



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

**E&OE TRANSCRIPT
PYNE & MARLES
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SUBJECTS: Christmas break; energy policy, ABCC, Turnbull government's cuts; US-Australia relationship; parliamentary votes

CHRISTOPHER PYNE: Well, good afternoon, and welcome back to Pyne & Marles, the first show of 2017 here on Sky News Live. It's 1:00 on 17 February, Australian Eastern Standard Time, and certainly speaking for myself, I'm very pleased to be back on the show. My co-host, Richard Marles, is in Melbourne. Good afternoon, Richard, and welcome back.

RICHARD MARLES: It's great to be back, Christopher, and I was getting ribbed at the end of last year by PVO and Kristina Keneally for us having too long a break, so it is nice to be back. But how did you spend your break and how do you get away from politics and stop people coming up and asking you questions on the beach?

CHRISTOPHER PYNE: Well, I had great fun this summer. I had three weeks down at Robe on the South Australian south coast and I discovered every time I posted a photograph on Instagram of me building a sandcastle or innocently paddle-boarding, it sent the left into a complete meltdown which just caused me to try and find new photographs of me having a good time! So I had a very relaxing time. But you had a much more exotic holiday from what I can understand? You went to Cuba, is that right?

RICHARD MARLES: Indeed, I did. I took the family to Cuba. We thought we would have a look at Cuba before it changes – and it is changing – but it was a fantastic trip and there is an account of that that I have written, which is currently on the Huffington Post, so people can read all about it there.

CHRISTOPHER PYNE: A must-read!

RICHARD MARLES: A bit of a plug.

CHRISTOPHER PYNE: A must-read for everyone, Richard!

RICHARD MARLES: Indeed! I put up some Instagram photos but was immediately admonished by my wife who said I really had to leave social media alone so clearly that is a difficulty for politicians on holidays! But we should get into today's show. Today we are going to be talking about energy. We have had a heatwave go across Australia in the last two weeks and that has made energy and electricity one of the really big topics in the first parliamentary fortnight. The ABCC legislation has had another amendment – we'll be talking about that. And the omnibus bill, which goes to how the budget is managed, was introduced into the parliament during the week, and we'll add our voice to that debate. Our guest today is John Berry, until recently the American ambassador to Australia, and with the inauguration of the Trump Administration, we're going to be talking to John about that, and the Australian-American alliance. But to start with, Christopher, the question of energy. It has been the hot topic, to excuse the pun, during the week. Have a look at this.

MALCOLM TURNBULL: There's nothing wrong with wind farms, there's nothing wrong with solar panels, they're great – but they don't work all the time.

SPEAKER: There's no impact on electricity prices out of that policy which we took to the last election.

BARNABY JOYCE: You've got bat poo crazy ideas such as Bill Shorten's to go 50% renewable.

SPEAKER: When will the minister stop blaming renewable energy and admit he has a national energy crisis on his hands?

SPEAKER: Well, South Australia is very wrong. Close down Hazelwood – that would be very wrong.

KEVIN RUDD: It could be summed up I think in three words – dumb, dumb, dumb.

BARNABY JOYCE: I believe all electrons were born equal, I really do, and so where you get them from is kind of irrelevant.

RICHARD MARLES: Well, that last comment of Barnaby Joyce, the Deputy Prime Minister, I think says it all. I mean, this is a profoundly stupid thing to say. I'm not sure that he actually knew what he meant, I think it just was a line. But you know, electrons are a product of the energy you use, and if we're really saying that there is no difference in the energy source that we are using to create electricity, that's the equivalent of saying that climate change doesn't matter at all. And when you think about that, you think of the coal stunt that the Treasurer pulled and that the Prime Minister has associated himself with all of this. You know, we don't have the person who was the champion of climate change reform, Malcolm Turnbull, leading the

Liberal Party. Quite literally, the Liberal Party now is just being led by a lump of coal.

CHRISTOPHER PYNE: Well, Richard, I'm really surprised to hear you say that all, because I had hitherto thought you were a sensible person. Because you could tell as well as anybody that the reliance on wind power in South Australia has been quite catastrophic for our state in terms of reliable, affordable electricity supply and what we're trying to do is make sure there is baseload power – we all want renewable energy. Of course we do. We love solar, love wind, but South Australia didn't invest in storage like, um, pump hydro to make sure that they could get through when the wind wasn't blowing, and yet Labor, and seemingly you today, keep on this ideological rubbish that it's all about climate change and not about the practical things like being able to turn on the lights, keep the fridges on. We have businesses in South Australia that are putting in their own generators because they can't rely on power and your policy is a complete shambles. Chris Bowen can't tell us how much it's going to cost the budget or how much it's going to cost consumers to have the 50% renewable energy target. One of your backbenchers says it's \$48 billion. Where is the \$48 billion coming from?

