximum allowed in their luggage — these travellers are sometimes referred to as "wine mules".

As India's middle class expands and becomes wealthier, there is enormous potential for Australian wine producers. The biggest hurdles are tariffs and state taxes; they can increase the price of a bottle of wine that retails for \$10 in Australia, to about \$40 on the shelves of a bottle shop in India. The import tariff alone adds 150 per cent.

It is one of the issues that Trade Minister Andrew Robb is grappling with as he seeks to negotiate a preferential trade agreement with India, which is due to be signed this year. As part of the industry's charm offensive the Australian High Commissioner, Patrick Suckling, hosted a wine tasting at his Delhi residence on Friday along with Wine Australia chairman Brian Walsh.

Indian wine writers and captains of industry were invited to sample some of the best Australian wine produced over the past century with a taste from each decade. These included a 1915 Seppeltsfeld port, a 1963 Penfolds St Henri Shiraz, a 1970 Wynns Coonawarra Estate Cabernet Sauvignon and, of course, a Penfolds Grange from 1984.

Mr Walsh said while Australia now exported a million litres of

wine to India, and was the largest importer into the country, India was not in the top 15 of Australia's export markets.

He told *The Australian* the industry was taking a long-term strategic decision to move into India: "I think you have to be where the people are, chip away, and work at building your credibility."

The reason for Friday's event, targeting the upper echelons of the wine market with our finest drops, is that five-star hotels are exempt from the import tariff. "By the end of this year India is expected to double the number of luxury hotel rooms compared to what there was three or four years ago," said Harsh Puri, from Austrade.

"So the size of the pie has increased in this duty-free segment."

He predicted that sales of Australian wines in India could easily grow three- or fourfold within the next few years, admittedly from a small base, currently worth about \$4.04m to producers.

"The young generation has taken very strongly to wines," he said, comparing the market with Australia in the 1980s when there was a big move away from beer and spirits towards wine. But, he said, "Indian taxes are killing us".

Ali Lockwood, from Wine Australia, offered a word of caution because even if Mr Robb and his team are successful in getting rid of the 150 per cent import tariff, the states can raise their taxes.

"For us, India does have promising prospects, however we see it as a very long-term prospect and it is a market that requires significant investment in time and money," she said.

Pradeep Magaji, the manager of Drops in Bengaluru, says if there was a significant price drop he could sell a lot more Australian wine. At the moment he is only moving about four cases per month. He said many of his customers were switching from spirits and beer towards wine because there was a perception it was better for their health.

His Indian customers preferred sweet wines, with Lambrusco his biggest selling imported wine.

PLONK AT A PREMIUM

	INDIA	AUSTRALIA
Wholesale	\$3.75	\$3.75
Import duty	\$6.24	—
State excise	\$8.00	—
Distribution	\$4.50	\$1.05
WET	—	\$1.39
Retail	\$9.64	\$2.65
Sales tax	\$12.85	\$0.88
TOTAL PRICE	\$44.97	\$9.72

## School's out as kingfish seek bigger pond



KELLY BARNES

French worker Hugo Pochon unloads hundreds of hiramasa yellowtail kingfish at Port Lincoln. The farmed fish will be processed in Vietnam

EXCLUSIVE

REBECCA PUDDY

The silver-green bodies of more than 10,000 hiramasa yellowtail kingfish glisten in the Port Lincoln sun as they are unloaded from the Challenge fishing boat into containers of ice bound for Vietnam.

The farmed kingfish, the product of years of research and development by publicly listed company Clean Seas, will be, for the first time, processed in the Asian nation before being returned to Australia as frozen fish fillets, bar snacks and pre-packaged sashimi bound for supermarket shelves.

Raised from fertilised eggs and

placed in pens in nearby Arno Bay where they are fattened up to a commercially valuable size, the fish are exported or sold to restaurants in Australia whole, before being sliced up into sashimi and other high-end dishes.

Clean Seas chief executive Craig Foster said the trials to process the fish would mean Clean Seas could soon become a household product.

"We are looking at a mixture of products — in the current domestic market there is demand for sashimi but we would also like to develop a product line of second-tier markets such as frozen loins and bar snacks," Mr Foster said.

"We will see if it is acceptable to the market and if it works, we will look at constructing a processing

facility on brownfield or greenfields in Port Lincoln or Adelaide.

"It would take at least two years to develop."

**'We now have 400 tonnes of fish we need to place'**

**CRAIG FOSTER**  
CLEAN SEAS CHIEF EXECUTIVE

The company was looking to increase domestic demand for kingfish after increasing sales from 1098 tonnes last financial year to nearly 1500 tonnes so far this financial year.

"We grew too fast," Mr Foster said.

"We now have 400 tonnes of excess fish we need to place."

While the company was now awash with fish, its research into propagation has not always been successful, with a high-cost push into cracking the perfect conditions to grow southern bluefin tuna from fertilised eggs to mature adults more than a decade ago all but failing.

The early days of the kingfish program were successful but the company hit a rut in 2010, with fish not fattening up and survival rates tanking.

In 2012, the company discovered its feed was deficient in taurine, with an adjustment turning around survival rates to the current level of 90 to 95 per cent.

Mr Foster said the company

had now scaled back its tuna project to "small-scale research and development", recognising its potential for further commercial success with kingfish.

