

**THE HON RICHARD MARLES MP
SHADOW MINISTER FOR DEFENCE**

**E&OE TRANSCRIPT
POLITICAL COMMENTARY
PYNE & MARLES, SKY NEWS
FRIDAY, 19 AUGUST 2016**

SUBJECT/S: Pairing, Budget Repair, Long Tan, Reserve Bank.

CHRISTOPHER PYNE: Well, good afternoon and welcome to Pyne & Marles. It's one o'clock on Friday the 19th of August. Here on Sky News Live, I'm very grateful to be joining you from Adelaide and my colleague, Richard Marles, is in Geelong. Good afternoon, Richard. What are we doing on our show today?

RICHARD MARLES: Well, good afternoon to you as well, Christopher. I was going to ask you whether or not you've been feeling, over the last couple of weeks, that matters of State have been getting in the way of watching the Olympics?

PYNE: (LAUGHTER) Well, you know, the first week of the Olympics was extremely exciting, I must say, with Australia bringing home a bag of medals. The last week has been – well, successful from silvers and bronzes, but I think we need a few more golds. I'm not sure I like to see that Great Britain has got twice as many as we have. We might have to do a bit of work on them, I think.

MARLES: Well, we need to revisit the winning edge, which was said to be putting us in the top five - but we each got a way to go to there. But it's certainly been a fantastic...

PYNE: We've still got the Boomers to come.

MARLES: We've got the Boomers to come and they have been doing amazingly well. Well, in today's show, we are going to be talking about Budget repair – which has been a big issue this week - and what the Parliament faces. We will be looking in the same vein at the speech of Glenn Stevens - his final speech as the Governor of the Reserve Bank –and he had a fair bit to say about Australian economy and also about the political discourse about the economy. We will be having a look at the 50th anniversary of Long Tan. And our guest today is the indomitable Sam Maiden, the News Limited political editor for the Sunday papers and we are going to have a chat to her about how she views the new political landscape after the election. But the issue which has really dominated this week has been the whole question of budget

repair. The Prime Minister made a speech to Cedar and there's been reaction to that from the Leader of the Opposition, Bill Shorten. Have a look at this.

MALCOLM TURNBULL: We are ready to reach across the aisle, but Labor must be prepared to bring an open mind and some fiscal rationality to any discussions as well as a commitment to support spending reductions that they have already said they'll back.

BILL SHORTEN: Our position will be consistent with what we said before the election. But let's be clear here. Mr Turnbull says he wants cooperation. Cooperation doesn't involve him telling everyone else what to do.

MARLES: So, Christopher, this has been one big stunt on the part of the Coalition. I mean, we made some very difficult decisions in the lead-up to the last election. We've made it totally plain that we will honour those election commitments in the current Parliament, but the issue right now is we don't even have legislation that you're proposing to put before the Parliament. Certainly, it's not been discussed with us. I think the question for you Christopher is - does the legislation that you're talking about actually exist yet?

PYNE: Well, Richard, I'm really sorry to hear you say that. Because, obviously, what we're trying to do - and what a lot of the media commentators and economic commentators are saying is that we have to work together to repair the Budget and the \$6.5 billion of savings in the Omnibus Savings Bill - which will be presented to the Parliament in the first sitting week which starts not next week but the week after - is Labor's savings that they took to the election campaign - the ones that they promised to make. So we thought we would make it easy for Labor by simply putting up their savings measures and, honestly, if Labor doesn't support their own savings measures through the Parliament, then one wonders what on earth Labor was thinking of during the election. And I hope you'll reconsider your opposition to that savings bill because, at the moment, we're spending \$14.4 billion a year on interest on the Government debt and we need to get that figure down and spend it instead on roads and dams and schools and hospitals.

MARLES: But this is the whole point, Christopher. You are painting a picture of opposition on the part of the Labor Party. We've not said no to anything. The only thing - actually, the most important thing we've said is that the election commitments we've made, we will honour. We've made that very plain. But what we've also said is we'd just like to have a look at the legislation that you're proposing. That's fair enough. And if bipartisanship is to be the order of the day, let's not do it through the megaphone of public speeches, but - you know, Malcolm Turnbull can pick up the phone. I think what is going on here really is that you've got a big issue with superannuation within your own ranks. I suspect superannuation won't form part of the bill you put in front of the Parliament and I think all of this has been one big attempt to distract from your own internal woes around that.

PYNE: Well, Richard, that's ridiculous. This isn't about politics. It's about repairing the Budget. You know, we've got a massive Budget difficulty and we've got to deal with it. Now, let's move on. Perhaps we can deal with some of those issues in this next segment because we want to talk a bit about Glenn Stevens' speeches and

interviews on his way out as Reserve Bank Governor. Let's have a look at what he had to say.