RICHARD MARLES: But what underpins this debate and the lines that you are running, Christopher, is ultimately a great, big lie. It's not to do with renewables that South Australia had its issues over the last couple of weeks. AEMO, the national regulator, your agency, forgot to turn the gas on – that's the reason we saw a problem in South Australia.

CHRISTOPHER PYNE: Oh that's ridiculous. AEMO said... you can't tell us that on one occasion one gas powered station is responsible for eight blackouts in South Australia in the last twelve months. Now AEMO said themselves South Australia had an over-reliance on renewable energy so you can't pretend this is something got to do with Pelican Point. So we've got to move on, on that one I've had the last word, you might get the last word on the next one. This week also heralded the changes to the Australian Building and Construction Commission going back to the original version the government wanted passed last year, and this is what some people had to say about it in the parliament.

UNKNOWN SPEAKER: I move that the bill be read a third time.

UNKNOWN SPEAKER: There being 33 ayes and 31 noes, the matter is resolved in the affirmative.

MALCOLM TURNBULL: What it has done is take a good bill, a good law, and made it even better. It's an example of the way in which the minister, Michaelia Cash, and the Senate team are working with the crossbench to ensure the 45th parliament, as we promised, will deliver.

CHRISTOPHER PYNE: Well, Richard, as Malcolm Turnbull said, this has taken a good bill and made it better. And the whole purpose, of course, of the Australian Building and Construction Commission is to rebuild productivity in the building and construction sector, and ensure that there are more jobs and less cost to consumers. The last time there was an ABCC it saved consumers \$7.5 billion and productivity improved 16.5% and I'm surprised that Labor is still opposing a reform which is good for the economy and good for jobs. So what we did this week was basically put it back to the original version with a shorter transition period to get businesses into the ABCC.

RICHARD MARLES: Well, look, you like to talk about ideology ruling over proper and pragmatic policy – this is a classic example of the government doing exactly that. We all know that the real fact is this – workplace deaths went up when the ABCC was in place. Back in 2007, at the height of the ABCC, we had the highest number of workplace deaths in the construction industry, and, indeed, the rate of productivity went down. So this is absolutely a triumph on the government's part-

CHRISTOPHER PYNE: -That's rubbish.

RICHARD MARLES: No, it's not rubbish. And this is a triumph of ideology over good policy on the part of the government and there is a retrospective element to this, Christopher. There's a whole lot of businesses who made agreements in good faith thinking it would be compliant until the end of next year, because of this amendment it's going to stop them bidding for government work. They're not going to thank you for that.

CHRISTOPHER PYNE: So you're saying that because the ABCC tried to get the CFMEU to stop being a rogue union, the last time the ABCC was in place, that somehow led to more deaths on worksites, is that your position? That's bizarre.

RICHARD MARLES: Well it's just what the facts are and, you know, at the heart of your view is an idea that any union activity is, per se, illegitimate, and that is completely wrong.

CHRISTOPHER PYNE: Not true

RICHARD MARLES: No, unions play a really critical role in putting in place workplace safety.

CHRISTOPHER PYNE: They do.

RICHARD MARLES: That role was diminished by the ABCC and we saw the result when the ABCC was last in place. But again we've run out of time and so I did get the last word there! This week, we've seen the introduction of the omnibus bill. This goes really to the way in which the government is managing the budget. Have a look at this.

SCOTT MORRISON: The balance of the savings that are achieved through that bill will be provided and debited into the NDIS special account.

BILL SHORTEN: Why is the Prime Minister holding the future of the National Disability Insurance Scheme hostage to his cuts to families, carers, pensioners and young people?

NICK XENOPHON: We can't support the omnibus bill in its current form. I think the final straw for some of my colleagues and for me was the NDIS changes.

SPEAKER: The government has absolutely no desire whatsoever to increase taxes on the Australian people.

RICHARD MARLES: So, Christopher, when we talk about issues around the budget, ultimately it becomes a question of priorities. You know, there is a difficult issue in terms of making the budget balance, but how are you going to do it and who's going to be affected by it? And what we see in this set of reforms is an absolute display of the government's priorities. You're balancing the budget on the back of expectant mums, young job-seekers, people in receipt of the Family Tax Benefit, the most vulnerable in our community, while at the same time providing a \$50 billion tax cut to our largest companies – you know, the Commonwealth Bank, who is in that category, just in the last few days posted a mid-year profit of almost \$5 billion, they're getting a tax break, but you are going to balance the budget off the back of the most vulnerable, and what you also did this week was basically hold people with a disability to hostage, saying if it wasn't dealt with in this way by the Senate, then you wouldn't be able to fully fund the NDIS. That says everything about where you're at.

