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Serbian death squad commander alive and well and teaching golf in Perth



'War propaganda': Snedden

Picture: Andy Tyndall

Paige Taylor

AN ex-Australian army reservist who headed ruthless Serbian paramilitary units implicated in the wartime rape, torture and slaughter of Muslims in Bosnia has returned to Australia and is living in Perth.

Dragan Vasilykovic, a Serb Australian citizenship known as Captain Dragan, ran brothels in the Melbourne suburb of St Kilda before he travelled to his homeland in 1991 to fight in the inter-communal conflict in the Balkans.

Between 1991 and 1994, Vasilykovic commanded a number of paramilitary units alleged to have murdered hundreds of civilians and participated in the organised rape of women and girls.

At the time, Vasilykovic claimed he used the training methods of Australia's elite SAS forces to train up to 16,000 Serbian fighters.

Despite his wartime activities, Vasilykovic recently returned to Australia, has settled in Perth, and according to local Serbian newspapers, has been on a recruitment drive to Serbian clubs around the country raising money for a

Fond Kapetan Dragan, or the Captain Dragan Fund.

When contacted by The Australian in Perth yesterday, Vasilykovic, who now goes by the name of Daniel Snedden, said he was "playing golf and basically just doing my own thing".

Snedden rejected allegations that he was a war criminal as nothing more than "war propaganda' "I won't say I'm perfect, no,

because nobody is perfect ... but I'm sure that I never killed a civilian, I'm sure I never killed a prisoner, I'm sure I never killed

"I would like to answer any war crime question ... I would really love to see anyone come up with an accusation — I'm pre-pared to answer any question."

Snedden said he mobilised Serbians for action during the Balkans war, and helped save many lives. He said he had appeared before the War Crimes Tribunal at The Hague and answered questions for 18 hours, rejecting an offer of immunity

The 50-year-old has lived in Perth since December and said he was enjoying being near his

Belgrade-based charity known as Fond Kapetan Dragan, or the silled," he said.

anybody that didn't have to be 76-year-old mother and working as a golf teacher at the Serbian as a golf teacher at the Serbian community centre in the southern Perth suburb of Maddington.

> But former deputy prosecutor to the International Criminal Tribunal for the Former Yugoslavia Graham Blewitt said Snedden should "without hesitation" be investigated by Australian authorities over the allegations of wartime atrocities levelled against

"If they were Australian citizens who went overseas and participated in war crimes, and Continued — Page 6



'Atrocities': Snedden as Vasilykovic in Bosnia

ASIC raid on Telstra emails

Michael Sainsbury

TELSTRA executives have been forced to hand over confidential emails as investigations begin into claims the telecommunications giant has breached corporations law. The Australian understands that the

Australian Securities and Investments Commission contacted Telstra late on Tuesday — after the public announcements of an investigation — and asked for documents and emails to be sent to the

ASIC also ordered Telstra to release to all shareholders its broadband plan containing sensitive financial data on the cost of replacing its deteriorating network, which was subject of an explosive political debate in Canberra yesterday.

In a move likely to further anger the Howard Government, Telstra vowed to proceed with a mail-out to its 1.6 million shareholders, detailing its concerns about regulations it claims unfairly hit the bottom line of the country's secondbiggest company. John Howard was forced to defend his

attacks against the company's management — and the Government's handling of price-sensitive information. The Prime Minister described the

behaviour of Telstra management as "disgraceful" on Monday, but yesterday said he was prepared to work with chief executive Sol Trujillo.

As the Government continued the introduction to parliament of legislation to fully privatise Telstra, Mr Howard signalled it would not rush to sell its 51.8 per cent holding, insisting that taxpayers needed value for money

Telstra's shares hit a two-year low of \$4.32 on Tuesday, rising 2c yesterday as bargain hunters moved in to pick up a stock that has fallen 15 per cent since Mr Trujillo's appointment, wiping \$9 billion off the value of the company. During a concerted parliamentary

attack, Labor accused Mr Howard of dudding mum and dad investors by withholding the key financial information on Telstra.

