Minister for Defence – Interview with Paul Bongiorno, Meet The Press

18 March 2012

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TRANSCRIPTION: Proof copy and E & EO

DATE: 18 MARCH 2012

TOPICS: Kirkham report; Afghanistan; Defence capability approvals; Indonesia Two plus two dialogue; Force Posture Review; Skilled workers; Defence budget; PNG election; QLD election.

PAUL BONGIORNO: Welcome back to the program, Stephen Smith. Well, that Skype sex scandal does not seem to go away. Criticism of you continues – Mike Carlton in yesterday’s Sydney Morning Herald was at it again, but some of the facts he was relying on didn’t square with what we know from the Kirkham Report. Why don’t you publish the whole report?

STEPHEN SMITH: A number of things. Firstly, I make no apology for standing up as I did for the interests of an 18-year-old member of the ADF, when she was in very vulnerable circumstances- and I won’t take a backward step in that respect.

Secondly, when the Chief of the Defence Force, General Hurley and I came to consider what we could release, we had to bear two things in mind, firstly we’ve got a couple of criminal charges and cases to be heard in the ACT courts and secondly, a lot of the inquiry report goes to personal circumstances and we have to be very careful about the welfare and wellbeing of all individuals involved.

That is why we released what he and I regard as a fair and balanced assessment of the findings of the Kirkham Inquiry and we are not proposing to release any further detail.

PAUL BONGIORNO: That being said, the part of report which was reported on by Ten News was vouched for by General Hurley himself on radio during the week. That part of the report certainly lends weight to your criticism. You are under such heavy fire – why won’t you release it?

STEPHEN SMITH: Because I want to be careful about the personal welfare and wellbeing of individuals concerned. There are competing interests here. There are the interests of Kate, a vulnerable 18-year-old girl. There are the interests of Commander Kafer. But there are also the interests of the reputation of the ADF which is absolutely essential – which is one of the reasons I have been driving so hard on cultural reform.
But General Hurley made the point during the week that he believed that further information had come from the leaking of a letter to individuals potentially affected by the Kirkham Inquiry, giving them the opportunity of responding.

Both he and I remain of the view we’ve put out what we regard as a fair and balanced assessment – and that fair and balanced assessment was Mr Kirkham found that whilst it was appropriate for the decision that Commandant Kafer had made, a different decision-maker-

PAUL BONGIORNO: So it is clear you are not going to change your mind on that. I wonder if Australia will change its mind on our commitment in Afghanistan, given now that the democratically-elected President of Afghanistan has asked for all NATO troops to be returned to their bases and to leave his country a year early.

Will Australia accede to that request from the democratically-elected government of Afghanistan?

STEPHEN SMITH: It is not so much a request – President Karzai made a number of statements earlier in the week, in the face of a couple of terrible circumstances. Firstly, the Koran-burning recently and more importantly, the terrible civilian tragedy with nearly 20 civilians killed.

He has now had a telephone conversation with President Barack Obama and they have agreed and announced a number of things – including a commitment to the so-called Lisbon Summit arrangement which is transition by the end of 2014. Australia is on track to do that in Uruzgan province by 2014, if not earlier. This has been a very bad couple of weeks so far as Afghanistan is concerned.

There is no point beating around the bush on that, but we have to work our way through these setbacks but we continue to believe we are on track for transition of security responsibilities throughout Afghanistan...

PAUL BONGIORNO: Just briefly, our troops will continue to patrol in the villages?

STEPHEN SMITH: We think that we will be in the third so-called tranche of transitions. That will occur in the middle of this year and we will then be there supporting and assisting but the lead security role will go to the Afghan security forces. But we will still be there, combat-ready as required.

PAUL BONGIORNO: Time for a break. When we return with the panel – is ‘cost efficiency’ a rude concept for military? And Bob Carr had everybody in Canberra mesmerised this week, including Barnaby Joyce.
Paul Bongiorno: You’re on Meet The Press with Defence Minister, Stephen Smith and welcome to the panel – Neil Mitchell from Radio 3AW and Dennis Atkins of the Courier-Mail.

On Thursday, the first of the annual two-plus-two meetings was held in Canberra. The Australian and Indonesian Defence and Foreign Ministers progressed a raft of issues for cooperation – including regional exercises which could also involve the United States and China. None of it comes cheap – and amongst the chorus of the ministers’ critics, former high-level defence bureaucrat, Professor Hugh White.

Neil Mitchell: Minister, it strikes me that when you look at that and you look at the comments from the various generals and soldiers during the week that you must be the most misunderstood Minister in history. Everybody’s criticising you – what’s going on? What’s the problem? What are you doing wrong?

Stephen Smith: Firstly, I’m not sure that everybody’s out there criticising me. But when you embark upon a major reform program from cultural change to transition in Afghanistan, to making sure that we’ve got value-for-money and the projects and the capabilities that we need, people outside the show will have their comments.

