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E&OE TRANSCRIPT

TV INTERVIEW

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SUBJECTS: *Military cooperation with PNG and the Pacific; foreign ownership of gas pipelines; medical care for children on Nauru; gender equality; school funding*

HOST: Now, also this week The Australian newspaper revealed the Government was working with Papua New Guinea to develop a joint naval base at Manus Island. The Lombrum naval base was home to hundreds of American warships during the Second World War. It is strategically significant, given it commands a sweeping view of the approaches to much of East Asia. Australia is understandably keen to edge out any Chinese interest in redeveloping this space. Malcolm Turnbull had discussed the joint facility idea with his PNG counterpart, Peter O'Neill, a couple of months ago when he was here for one of the State of Origin matches. Just yesterday Defence Minister Christopher Pyne announced a \$5 million contract to help upgrade wharf- and shore-based infrastructure at the Lombrum base. Joining me now is the Shadow Defence Minister, Richard Marles, for more on this. Thanks very much for your time.

So, would a Labor Government go beyond just this \$5 million upgrade announced yesterday and actually support redeveloping the Lombrum base into a joint Australian-PNG naval base?

RICHARD MARLES, SHADOW MINISTER FOR DEFENCE: Well, I think working with Papua New Guinea on developing Lombrum and the facilities in Manus is the sort of project that Australia should be a part of. It's difficult to answer that question, to be honest, from opposition, in terms of actually having a military base there and I note the reports in the papers this week, but rightly the Government has been coy about what conversations it's had with PNG. I suppose what you can say is this: the more cooperation we have with the Pacific, with countries like Papua New Guinea, and that includes military cooperation, I think the better.

This can be done well. It can be done badly. The diplomacy really matters here, but I think cooperation with PNG on these matters is obviously a good thing.

HOST: I suppose you're right to point out this can be done well or it could go badly. We don't have navy ships based outside Australia at the moment. Why would there be a need to have them further north, in PNG?

MARLES: I think it's more about the levels of cooperation that we have with Papua New Guinea and I think it's about building the capabilities of Papua New Guinea's Defence Forces, actually. Right now, through programs that have been in place over a number of governments we provide patrol boats to Papua New Guinea, so in effect the navy of Papua New Guinea is provided, or certainly supported, through Australian programs, and I think that we should be doing more in terms of building our cooperation between our two countries to build the capability of PNG.

HOST: With respect, do you think anyone's going to buy that it's just simply helping out PNG if we're basing Australian warships at a base at Manus Island? This is a strategic move, isn't it, from Australia?

MARLES: Well, I mean they're points you're making. I actually think it's really important that in terms of the way in which we engage with the Pacific what we're doing is placing at the heart of that engagement the countries of the Pacific themselves, building their capability and thinking about the 10 million people who live in the Pacific and their welfare and their prosperity.

What worries me a little about the renewed interest in the Pacific, which obviously is a good thing given I've been campaigning on this for a long time, to get some interest in the Pacific, so I welcome it David, but if our engagement with the Pacific has as its goal the strategic denial of China and that's why we're acting, we won't succeed. We will not get policies right and we will not get strategic denial in place because it will be sniffed out with a high degree of cynicism by the countries of the Pacific themselves.

We need to be engaging from the place of what is actually best for the countries themselves. It's not so much about China in the Pacific. It needs to be about Australia in the Pacific and a decision that we are making to care for and have an interest in the welfare, the prosperity, the fate of the countries of the Pacific themselves.

That's why, when you bring it back to the question you've just asked now, to me it's not so much about Australian projection as it is about the way in which we can partner with PNG to build their capability. That focus is absolutely critical in terms of getting our policies right in the Pacific.

HOST: You are no doubt right that we do need to have as a primary motivation here helping our Pacific neighbours, but if we did have Australian navy ships based up there in PNG, how do you think that would be seen by Beijing?

MARLES: Well, again, I don't want to define this and I don't want to walk down the path of a strategic contest with China, because I think it will inevitably see

us getting policy wrong and it is what worries me about the way in which this whole issue is being described now.

HOST: Do you accept there is a risk there? I mean, there is a risk there. When you talked initially in your first answer about this going, you know, right or wrong, there is a risk there about how this could be seen as a provocative move.