"We decided we could produce kingfish easily and they sell for as much as tuna at \$16.70 a kilo," he said.

Parisian Hugo Pochon, 26, in Australia on a working holiday visa, said he had been working for the fishing company for one month, hauling in boatloads of kingfish. "I came here to work on another boat but that fell through and then someone told me they were looking for workers here," Mr Pochon said.

"My girlfriend will be joining me here in Port Lincoln soon so I would like to stay longer."

## Legal battle over a 'hot rock'

A chance glance at an auction catalogue could have solved the mystery of one of the biggest jewellery thefts of the past century.

A stolen sapphire worth \$24 million was apparently spotted after being offered for sale in New York by the Phillips auction house last year.

The claimed discovery prompted a \$10m legal battle between the Manhattan pawnbroker trying to sell the gem and European insurers who paid out following the theft of a similar stone in the 1990s.

The Manhattan Supreme Court has ordered Boris Aronov to hand the jewel to the insurers for inspection. He has until Friday to oppose the order.

It was identified by Ronny Totah, the Geneva-based jeweller who owned the stolen gem, after he received an invitation to a viewing of a 59.57-carat jewel



The 'found' sapphire

described by Phillips as one of "the largest faceted Kashmir sapphires ever to be sold at auction".

After studying its certificate, he claims to have recognised the gem as the one set in a Cartier bracelet stolen from an auction preview show in Milan in 1996.

"I looked at the certificate and I had this feeling. I said to myself, 'That's it,'" Mr Totah said.

Made in 1923, the diamond-encrusted bracelet boasted a 65.16-carat sapphire.

It disappeared while on display before a sale of Cartier jewellery that also included pieces belonging to Egypt's King Farouk and pop artist Andy Warhol.

The theft was dubbed "one of the biggest jewellery heists in the past quarter-century".

Twenty years later, believing he had found the stolen sapphire, Mr Totah contacted the insurer that paid out for it in the 1990s.

Experts will now have to assess whether it is the same gem — it has the same unusual "elongated cushion cut" — and how it lost five carats in weight. It is common practice for jewel thieves to file down stones to disguise their true origins.

"There are basically no stones with this origin, weight and shape out there," said Mr Totah.

Mr Aronov was unavailable for comment.

**THE SUNDAY TIMES**

## Thai flotsam 'not from MH370'

SAM BUCKINGHAM-JONES

A piece of suspected plane wreckage found off the east coast of southern Thailand is unlikely to belong to Malaysia Airlines Flight MH370, which vanished nearly two years ago.

A large piece of curved metal washed ashore in Nakhon Si Thammarat province, Tanyapat Patthikongpan, the head of Pak Phanang district, said: "Villagers found the wreckage, measuring about 2m wide and 3m long."

The find fuelled speculation in the Thai media that the debris could belong to MH370, which disappeared with 239 people on board during a flight from Kuala Lumpur to Beijing in March 2014.

A piece of the plane washed up on the French island of Reunion in July last year but no further trace has been found.



The piece of suspected plane debris in Thailand

Experts said while powerful currents sweeping the Indian Ocean could deposit debris thousands of kilometres away, wreckage was extremely unlikely to have drifted across the equator into the northern hemisphere.

The location of the debris in Thailand "would appear to be inconsistent with the drift models that appeared when MH370's flap-eron was discovered in Reunion last July", said Greg Waldron, the Asia managing editor at *Flightglobal*, an industry publication.

"The markings, engineering, and tooling apparent in this debris strongly suggest it is aerospace-related," Mr Waldron said. "It will need to be carefully examined, however, to determine its exact origin."

Other possible sources of aerospace debris included the launching of space rockets by India eastwards over the Bay of Bengal, he said.

There has been no official confirmation from Thailand that the wreckage even belongs to a plane, never mind the missing Malaysia jet.

A spokesman for the Joint Agency Co-ordination Centre, the Canberra-based authority that is overseeing the international search for MH370, said it was "awaiting results of the official examination of the material".

**WITH AAP, REUTERS**

## Captain Dragan accuses Croatian judges of bias

Accused war criminal Dragan Vasiljkovic, aka Captain Dragan, who fought extradition from Australia to Croatia for nearly a decade, has further delayed his trial by requesting all the judges of the court recuse themselves for bias.

Mr Vasiljkovic was officially charged with war crimes and crimes against humanity two weeks ago over his actions during the rebellion by ethnic Serbs in Croatia between 1991 and 1993.

Last week, his legal team filed a motion claiming the judges were biased because they came from or lived in some areas where the crimes were allegedly committed.

The president of the court usually hears requests for judges to recuse themselves but, as he is one of the parties named, the motion regarding him will be heard by Croatia's Supreme Court.

Mr Vasiljkovic was working as

a golf professional in Perth and using the pseudonym Daniel Snedden when *The Australian* tracked him down in September 2005 and revealed his identity.

After those revelations, Croatia issued an indictment, arrest warrant and extradition request.

Mr Vasiljkovic was arrested in January 2006, and launched 13 Federal Court actions and two High Court appeals of full Federal Court decisions before being extradited to Croatia in July.

Former senior legal officer at the UN's International Criminal Tribunal for the former Yugoslavia Gideon Boas said he would be surprised if the Supreme Court accepted the application. "It just seems to me not a legitimate basis to complain about the impartiality of the judge," he said.

**IVICA PROFACA, TESSA AKERMAN**