Opposition communications spokes man Ŝtephen Conroy claimed the broadband plan, which Telstra presented to the Government last month, had been "widely distributed to journalists and other parties"

Kim Beazley moved to censure the Government, claiming the plan showed it had forced Telstra to prop up its share price through share buybacks, rather than properly investing in its network.

"Hasn't the Government's focus on dressing up Telstra for sale deprived Telstra of the funds it needs to invest in new services?" Mr Beazley said in parlia-

Opposition argued that Mr Howard should have released the damaging financial information contained in the plan, provided to him by Telstra manage-



ment on August 11. But Mr Howard said he had received advice that the Government had acted legally.

"We are in fact restricted by (the Telstra Corporation Act) from passing on information given to us as a shareholder to what are called non-associated people," he told reporters.

He repeated his call for Telstra manage ment to talk up the company, but denied he was placing unreasonable pressure on executives to cover-up negative information. "I'm not exhorting anybody to tell lies," he said.

Speaking in Jakarta, Peter Costello refused to say when he first heard 'scuttlebutt'' about Telstra using reserves

or borrowings to pay dividends. But the Treasurer said it was an example of a massive conflict of interest for the Government as both a shareholder and regulator.

He defended the Government's handling of the issue, claiming it had fulfilled all of its obligations. Telstra remains defiant despite the

attack by Mr Howard. The company will proceed with a campaign to alert shareholders and consumers to the claimed deleterious effect on its business of government regulations. A Telstra spokesman said that the telco's embattled public policy and com-

intention of resigning" following his comments that he would not recommend Telstra shares to own his mother. The Government yesterday introduced into the House of Representatives three bills related to the telco's proposed full privatisation. But another two - critical to the protections sought by the Nationals

munications chief Phil Burgess had "no

— were put off by delaying tactics in the Senate by opposition parties. The Australian has learned the Government will retain special powers over Telstra, even if its stake in the company falls to as little as 15 per cent, under legislation to be introduced to the Senate

Additional reporting: Dennis Shanahan **More reports — Page 2** Editorial — Page 13

Business — Page 21

Fast and furious friendship for rival Test speedsters



Battling blonds: Australian pace bowler Brett Lee and England all-rounder Andrew Flintoff have a laugh before the final Test match, starting at The Oval tonight

Andrew Ramsey

AMONG the most poignant images of a Test series laced with Kodak moments came in the aftermath of Australia's heartbreaking two-run loss at Edgbaston.

As tailenders Brett Lee and Michael Kasprowicz's gallant last-wicket stand came to nought when England captured the final wicket, Lee sank to his haunches as the England players launched into jubilant celebration

As he knelt on the pitch trying to

come to terms with what had been so suddenly snatched away, Lee was approached by his arch-rival Andrew Flintoff who knelt down, placed a consoling hand on the Australian speedster's shoulder and shook his hand as he offered a few words of encouragement.

As former England captain Mike Brearley noted: "Here was an act of generosity, an ability to feel for an opponent's disappointment and to respect his courage and skill, at just the time when the England players' relief and delight would have been at their most ecstatic.

"There, but for the grace of God, Flintoff understood, go we.' And despite the bruising the speed

merchants have inflicted on each other, the professional respect and friendship between the battling blonds has continued to prosper. Playing in his first Test series in

more than 18 months, Lee has enjoyed every moment of this most compelling Ashes series in recent memory.

Above all he has relished his battles with Flintoff, who looms as a likely man of the series given his performances with the bat (322 runs

at an average of 77.77) and ball (19 wickets at 30.36). "Over the past four Test matches,

whenever we have come up against each other there is always a bit of a smile and bit of a wink to each other," Lee said yesterday.

"Although you are out there playing for your country ... you can enjoy yourself too and I enjoy batting and bowling, especially against a guy like Andrew Flintoff.

"When I was out there batting (at Trent Bridge) and he was bowling, he hit me on the foot with a yorker and I fell over. He was laughing and I was Picture: Phil Hillyard

pretty embarrassed, and when he came out to bat it was the same thing and we've had that healthy competition which is great for cricket.'