GLENN STEVENS: The decade I'm talking about, my time, was a much more volatile time internationally than either of the two preceding decades. Had anybody, a decade ago, accurately forecast everything that was going to happen in the global economy and simultaneously forecast these outcomes here, they would not have been believed. But here we are.

PYNE: I just thought that was a really fascinating contribution by Glenn Stevens to the political discourse over the last week because he said something that really resonated with me as someone who's been around public life for more than a couple of decades and that is, that over the last 20-30 years - whether it was the Keating, Hawke or Howard Governments - there wasn't a significant attempt to bring about economic reform to improve our productivity that has given us 25 years, at least, of uninterrupted growth and he said that to make that happen there needed to be a confluence of media, industry, public servants and politicians working together to realise that change needed to happen and that happened in those decades and therefore, you know, we have been set up as one of the most successful economies in world history, but it's been more volatile for him over the last ten years - and I'm just starting to wonder whether we're seeing a change in attitude in Australia away from the hyper-partisanship of the last 7 or 8 years into a more constructive mode. You know, what do you think about that?

MARLES: Look, I think that is right. I think there is a reaction against partisanship and, you know, we found it interesting to say the least, the comments of the former Prime Minister, Tony Abbott, around this, given from where we sat he was the king of hyper-partisanship. But there were - you know, there are significant issues facing us going forward. Public debt is not so high at the moment and Glenn Stevens made that point, but our Budget is in structural deficit and if we don't deal with that over the medium term - the next ten years, say - then we will be leaving our children a very significant problem by the middle of the century and I think it is right that if we're going to solve those issues, the major parties need to work together and not seed the political narrative to the fringe, but it does require a better dialogue. And you look at negative gearing as an example. Here is a measure that we have put forward which will save the Budget bottom line \$8 billion ten years from now, each and every year. The current Treasurer, the former Treasurer have both said positive things about it and yet, that is an idea which seems to be lost in the midst of the politics of the moment. But it's probably time that we get onto our next issue, which is the anniversary - the 50th anniversary of Long Tan, which is a very significant moment for Vietnam veterans and for the veterans' community. Have a look at this.

TURNBULL: The most disappointing feature of the decision that was taken is that it was taken at such late notice. Very disappointed that not all the veterans were able to visit Long Tan and I look forward to ensuring, when I meet with the Prime Minister of Vietnam, that we don't have a repeat of any - of this type of situation again.

MARLES: Well, this is a very significant anniversary and, obviously, what occurred in Vietnam at the Long Tan site is very disappointing and it was appropriate and right that the Government express its disappointment to the Vietnamese Government, that

not enough access was allowed for our veterans to the site yesterday. I think it is also important to remember, though, as we talk about this, that this is a very significant site and we would want veterans to have access to it in the future. We would want that to occur on this anniversary in future years and so it's important that we maintain a dialogue with Vietnam to allow that to occur. But, Christopher, I went to a number of commemorations over the last couple of days here and I just think the way in which this anniversary has been commemorated here in Australia has been absolutely fantastic.

PYNE: Well, Richard, we have come a long way in the last decade and couple of decades in terms of our treatment of the history of the Vietnam War, our role in that conflict and also, our treatment of Vietnam veterans. For those of us, as local members, I see it a lot. I'm sure you see it a lot in Corio as well, the embracing of the Vietnam vets by the RSLs in our electorates on the local level. And, obviously, what's happened in Long Tan today in terms of the Vietnamese Government's attitude is disappointing - and everybody has recognised that and said it and there's been a sensible level of bipartisanship around it. In terms of next year and in future years, I think we need to understand the Vietnamese Government's attitude towards that and try and accommodate and work with them so that we do gain the access that we crave for our Vietnam veterans and their families. And I think if we do that, we can make it work in the future - but we have certainly really embraced those Vietnam vets in a way that perhaps they weren't 50 years or less ago.

MARLES: Yes, look, that's absolutely right in terms of how we need to work with the Vietnamese Government on this issue. We've got to have an eye on the long gain here. But it's also right what you said about the way in which our Vietnam veterans have been treated. This is - I think it is clear that successive governments did not treat Vietnam veterans well when they returned. That has changed significantly in the last two years and it's why everyone was looking forward to this particular commemoration, being the 50th anniversary on what is now Vietnam Veterans Day, it's not just the anniversary of the Long Tan battle.

PYNE: Yes.

