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MARK KENNY: Thank you, Richard. There were so many issues in that speech I'm sure there will be very interesting questions on that.

I might just kick off with one of them, and go back to the matter you raised about deepening our ties with China. You talked about how Labor under Gough Whitlam had made significant inroads into that with recognition of China. You talked about Julia Gillard's strategic partnership that she signed, I think was in 2012, from recollection.

I'm wondering, what do you have in mind for what a Labor Government would do? Would there be, perhaps, a significant gesture, and could that gesture be one of realpolitik such as recognising that the islands in the South China Sea are of no huge strategic importance and that, as some people have suggested, and that all growing powers extend to some extent, all great powers extend and project influence and territory, and that we just need to recognize that that's what China is doing here?

RICHARD MARLES: Well, thanks for that question Mark.

Firstly, Labor regards it as part of our DNA, really, that we are the party in government which has been the custodian of the Australia China-relationship. It forms a deep sense of who we are and what we've been about in modern times, and that will continue under a Shorten Labor government. Having a strong relationship with China deeply matters.

The point I'm trying to make in the speech is that often, and I think former conservative prime ministers have put it in these terms, that, you know, we like to do business with China but we have a security and political anxiety with China. I guess the point I'm trying to make in the speech today is that we are doing business with China and that has obviously been a good thing and been central to our economic prosperity, but we need to do more than that and deepen the political relationship and I think that includes the defence relationship.

I think there are measures that can be taken in both the political relationship and the defence relationship. I would like to see more defence exercise.

You referenced the South China Sea. In the relationships that we have with any countries, building those can't be at the cost of our own national interests and it is why I articulated that we have to have, as I said, a laser focus on what our national interest is within the South China Sea.

We don't take a position on the sovereignty disputes which exist between the countries of that part of the world in respect in respect of a number of the small islands. That's not the issue for us.

The issue for us is that we do have 60 percent of our trade traversing that sea and the laws of the sea which enable that are really a profound platform for our economic prosperity. That's not something we can trade away. That is something we need to assert and support, and in developing a strong relationship with China that's something that China needs to understand. I actually think China does, and in all the conversations I've had with Chinese officials, a number in the last few months, that point has been made and that point has absolutely been acknowledged by the Chinese.

So I don't think it's there so much that a gesture needs to be made. I think it is just a deepening of the political relationship, but the defence side of it matters and exercises are a good place to start.

KENNY: Thank you. Question from The Advertiser.

PETER JEAN: Peter Jean from The Advertiser, Mr. Marles.

I want to ask you about Defence's role in counter-terrorism. We're all still digesting the Coroner's findings about the Lindt siege, but one of the main one of the points he made was that the ability to call in Defence during a terrorist incident is limited somewhat by both the Constitution and the Defence Act. What is your view on- some people have called for the Defence Act to be changed to make it easier for the states to request assistance for Defence and for Defence to offer help. What's your view on what needs to change there?

MARLES: Well, in a sense I might give you an unsatisfying answer in general terms, but let me make these observations.

What we've seen in the last 48 hours is an example of, as I said at the outset, the phenomenon of global terrorism which has changed our world, and it's obviously changed the operations of our Defence forces. I mean, we are engaged right now in Iraq, seeking to support the Iraqi armed forces in defeating Daesh, and part of how we align that with our national interest is because Daesh seeks to do us harm here, be it directly or be it people acting under the inspiration or in the name of Daesh. So Defence forces participating in that space is already occurring.

With that in mind I think it is really important that the way in which our legal regimes are established in Australia is such that in any given moment we can bring to bear the best capabilities we have to deal with the particular situation at hands. Now, I don't say that in any way which seeks to judge for right or wrong what occurred with

the Lindt siege and it's not about that. It is obviously about learning from those events and every event so that we can do things better in the future. It is self-evident, I think, that we need to be examining every way in which the coordination of our agencies including military is done both across the various agencies in the Commonwealth sphere but obviously across agencies of the state and a Commonwealth level.

KENNY: Sky News.

DAVID SPEERS: David Speers from Sky News. Thank you for your address.

Can I take you to the comments on the Pacific? I know you, for a long time, have taken a deep interest in the Pacific. You said that we need to have a view on the Pacific. You said we need a consistent strategy on the Pacific. You said we need you said we need intellectual leadership on the Pacific.

Can I ask you just to outline what that involves from your perspective? What sort of intellectual leadership, what should the consistent strategy be? What is your view, what Australia should be doing in Defence terms, in foreign aid terms? What are we what are we getting wrong? What do we need to do?

MARLES: That question invites a speech of a similar length of the one I've just given, so I don't want to reveal all the cards at once.