On the last day of the epic fourth Test, Flintoff repaid the compliment when Lee produced a stunning delivery that rattled the all-rounder's stumps, briefly igniting hopes of an unlikely Australian win. "That delivery would have got me out nine times out of 10," Flintoff said.

It may stretch the friendship, but Lee will be hoping for one of those times in the next few days. Sport — Page 35

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Profit surge makes room for tax cuts

David Uren Economics correspondent

A SURGE in business profits on the

back of a strengthening economy has left the federal Government awash with revenue that could be used for tax

Fuelled by record business spending on new plant, machinery, factories, offices, shopping centres and infrastructure — and soaring prices for mining exports — the economy posted a surprisingly strong 1.3 per cent real expansion in the last three months of 2004/05, lifting annual growth to

The corporate profit boom produced an 18.7 per cent jump in company tax payments over the year, to just under

And healthy wage and jobs growth produced an 8.5 per cent increase in personal income tax, which last year topped \$100 billion for the first time, according to the national accounts

released yesterday. With the total tax take now close to an all-time peak as a proportion of the economy, John Howard and Peter Costello acknowledged the federal budget was in stronger shape than was previously thought.

And Assistant Treasurer Mal Brough conceded the top personal income tax rate could be a disincentive for productive workers to stay in Australia. "At the moment, the 47c in

the dollar, 48-and-a-half with the Medicare levy, is something which a lot of people are looking at." The Treasurer, who begins prepara-

tions for next year's budget later this month, restated that he believed the priority was middle and lower-income earners, rather than the top 3 per cent of earners on the highest marginal rate. The figures show that household

savings were still weak and the muchanticipated export recovery was moving slower than expected. But overall, the market greeted the result as "remarkably good".

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Katrina's cost soars

THE cost for the relief and recovery efforts from Hurricane Katrina could hit more than \$US100 billion (\$130 billion) and place extra pressure on the US's budget deficit.

President George W. Bush's promise that he would fulfil his pledge to cut last year's huge US deficit in half by the time he leaves office now looks hard to keep.

Meanwhile, the number of Australians missing since the storm was reduced to five. World — Page 10

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Ex-drug king gets his cash returned

Michael McKenna

THE former head of a major Gold Coast drug ring was yester-day given back \$82,000 in cash found buried in his backyard and in a bag during his 1994 arrest.

A Queensland court ordered the return of the cash to convicted drug trafficker Raymond Mark Jacobs, 40, after police failed to offer any evidence the stash was linked to his heroin and cocaine empire.

The case had been repeatedly delayed to investigate allegations by Mr Jacobs, who served almost a decade in prison on drug and attempted murder convictions, that police stole one of the three bundles of cash buried behind his Gold Coast home.

A corruption investigation was launched into the allegations, but no police officer was ever charged with stealing the bundle, which Jacobs, who has repeatedly refused to explain how he got the cash, claimed contained tens of thousands of dollars.

Outside court yesterday, Jacobs said he was "relieved, very relieved. It's nice".

Jacob's lawyer Bill Potts said that despite 54 adjournments of the case since 1984, his client had been "ready, willing and able" yesterday to explain the "legitimate source" of the money made up of \$78,000 in the backyard and \$4000 in the bag. "He was more than ready to

explain it all to the court," Mr "Yes, it was buried in his backyard, but that is not that

unusual. It is the Gold Coast." Queensland Police Commissioner Bob Atkinson last night ordered an internal investigation into the case, and Premier Peter Beattie requested a detailed brief

from state Attorney-General

"That sounds serious — we

when asked about the decision. Southport magistrate Ron Kilner said little when he threw out the three charges — including two counts of possessing drug money — after police sought a further adjournment on the basis they had no evidence to present.

"It is too late." Mr Kilner said. The police prosecutor had told Mr Kilner he could not offer any evidence to support the charges but the money "was found in suspicious circumstances to say the least"

It is understood none of the officers involved in the original raid are still in the Queensland police service.