MARLES: But I think in doing this, the important lesson going forward - and the Governor-General spoke about this in a number of the speeches he made - was that we have to learn from the experience of Vietnam veterans to know that how we treat our returning service personnel, how we honour their service, how we support them coming back to Australia and entering civilian life, how we dignify their contribution really matters because, when you get it wrong, it hurts a lot.

PYNE: And locally, I've seen that, too, Richard, in terms of the treatment of those who have returned from Iraq and Afghanistan, where there's been a very real attempt to include them in the seven or eight different RSLs in my own electorate of Sturt. They've been given positions in the committees, they've been encouraged to come, there's been a real sense of "Let's not make the same mistake with the Iraq and Afghan vets that we made with the Vietnam vets" and I think we have learned a very valuable lesson, I think, from the last 50 years - and you'd hope that we would as a nation.

MARLES: Yes, and I think that's exactly right. I was at the Gallipoli Barracks at Enoggera yesterday and, I must say, watching existing personnel in their early 20s talking with veterans of the Long Tan battle itself - from the same regiment - about the experiences then and the experiences now, it was a very special thing to see indeed. Well, it's time for a break. After the break, we will be back with Sam Maiden. Join us then.

PYNE: Well, welcome back to Pyne and Marles here on Sky News Live on Friday afternoon the 19th of August. Our guest today is Samantha Maiden, who writes for the News Limited papers on a Sunday and is a veteran of the press gallery. Sam, thank you for coming back on the show. And I think I get the first chance to tease out your knowledge of the political firmament in which we live. Six weeks since the election - six weeks, or maybe a bit more - do you think it's dawned on the Labor Party yet that they actually will be sitting on the wrong side of the House? And do you think that the agenda of the Government verses Labor obstructionism is going to play out in this Parliament in the way that it played out in the 43rd Parliament?

SAMANTHA MAIDEN: I tell you what I do think, Christopher, and that is that the Prime Minister Malcolm Turnbull's office has not noticed that the Olympics are on because they decided to hold a press conference today when Usain Bolt was running. Did you notice that?

PYNE: No, I was too busy preparing for your show.

MAIDEN: I think this is the greatest tabloid story of all time. Right, so, first of all – now, I am like Malcolm Turnbull. I am not a person who knows a lot about sport. I can say that from the outset. I'm going to roast him for something that I am guilty of - but love of sport is part of the Australian, you know, nation. I am clearly vaguely un-Australian in that regard and so is Malcolm. But here is a man - let's go through the evidence. Malcolm Turnbull attended an AFL grand final and was photographed, like, drinking and talking and not watching the match. Malcolm Turnbull gave...

PYNE: That's pretty normal.

MAIDEN: Malcolm Turnbull gave a speech where he basically said that AFL was more interesting than NRL now. Look, I'm an AFL person more myself, so I can understand that, but you will recall that caused enormous controversy. Malcolm Turnbull also refused to give a prime ministerial tip on the Melbourne Cup. Now, that is un-Australian. He had to be bullied into that. In the end, he was forced to do it because everyone said, "Come on, every Prime Minister does that", and he said he didn't like betting - which was fair enough. But now, he has been busted holding a press conference during the Bolt run of the Olympics. What is wrong with this guy?

PYNE: Was there an Australian in the race?

MARLES: I just - I think that is fantastic. This is a Prime Minister who follows sport with Bob Carr-like enthusiasm, which is profoundly un-Australian.

PYNE: Now, listen. Samantha, you got out of answering the question.

MAIDEN: Next, he will be saying he hates sausage rolls.

PYNE: You're worse than a politician. You got out of answering the questions completely. My question is - do you think Labor obstructionism is going to work in this Parliament because my sense is that people want a lot less hyper-partisanship and they want a lot more cooperation? You've even got Graham Richardson writing today that Labor needs to work with the Government to repair the Budget.

MAIDEN: Yes, and...

MARLES: This is rich coming from the Liberals, isn't it, Sam?

PYNE: Well, your own Graham Richardson said it, Richard.

MAIDEN: Oh, stop being so negative, Richard. Look, okay, if you want a serious answer, I'll give you a serious answer. If you look at the numbers in the Senate, I think it's completely obvious that it is more likely that the Government will actually be able to get legislation through, either with the Greens or with Labor. Now, obviously there is going to be times where they won't want to get legislation through with the Greens because they will look, basically, too much like Julia Gillard. But I mean, you know, the reality is, the only way they're going to get legislation through with the Independents - are going to have to just - about - get all of them - you know, how are you going to get all of them on board? So I think, despite the aggressive posture that you're both adopting, that we will see more bipartisanship in this Parliament to some degree. I mean, obviously, we've seen this war on pairs, where Labor has been saying various things and Christopher Pyne has been saying it's terribly unfair even though that's exactly what they did...