CHRISTOPHER PYNE: Well, Richard, if I were you, I wouldn't travel to Cuba again, because the sensible Richard Marles that I know – the sensible Richard Marles that I know seems to have disappeared from view. You've obviously been inculcating all that socialism from Cuba and come back to Australia trying to spread it around here. The reality is that we want to make childcare more affordable and more accessible to a million families, but, unlike Labor, we're not going to simply keep adding to the budget bottom line – we're gonna put up savings at the same time. One of those savings is taking away the compensation for the carbon tax. Now, there is no carbon tax anymore, so why on earth would you need compensation for a carbon tax that doesn't exist? All we simply said to the crossbench was, we'll use these savings against the NDIS, which you didn't fund properly. Of course we're gonna support the NDIS, it's part of our policy, but using as an example of the kind of place where money can be spent more wisely because of the savings we make in the budget in social security.

RICHARD MARLES: Well, I think the other really interesting thing here is the other threat that no-one missed this week was the possibility that you, the Liberal Party, will raise taxes if it does more work. But we are running out of time for this part of the program. We're about to go to a break. Join us afterwards when we will be talking with John Berry. We'll see you then.

CHRISTOPHER PYNE: Well, welcome back to Pyne & Marles, here on Sky News Live on Friday, 17 February. It's our great pleasure to have John Berry, the former US ambassador to Australia, on our show this afternoon, who's well known to both Richard and I. Welcome, John, to the show.

JOHN BERRY: Thank you, Christopher, it is a great honour to be with you.

CHRISTOPHER PYNE: One of the things that most of our viewers wouldn't know, John, is that Secretary Mattis, the defence Secretary from the US, was in the same division of the US Marines as your father, probably a few decades apart, but that also shares the same song as Australia, Waltzing Matilda is the theme song, and the Southern Cross as its flag, which is a nice vignette and also a nice way to ask you my first question, which is, we're very grateful for the outpouring of support for Australia in the United States since the story about the Trump-Turnbull phone call broke across the world and so we thank you for that. Has this been an opportunity, in some respects, to re-set the relationship and ensure that there's no complacency creeping into it and really, you know, continue to respect and understand how important that relationship is to both countries?

JOHN BERRY: Well, the alliance, as you say, Christopher, is deep and broad, and is bigger than any one party. It's bigger than one country, it's bigger than one president or prime minister. Look, I think the phone call was – was not – you know, at the beginning of an administration, there's always a learning curve. I think this team is coming up to speed very quickly. They've appointed great leaders like Secretary Mattis, who, as you mentioned, Christopher, 75 years ago, the First Marine Division, my father in them, came here to the sacred Melbourne Cricket Ground, were welcomed here and their morale rebuilt after the battle at Guadalcanal. Secretary Mattis is an outstanding general, outstanding leader, he will do a fantastic job at defence. You have another seasoned professional at the State Department in Rex Tillerson. These people will help the new President to understand just what a critical ally Australia is and how wonderful an ally they are.

RICHARD MARLES: So, John, Christopher and I, I'm sure, share strong views on this, and I suspect our views are the same, but let me ask you the question. I mean, obviously, in the aftermath of the phone call by President Trump, there has been a lot of discussion about the future of the alliance. Do you see it, going forward, as being as relevant and strong as it has been in the past?

JOHN BERRY: Oh, I think, even stronger. In this, the 21st century, it's essential. You know, the United States respects the sovereign, free and strong Australia, one that can make its own decisions, its own judgements. We do, together on many fronts – on defence, intelligence, medical research, space, and in the arts, I could go on and on, are working hand-in-glove on so many issues today and every one of those is critically important. Just take cancer research, for example. The researchers here in Australia working hand-in-glove with their counterparts in the United States. My prediction is in the next decade they will break the back of cancer. They're also making daily advances in Alzheimer's research. These are wonderful things – space, last year alone, we steered together, Australia and the United States, a satellite safely into orbit around Jupiter and landed a rover on Mars, so there's so much underway, Richard, it will continue to be critically important.

CHRISTOPHER PYNE: And, John, one of the things I think that people in Australia perhaps don't understand, because it's a slightly different system to ours, is that the Congress, which is dominated by Republicans in both the House of Representatives and the Senate, isn't like House of Representatives and our Senate, where it's very much party-oriented. There might be Republicans, but is it your view that there will be a handbrake in some respects on some parts of the administration's policies because of the way that some Republican senators and congress people will react to some of the policies that President Trump sends to Congress?