Jacobs pleaded guilty in 1996 to trafficking drugs on the Gold Coast between January 1992 and October 1995.

At the time of his sentencing, prosecutors said Jacobs ran a sophisticated operation dealing in heroin, amphetamines, ecstasy and cocaine.

The drugs were sold mainly to smaller drug dealers, with a sideline operation in which drugs were distributed through the nightclubs of the tourist strip.

Jacobs was known as a highflyer on the Gold Coast, throwing extravagant parties and having a

taste for fast cars. But the court was told he had a much more sinister side. Prosecutor Ross Martin said

Jacobs ran his business with violence — threatening one debtor with a razor and later bending the same man's fingers with pliers.

Jacobs boasted to an undercover policewoman, whom he met in a gym, that he would bash anyone who tried to cheat him in a drug deal.

Jacobs was arrested in October 1994 after firing a gun at a car in Surfers Paradise when a drug will look at what the magistrates deal reportedly went wrong.

Give us time to understand northern rivers: water guru

Amanda Hodge

BLINDLY developing northern Australia's vast tropical river resources without understanding how they operated would doom them to the same fate as the degraded Murray-Darling, Australia's most respected water scientist has warned.

Peter Cullen told the national River Symposium in Brisbane scientists needed a decade's grace to properly understand northern rivers and determine suitable agricultural crops.

Professor Cullen said this week a critical test of the Howard Government's National Water Initiative agreement with states and territories would be whether that period of grace was provided.

Australia's tropical rivers held 70 per cent of the nation's available freshwater, but were under increasing pressure from southern developers and governments looking to exploit the resource, he said.

"So much of Australia's water resources are in the north and we know the squeeze on the south is causing pressure to eye off those resources," said Professor Cullen, a member of the National Water Commission.

"Developing water resources without understanding how they work or the data has led to disasters in other jurisdictions. Just because engineers can build a dam it doesn't mean they

Professor Cullen said little was known about the links between northern rivers and groundwater systems and the importance of floodplains and estuaries to those

rivers and the valuable northern prawn and fisheries industries.

He also warned that wellordered development of the north could never proceed without established property rights, and he appealed for indigenous traditional owners to be included in research and development in the region as well as any water trading regime.

National Water Commission Ken Matthews chairman acknowledged research was required to understand how tropical river systems operated as well

as identify future development opportunities and high conservation areas. But he warned development could not stand still while that happened.

"There doesn't need to be a moratorium in the north,' he said.

"What there does need to be is an intensive campaign to gather information about how the northern water system works and how the northern agricultural system works and as we get that information we should quickly apply it." John Howard's National Water Initiative commits all govreforms, including a review of urban water use and overallocation of water in agricultural regions, as well as to identify and protect rivers and catchments of nigh conservation value.

But environment group WWF spokesman Stuart Blanch said the race was already on between developers and scientists in the north, and the water commission must ensure it spread money from the water fund equitably between projects in the south and north of the country.

Kokoda hero slams army 'mercenaries' plan



'No motivation problem': Kokoda village chief Benjamin Ijumi, centre, listens as Major-General Paul Cullen slams the idea of recruiting islanders into the army Picture: Chris Pavlich

Elizabeth Gosch

AUSTRALIAN World War II hero Major-General Paul Cullen says a Howard government plan to recruit soldiers from poor Pacific Islands is tantamount to staffing the Defence Force with

Major-General Cullen used the Battle for Australia com- in the military. Sydney yesterday to protest against the idea, which he said

was a disgrace. "I was very upset to hear the suggestion that the lack of recruits for the army should be remedied by hiring mercenaries," he said.

As the Australian Defence Force faces a recruitment crisis, the Government is considering a range of options to boost numbers and attract people to careers

ific Islanders citizenship in exchange for military service, copying a system in place in the US. The proposal of a Pacific Island regiment funded by Australia and run by Australian officers will also be considered.