MARLES: Well, when I say right or wrong I mean in the context of our relationship with the countries of the Pacific. That actually has got to be where we're thinking.

I mean, there is no doubt that were China to establish a base in the Pacific it changes Australia's strategic circumstances. I completely understand that. I completely understand the interest that policy makers, thinkers, have in Australia about that and what it implies in terms of the actions that we should be taking. And then people are going, for the first time in my memory in terms of public policy, to thinking we need to lift our game in the Pacific.

That's all great, but the point I'm really trying to make here, David, is if the basis on which we engage with the Pacific going forward is that we're really there because we don't want China there, we will get this wrong. We will get it wrong. It will be understood by the Pacific that that's why we're there. There'll be a high degree of cynicism about our actions as a result and we will be engaging in a strategic competition with a country which is going to have the biggest economy in the world and a strategic competition which I think ultimately the countries of the Pacific may well perceived to be in their interests. You know, we're both there.

Actually what has to be about is our relationship with the Pacific. The change we need to make is on our own terms about this part of the world, and it has to be done with our focus being the welfare and the prosperity of the 10 million people who live in the Pacific. We have to be thinking about them first and foremost.

So when I say about getting it right or wrong, it's actually about how we do our diplomacy with these countries and making sure that our relationships with the countries of the Pacific are gotten right.

MARLES: You mentioned the prospect of China having some sort of military base in the South Pacific. intelligence analysts are apparently worried about this. They see this is now one of the great strategic threats to Australia. Do you share that concern that China may want to actually have a military base in one of these small Pacific nations?

MARLES: Well, we've all watched the reports which began earlier in the year with the Fairfax report about Vanuatu. It's difficult to know how deep conversations have got about the establishment of such a base, but one can obviously say that if a base were to transpire in the Pacific that would change Australia's strategic circumstances, no question at all about that.

But in terms of what we need to do, it actually has to be about redefining our relationship with the Pacific, and we need to earn the right to be the natural partner of choice for the countries of the Pacific. I have a deep belief that from their perspective we are the partner of choice, but we don't get there unless we actually demonstrate that we care about the Pacific, that we have an interest in them and for their own sake: not because somebody else is interested in the Pacific but because we have an innate and genuine interest in the Pacific and that's why we're why we're engaging there. I think that it is so important that that be the guiding light of the way in which we engage, and the rest will follow, David. But if we see our guiding light is about strategic denial, and I fear that that's what's driving behaviour at the moment, we are going to get this wrong.

HOST: A few other things, and speaking of China, the Hong Kong-listed company CKI, it's bidding for the APA Group which owns and operates the gas pipelines in Australia's east coast states. It's not a Chinese state-owned company we're talking about here, but it is a Hong Kong-listed giant, an Asian conglomerate, really, based out of Hong Kong. Would you have a problem with this company, CKI, running the gas pipelines in Australia?

MARLES: Look, I've had some briefings on this from outside organizations but I've not had a briefing on this from the Government, so again it's difficult to answer that question, but I think you can make these observations: our gas pipelines are critical infrastructure - there's no question of that - and national security therefore has to be a consideration in terms of how those assets are owned and what leverage could be brought to bear by any potential owner in respect of them. Now I don't say that as then indicating a particular view one way or the other about CKI's interest, but I do think these are critical assets and I do think that it's appropriate that decisions of this kind are seen through national security lens.

HOST: OK, fair enough. Let me ask you, on another matter, you know the Australian Medical Association is urging the Government to allow refugee kids who are on Nauru who are deemed by doctors to be in urgent need of care to come to Australia just for the period of their treatment. Now, I'm told Labor is considering moving legislation on this front when Parliament returns in a few weeks, and I also understand some Liberal moderates are contemplating supporting it as well. They haven't made up any mind, but do you think that would be a good idea, to allow refugee kids who doctors say need urgent care to come to Australia for that period of care?

MARLES: Well, the principle we've always adopted is that Australia owes an obligation to people in Australian-funded facilities, including on Manus and Nauru, and part of that obligation is that when there is medical care which is needed by anyone, kids or adults, in those facilities and that care can only be provided in Australia, well then that's where the care should be provided and indeed that has occurred in the past. There have been a number of people from both Manus and Nauru who have been transported to Australia for medical care-

HOST: -But should it be at the Minister's discretion, or should it be a more automatic process when doctors say 'we think that kid needs some care'?