JOHN BERRY: Yes, Christopher, our system, our constitution provides for a very clear separation of powers, and as you mentioned, the Congress is not subservient in any way to the President, it is a co-equal branch of government as is the judiciary. And so the brakes, as you will, or the restraints to ensure that no one body, no one arm, of our government can have such power that it can ultimately ever violate our bill of rights or hopefully go in any direction that would be wrong or inappropriate, and you see that through our history. While the President is moving in the right direction, Congress and the judiciary will be with him and help him. When he moves in the wrong direction, they will be there to correct his course. And I think that's exactly what we expect of a great alliance partner like Australia – when America is moving in the right direction, we look forward to us going forward side-by-side. When we're going wrong, for you to give us that frank feedback, and that is what you've always done over the past 100 years. It's why we are such a deep alliance and it's so profound and important and I think it's going to continue, as I mentioned to Richard, to be even more important in this, the 21st century.

RICHARD MARLES: And, John, I think we've seen a bit of that play out already over the last few weeks, with the President's executive order in relation to banning people coming for a period of time from those seven countries and the way in which the courts have dealt with that. You know Washington as well as anyone – I guess I'm interested in how you see the President himself reacting to that? I mean, as he goes forward and

handbrakes such as the courts or the Congress start being applied, how do you think he reacts? Is he going to be the same person we saw during the campaign or is there a different president in the offing?

JOHN BERRY: I think what you are seeing is a maturation process. Every new president comes in with a certain degree of bumps and turbulence, if you will, and then as they get their team around them, as is happening now, a little slower than usual but it's gelling and coming together, they will smooth out and I think you'll see less and less of turbulence as we go forward. But you're exactly right and I think you're seeing that – in the executive order, the President is already working with the courts, they're working on modifying the order and creating a new approach that they believe will receive the support of the courts. You know, immigration, the United States – it is a hot issue just like it is here in Australia and one that has to be handled very carefully and sensitively to protect the rights of our international people around the world, as well as Americans and our friends and our friendly countries and allies like Australia.

CHRISTOPHER PYNE: John, I had the chance-

RICHARD MARLES: -Can I just follow up-

CHRISTOPHER PYNE:- Oh sorry, Richard, sure.

RICHARD MARLES: No, you go, Christopher.

CHRISTOPHER PYNE: No, if you want a follow-on question, that's fine.

RICHARD MARLES: I was just going to ask on that, on the question of the refugee arrangement that exists between Australia and the US, the President has signalled the new administration will honour it, do you think they will?

JOHN BERRY: I think it's looking very likely, very good. You know, this was a sound arrangement that was made between two countries. Australia does many great things for the United States. This was an opportunity for the United States to help out its great friend and ally, Australia. This never was a quid pro quo as many people were referring to, this was just an attempt to recognise that we might be able to step in and help here and on a case-by-case basis. So I think the administration will be convinced that the review being done by our border security and customs personnel and immigration experts is going to be very thorough, it's going to be very tough, there is no green card or automatic entry given to anyone, they have to pass the security protocols and clearance, and I think once the President is assured of that, and his team assures him of that, I think he will be fully supportive, as President Obama was.

RICHARD MARLES: Well, John, thank you very much for coming on today. I mean, it really is fantastic to get somebody who has the insights of yours

talking about this issue. It has been a big topic, as you'd imagine, in Australia over the last few weeks and we really appreciate your time today.

JOHN BERRY: Well it is a great privilege and great honour to be with you and thanks to both of you for the amazing work you do in helping to deepen and broaden the alliance. We look forward to continuing in the United States in my new role as President of the American-Australian Association.

CHRISTOPHER PYNE: Thanks, John.

RICHARD MARLES: Very good. And that brings us to the question of the week, and this week, the question is, how do you bring debate to an end in the parliament? Now I just want to show you this clip because it gives you some sense of how it's done.

RICHARD MARLES: Last night, the government, led by the Leader of the House, confirmed it had abandoned any due process when it gagged debate on the ABCC legislation. They sought to rush the bill through this place and, in the process, denied local members like myself from voicing legitimate concerns on behalf of hard-working people.

RICHARD MARLES: So, Christopher, you have now stopped me speaking on this debate twice. Is it all about me or have you got some other agenda going on here?

CHRISTOPHER PYNE: Richard, basically, the way we end debate in the House of Representatives is we wait till you leave your office and start moving towards the chamber and then I beat you to it and close you down!

(LAUGHTER)

CHRISTOPHER PYNE: So if the Labor Party-

RICHARD MARLES: -That's what I thought it was!

CHRISTOPHER PYNE: Yeah, no, you're right, if the Labor Party wants to keep debate going they should just make sure you're never on the list and we'll just let it run! No, but, seriously, there are three ways to close down debate. It either reaches its natural end because the speaker's list is finalised and finished. We apply the guillotine, or we have a debate management motion.

RICHARD MARLES: Well, um – well, you certainly made sure the debate ended this week. Anyway, that brings an end to our program. It has been great talking to you, Christopher, and I think I'm going to throw to you, Christopher, because I think we have the Prime Minister.

CHRISTOPHER PYNE: Yes, I think our show is coming to an end and we're crossing on Sky News Live to Malcolm Turnbull.