But Major-General Cullen looked back at the use of mercenaries in military history in his appeal to the Government to abandon the proposal.

"The Roman Empire fell the legions," he said. The 95-year-old veteran of the

Kokoda campaign and battles in Bardia, Tobruk, Greece, Crete and Syria said mercenaries were driven by their own motives, rather than patriotism.

"Mercenaries fight for the money, not for the country. It is up to Australians to rally round to defend our homeland." But Kokoda's village chief,

Benjamin Ijumi, said he supthink there would be a problem with motivation for the recruits.

Defence Personnel Minister De-Anne Kelly has commissioned a review of recruitment and retention in the force. The review will also consider sign-on payments of up to \$20,000, linking skilled migration to mili-tary service and flexibility in educational requirements.

The military has already resorted to less traditional methods postings in internet chat rooms

Skipper's Sea King 'regret'

Simon Kearney

COMMANDER George Arthur McGuire has only one regret about his handling of the illfated Sea King disaster in April: that he didn't think to bring an Australian flag for each of the bodies of the nine military personnel who died.

The captain of HMAS Kanimbla spent the day in the witness chair at the military board of inquiry into the crash of one of his ship's Sea King helicopters during a mercy mission following an earthquake on the Indonesian island of Nias or

"Not having taken an Australian flag to place over each body is perhaps my only regret," he said, during a day of emotion-charged testimony.

Commander McGuire told the Sydney inquiry how he and his crew quickly responded to the crash, rescuing two seriously injured survivors.

He said he was shocked when personnel of another Sea King helicopter reported seeing the wreckage of "Shark02" on the landing strip at Amandraya.
Both helicopters we

launched from Kanimbla. "I remember moving back into the control room in disbelief," he said.

Moments earlier, Commander McGuire had been marvelling at what a good job his crew were doing in delivering humanitarian relief. "I cannot adequately describe the pride I felt ... prior to the crash," he said.

of recovering his shipmates' bodies and helping his crew deal with the trauma of losing their colleagues.

He recounted the painful task

His voice breaking with emo-tion, Commander McGuire recalled how the pilots of his other helicopter broke down after a dash to look for survivors.

"I had a quick conversation with (them) ... despite their clear distress as they broke down after holding themselves together in flight," he said.

"It was just fate that it was not any of us on the aircraft." The board of inquiry, which is expected to last two months, wil hear evidence that a bolt was missing from a critical part of the steering assembly that caused the 30-year-old helicop-

ter to crash. Commander McGuire was cross-examined about his helicopter maintenance crew's performance, which he said was

outstanding. He had only one criticism of his superiors: that they had not sent a self-supporting accident investigation team to the crash

Army 'didn't understand' heat risk

Ashleigh Wilson

A SENIOR army officer revealed vesterday that "heat casualties" had been anticipated in the training exercises that claimed the life of a soldier during sweltering conditions near Darwin last year.

Brigadier Mark Bornholt told an inquest into the death of Iraq veteran Angus Lawrence that the army, however, had not properly understood the risks involved in such a harsh climate.

Trooper Lawrence, 25, died from heat stroke during a promotional training course at Mount Bundey, south of Darwin, in November last year.

The inquest in Darwin had heard previously that the army was warned three months earlier humidity in the Top End could claim a life.

"There was an expectation that we would have heat casualties," Brigadier Bornholt, the officer in charge of regional training centres, told the last day of the three-day inquest.

"I think that's part of the problem. I think that we have an attitude that we go to war in hostile and harsh environments and if we can do it overseas, we should be able to do it here."

Brigadier Bornholt said the army had not acted "in time or with sufficient vigour to save Trooper Lawrence

But after the death, promotional training had been moved to a more suitable time of year and safety measures had been

that the extreme heat and boosted, he said. "Our view was very much that we wouldn't have these safety people with us in operations, therefore why do we need them with us in training?" he said.