But the Chief of the Defence Force has made it clear that he and I and the service chiefs have got a very good working relationship. And so far as not challenging the big issues, I reject that absolutely.

Last year, we approved 49 projects for capability for Army, Navy and Air Force. That’s a record – the next closest was 36. So the assertion that we’re not doing the job is just nonsense.

Neil Mitchell: But the perception is you’re not interested in this portfolio – are you still interested?

Stephen Smith: Well, if I wasn’t interested in this portfolio, I wouldn’t have asked for it in 2010, I wouldn’t have been to Afghanistan on four separate occasions, let alone East Timor and the Solomon Islands. And I wouldn’t have made sure, in the course of my time as Minister.

We’ve got one, potentially two more C-17s that we’ve solved effectively – our heavy amphibious lift problem – that we’ve got 24 new Naval helicopters. And we’ve got an extra 100 Bushmasters, let alone all the work we’ve been doing to enhance our force protection for our troops in Afghanistan.
The real test of whether you are interested—whether you have respect for the troops is the kit and the resources you give them.

And we have been doing that, in my view, effectively and in the context of the ‘bad old days’ where Defence had unlimited expenditure and no-one was concerned about overruns or inefficiency or botched projects. Those days are gone—not just Australia but the US and the UK as well.

DENNIS ATKINS: The Deloitte Access Economics report on the Defence Posture Review says Defence is stuck in the slow lane of the two-speed economy facing budgetary pressures and losing the battle to get skilled workers. Is this the case, and what are you doing about it?

STEPHEN SMITH: One of the challenges that we have so far as skilled workforce is concerned is competition with the minerals and petroleum resources industry. And whilst we have very good recruitment and retention rates we have a range of skill shortages in some key areas so we have provided additional incentives for Navy and engineering but that is a challenge.

On the Force Posture Review generally, I have been driving that because it is essential we are positioned geographically for the challenges that we face in this century—and that is why I have released the Force Posture Review and that is why it will form part of the next White Paper.

NEIL MITCHELL: Speaking of money, there are problems with money. We know the Government will struggle to reach a surplus. Are you quarantined? Will Defence have to face cuts like everybody else?

STEPHEN SMITH: I made it clear last year and this year that Defence has to expect the make a contribution to the budget bottom line but just this last year, that will not have an adverse impact on operations—Afghanistan, East Timor, the Solomon Islands.

In last year’s budget, Defence could not spend all of the money allocated to it. It had a $1.6 billion under-spend so we are doing a lot of work to get the estimation process better. While we have budget rules coming out of the White Paper, the essential test is are we giving Defence the money it needs.

So there will be no adverse impact on operations but we have to make sure that for other areas we are wise and cognitive of the fact we need to get a budget surplus. But we are facing similar problems that other defence forces are facing in the world. The global financial crisis, the European debt crisis—and we see the adverse consequences and challenges of that in the US where they are seeing significant cutbacks but also recently in the UK.

DENNIS ATKINS: When Bob Carr came to Canberra to become Foreign Minister, he took Kevin Rudd out to dinner. Has he had taken you out to dinner?
STEPHEN SMITH: No, he has not taken me out to dinner- but we have had a number of meetings, and we had a very successful Defence and Foreign Ministers meeting with the Indonesians during the week, an historic meeting a very important relationship. And Bob Carr and I thought that meeting was not only very productive in terms of our Indonesian relationship but he and I both enjoyed it and enjoyed each others’ company.

I have known Bob for a long time, and I’m looking forward to working with him on some of these very strategic challenges that Australia has.

NEIL MITCHELL: He did not start well on Papua New Guinea – that was a bad blue, surely?

STEPHEN SMITH: Bob has made his own remarks about that-

NEIL MITCHELL: What is your view?

STEPHEN SMITH: My view is that it is essential that Papua New Guinea have an election on its current timetable. Papua New Guinea officials have made that clear. We are a very close friend of Papua New Guinea, long-standing partner. We have a close defence-to-defence and military-to-military relationship. But we need to ensure that Papua New Guinea has its own election on its current timetable.

PAUL BONGIORNO: We are running out of time. Just briefly on the Queensland election – it looks like it’s going to be a disaster for Labor – that can’t help the Gillard Labor Government, itself struggling, can it?

STEPHEN SMITH: It is always tough if you are a State Government trying to get a further term when you are a long-term Government.

I would hope that in the course of this week, Queenslanders look at the difference between Anna Bligh– a respected Premier who has handled tough times from floods to global financial crisis, to the Leader of the Opposition – Campbell Newman, who has very significant question-marks over him.

But in Queensland we are dealing with longstanding, well-entrenched state issues so this is the people of Queensland making a judgement about state affairs and we hope our state colleagues do well. It is never a good thing when your state colleagues do not do well in a poll.

PAUL BONGIORNO: Thank you, Defence Minister Stephen Smith.