PYNE: Well, Burke was left stranded like a shag on a rock.

MAIDEN: But you wouldn't let Craig Thomson go home when his wife was having a baby.

PYNE: Yes, I did.

MAIDEN: You had to be bullied into that. But it took you a while.

MARLES: There's a pretty sad history there, which we won't embarrass Christopher with. Can I ask Christopher's question in another way? Do you think this last election, Sam, was one where winners lost and losers won? I mean, Malcolm Turnbull is in a world of pain, isn't he?

MAIDEN: No, I well, I think you may cuddle that teddy close to your bosom at night, but, no. I mean, you either win an election or you don't and it's always going to be better to be the government even if you're there by the skin of your teeth and won. You know, if that makes you feel good for the next two years, Richard, hang onto that - but, no, you lost, I'm sorry.

PYNE: Yes, they lost and we won because we are an election-winning machine.

MAIDEN: OK. That's beautiful. Hey, I was meant to say earlier - I was meant to thank someone earlier and I'll just get it in quickly in case you wrap me up before the end of this. I was meant to thank Ryan Liddell for reminding me that I was on this program. I'd just like to give that little thank you. Thank you. Now, what's next?

PYNE: So he's one of those media advisers that isn't staying behind the screen? So he's now a public figure. Ryan Liddell is now a public figure. He used to be hiding behind the screen. Dear me.

MAIDEN: You should get him on. You should get him on.

MARLES: We've lost control of this interview.

MAIDEN: It could be like one of those American things where they give press conferences. Yeah. Now, get it back on track. No-one's interesting in this. What do you want to talk about?

PYNE: Stay on task, people. We have to wrap you up now.

MAIDEN: Okay, well, I just think you need to invest - just Malcolm Turnbull, okay? Christopher, you are the fixer, you are our political fixer, okay? You need to get on down to Malcolm Turnbull's office and say to them, "Guess what? The Olympics exist. Is there anyone in this office that knows anyone about sport? Bang! You're deputised. It's your job to say to Malcolm Turnbull next time - or his office, or whoever, no matter how genuine they are - "you're the sport Grand Poobah and you get to say to Malcolm, next time he wants to have a press conference in the middle of a race like that, 'Buddy, that's just not a great idea.'"

PYNE: Richard, you have to wind up Samantha Maiden.

MARLES: I have to wrap you up. Thank you for an interview which I did not expect at all. It was certainly not the way it panned out, but we really appreciate the time that you have given us today and we look forward to having you on again. Our viewer question - our question of the week this week is on the question of pairs. So, why does pairing matter? Christopher? You are the Leader of the House. Tell us. Why does pairing matter?

PYNE: Well, to put it briefly, Richard, it basically reflects the democratic result of the election campaign. So, if a Liberal MP can't be present because they are sick or have an emergency of some kind, then a Labor MP pairs with that person because that properly reflects the result of the election. The alternative, for example, would be for if, say, three or four Liberal MPs were out because they might have had, you know, a bad oyster to eat at a shared dinner, then Labor might start winning votes in the House of Representatives in spite of the fact that they didn't actually win the election, so therefore, over the last more than 50 years, there's been a pairing arrangement between the two major parties because that reflects the democratic result of the people at the previous election.

MARLES: Well, that makes sense. It stops there being an oyster-led Opposition agenda. But there's no doubt that getting two votes, particularly in the tight

Parliament matters – and people may not know that in the Parliament, every room - literally every room - has in it bells and lights to tell you when there's a vote on. But, typically, when a government has a strong majority, the Prime Minister doesn't turn up to vote in the House and so there had been rooms in the Prime Minister's Office in the Rudd first term, where those bells had actually been disengaged and a parliamentary colleague of mine - a good friend during the Gillard Government, when the Parliament was very close, when there wasn't a pair in place for him - was in the midst of a meeting. He happily went through that. No bells went off. He walked out to be met by a search party who were dragging him towards the Parliament. He missed the vote. He crawled into the whip's office to apologise. When I saw him a minute later, he looked like Casper the ghost. He regards it to this day as the worst moment of his political career and what it says is that when the numbers are tight in the Parliament, you need to make sure you get in there and vote.

PYNE: And they still made him President of the ALP, Richard. So he still managed to...

MARLES: Oh, you were not meant to tell. His name shall remain anonymous.

PYNE: Yes, no-one will be able to work it out.

MARLES: But Mark Butler is a good friend of mine. It's been great having a chat with you again this week. We look forward to catching up with you viewers next week. I look forward to catching up with you, Christopher, next week, when you can join us again on Pyne & Marles at 1 o'clock on Sky News. We will see you then.