MARLES: Well, if we were the Government and whoever was the minister hearing advice from doctors that care was needed in respect of any individual and that care could only be provided in Australia, would be more than persuasive. I mean, that's what would determine the outcome. I would find it amazing that if the Government were to deny care which has been advised from medical professionals that was required and could only be provided in Australia, I would find that astounding. I mean, that should be seen as an obvious and a routine action from the part of government. Of course, if there are children who require care and that care can only be provided in Australia that's where the care should be provided.

HOST: Today Labor's announcing plans to help tackle the gender pay gap by forcing companies with more than 1,000 employees to make public their median gender pay gap amongst their employees and if they don't they may not be able to bid for government contracts. Will that make a difference, do you think?

MARLES: Well, I think it's a step in the right direction. We have a persistent gender pay gap in Australia. This is a measure which exists in other countries, such as Great Britain, and transparency can play a really important role in terms of the data that's already collected and provided to the Workplace Gender Equality Agency to make that public and for there to be some consequences in the event that companies are getting that question wrong.

Right now, the head of that authority is suggesting that we're 50 years away from closing the gender pay gap on a business-as-usual basis. That is obviously unacceptable. In 2018 we should be far closer to closing the gender pay gap than what we are and we do need to be looking at ways in which we can do that.

I think this is an important step in the right direction and it follows on from the announcement that we made during the week around a women's superannuation package which addressed the fact that there is an enormous gap, a gender gap, in terms of what super is provided on retirement.

We actually need to be acting in this area if we're going to change realities, and realities must be changed.

HOST: And can I just turn to the school funding announcement during the week, finally: \$4.6 billion the Government's offering to Catholic and independent schools to fix what has been a long running problem for them. The states, however, are unhappy. They say it's not fair to public schools, and some are threatening not to sign up to the national agreement on school funding as a result. Do you think the Government is favouring Catholic and independent schools over public schools?

MARLES: I think this is a good win for the Catholic system. It wouldn't have happened but for the pressure that Labor has put in place. But if you're a parent of a kid in the public school right now you're scratching your head as to what the Government's doing about your children.

I read your piece yesterday in the News Limited papers and your intro today echoed it. I think Scott Morrison is a craftier politician than Malcolm Turnbull and he has shown a willingness to not let his own hypocrisy get in the way of his own actions - my words, not yours, obviously, but I think this is the problem with this government since it was elected back in 2013. It's really hard to work out what they're on about.

They change and discard policies like disposable nappies. They used to be interested in increasing the GST. They got rid of that. They were going to have state income tax. Now they're not for it. For a long time there's been a corporate tax cut which has been the centerpiece of their financial policy. They've got rid of that. And perhaps the granddaddy of them all, the National Energy Guarantee, for two years they've been talking about and they've got rid of it.

HOST: Well, that's true. On this school funding, though, just finally, I take Labor wants to give public schools more, 14 billion more or whatever it is, but at the heart of this money for the Catholic schools is a new funding model for them or a new method of assessing the parents' capacity to pay, going from the old SES model to looking directly at parent's income tax data and then forming a median across the school of their capacity to pay fees. Does Labor support that new model, because that's really what's behind this extra money for the Catholics?

MARLES: What we support David is needs-based funding, which is what came out of the Gonski Review, what was taken into 2013 election-

HOST: -Is this needs-based funding?

MARLES: -on a bipartisan basis.

Well, we have a model that was put in place under the Gillard Government which is needs-based funding, and ultimately what you need to do in respect of that is to fund it. There's been a \$14 billion funding cut associated with this government, and that is the funding which needs to be put back into the system and only that can solve the problem.

I mean, dealing with the Catholic sector on its own is only going to take us back decades in terms of setting up the school wars between various sectors, and it speaks to Scott Morrison again being a crafty politician looking at a particular political issue which he wants to solve, but it's not deep, thoughtful policy which actually deals with the issue, and the only way you can deal with that is if you properly fund it, which is what they said they were going to do in the lead up to the 2013 election and what they have patently failed to do since they've been in government ever since.

HOST: Richard Marles, we need to go but I appreciate your time today. Thanks so much for joining us.

MARLES: Thanks, David.