"I think that approach was Brigadier Bornholt said Lawrence's death had exposed sys-

appear overnight". Lawrence's girlfriend, Shannon Birch, said in a statement to the court: "It's truly devastating that it took the death of a fine young man to bring heat illness

temic failures that "did not

attention." Lawrence's mother, Joanna Propsting, said Brigadier Bornholt's predecessor — Brigadier Chris Anstey — had "failed in

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to the forefront of the army's

his duty of care" to her son because he had been warned of

the dangers of the climate. Coroner Greg Cavanagh said he would not be making any adverse findings about Brigadier Anstey, who did not appear before the inquest. Mr Cavanagh's comments

prompted an angry response from Charles Williams, whose son Jeremy committed suicide in 2003 at the army's school of infantry at Singleton in NSW.

Mr Williams told The Australian from Melbourne last night that no one from the army had been held accountable over his son's death.

"These lawyers and these generals keep calling it systemic failure, but nobody is held responsible or accountable," he

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F-111 crew threaten class action

John Kerin

FORMER RAAF F-111 maintenance workers poisoned by chemicals while repairing F-111 fuel tanks have threatened a class action against the federal Government following a breakdown in talks over a new compensation package.

Members of the F-111 Deseal Reseal Support Group yesterday made the threat after talks over a \$21 million compensation deal with Chief of Air Force, Air Vice-Marshall Geoff Shepherd and Veteran Affairs Department officials broke down.

Group spokeswoman Natalie Nielsen said many members had been forced into considering such action after feeling "betrayed" by the air force during the meeting.

"What we got today was a

very clear indication that the air of Brisbane. Ailments included force was no longer there to assist us," Ms Nielsen said.

"The chief seemed completely incapable of answering any of our questions and avoided responsibility and accountability and actually said that the air force has done as much as it can and the air force must now step aside." she said. The Government last month

announced former RAAF workers would be eligible for a oneoff, tax-free ex-gratia payment of up to \$40,000 as part of the \$21 million package.

The payments were a response to a 463-page study released last October that found up to 400 former and current RAAF workers suffered a range of health problems in repairing F-111 fuel tanks over 20 years at the Amberley RAAF base, west

tion, skin diseases and lung diseases such as bronchitis and emphysema. Two tier of payments have been made available — \$40,000 for those who were exposed to

memory loss, erectile dysfunc-

toxic fumes while working in the F-111 fuel tanks and \$10,000 to those who were exposed for a shorter time or handled chemi-The development came as the

Labor Opposition stepped up pressure on Defence Minister Senator Hill to release the Government's response to a parliamentary inquiry into military justice which recommended removing powers to investigate criminal behaviour from the military.

Additional reporting: AAP War crimes accused calls Australia home

From Page 1

then came back, the Australian Federal Police have got the authority to investigate them for crimes under the Crimes Act (Foreign Excursions)," said Mr Blewitt, a NSW local court magistrate.

"These guys who went overseas were mercenaries, and that is an offence under the Crimes Act." Vasilykovic has been investigated by

the Hague-based International Tribunal for the Former Yugoslavia, and a 1992 report by the tribunal's UN precursor found that one of the militia units he commanded, known as the Red Berets or the Draganovci, had terrorised the Muslim population in the Bosnian city of Zvornik before a mass expulsion.

'The increasing terror caused by ... the newly arrived unit of one Kapetan Dragan was the preparatory stage for the ultimate forceful expulsion of the Mus-

lim inhabitants of Zvornik," the report

by a UN Commission of Experts says. The report says locals interviewed as part of the investigation had described Vasilykovic as second in importance to Serb warlord Zeljko Raznatovic, known as "Arkan", who was indicted by the International War Crimes Tribunal in The Hague before being gunned down in

a Belgrade hotel in January, 2000. Vasilykovic first came to notoriety in mid-1991 when his forces attacked the small town of Glina on the Croat-

Bosnian border. Footage broadcast on Croatian television showed the mutilated bodies of nine Croat policemen. Vasilykovic was quoted in a newspaper report after the incident as justifying the violence: "When the Croatian side uses hospitals or police stations in their villages as fortified positions, I'm sorry, I just have

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