Look, the first thing is we've got to we've got to demonstrate an interest. I referred earlier to this notion which I think does exist in elements of the bureaucracy about needing to tread softly and kind of not impose ourselves on that part of the world.

Obviously we need to act sensitively. That's a given, but it misjudges, in my view, what is wanted from the people of the Pacific, and having, as you know, visited all the countries, in fact, all the political entities, basically, of the Pacific, and knowing that part of the world well, and I openly admit I've fallen in love with the Pacific and feel very passionately about it - what they want is our interest. They want to know that we care and that we're actually thinking about them and thinking about the particular dilemmas that they face.

An example is that we're talking about small islands, with small populations is really what I mean, in geographically widely distributed areas. It means the task of development and indeed the task of defence, is so much harder than in an area where populations are more compact.

When you are talking about micro states, and the world the bulk of the world's micro states are in the Pacific, you are talking about governments which whose capacities are limited. Sharing resources, in some respects sharing national institutions, is one of the stories of how you make things happen within the Pacific.

The University of the South Pacific, as an, example is an institution which spreads across a number of different countries. Aggregation of resources to make things happen is a theme.

Now, we can bring a lot to that equation. We can drive that as, an example, more than any other country, and we would be expected to, be it in education, be it in defence be it, be it in a whole range of areas, but have you ever heard anyone articulate a policy in that respect? What is the plan in relation to any of those?

I can tell you right now the countries of the Pacific would love it. They are managing massive exclusive economic zones. Kiribati's exclusive economic zone is about - and I get this wrong - but something like half the size of continental Australia and yet we're talking about a country whose population is 103,000 people spread over that distance. The greatest economic asset they have is that exclusive economic zone. But how do they derive an income from it? How do they protect it? It is almost impossible for a country of that size to do it properly and to derive the benefit that they could, which would actually drive a growth in economic prosperity in a country of that kind.

We can bring to bear an enormous influence on that question. We can do the same for Tuvalu, which has a huge exclusive economic zone.

So, again, there are examples where I think with some wit and thought and energy we can go about developing policies which would make a difference - but it starts with actually caring about it and thinking about it.

I'll finish the answer - and as I say, I could go for much longer - PNG is a big country. We don't think about it or talk about it nearly enough. We used to, you know. We used to, before independence, when in fact there were a lot more Australians who were up there and it was a much bigger part of our national consciousness.

Independence was a great moment for PNG, but it wasn't an excuse for us to leave and we can't let it be that. In a sense we have to you know make sure that that you know we are still there as friends, and, as they call it, 'the big brother', and they want us to be there.

There isn't a colonial chip going on there. They want us engaged and involved and there is much that we can do there and Defence is a great place to start. You know, they have a not insignificant Defence Force. There is a good relationship going on right now. I think more can be done in that space and I'd certainly like to explore it.

But we have got to be more engaged as a friend with PNG, and in the first speech that I quoted from, my first speech that I quote from nine years ago, I talked specifically about PNG, because I do feel like this is an area which is not on our radar, but I tried in the speech to outline- if not being concerned about peace itself but just being concerned about Australia, PNG is central to our national interests. It's right there.

Anyone who's been to Port Moresby: it is a deeply politicizing experience. This is a city which used to be administered by us. Go there now. It's an hour's flight from Cairns. How has it come to this? We need to be playing a part there. That ought to be part of our strategy as well.

Again, the starting point is we've actually got to care about it and talk about it. We've got to write about it.

We've got to be, you know, those morning TV shows commercially that broadcast into PNG, it would be really good if they told them what the weather was in Port Moresby. It's the same every day so it's not that hard, but it would at least let that audience know that the TV station broadcasting to them cared about their viewership. It doesn't happen now. It's appalling, and it's a point I've made to the networks.

You know, they sell ads in that market on the basis of that TV program, and they don't even have the good grace to tell them what the weather is going to be that day. That's a measure.

KENNY: Interesting point. The Australian Financial Review.

ANDREW TILLET: Andrew Tillett from the Fin Review, Richard. Thanks very much for your speech.

You sort of spoke a bit about Donald Trump at the beginning, and the president has obviously just been visiting the Middle East. He likes the idea of maybe doing the ultimate deal of bringing peace between the Israelis and Palestine.

Given part of that pitch seems to be a case of almost 'my enemy's enemy is my friend' in the case of bringing Israel and some of the Arab countries together in the face of a common enemy in Iran, I was just wondering what sort of threat you think Iran poses in the future, given that Australia in particular under Julie Bishop, has been seeking closer ties and now we're seeing an American president look like he's trying to push them further away.

RICHARD MARLES: That's a good question.

Well, perhaps the first observation to make is this: we've maintained over a long period of time diplomatic relations with Iran and an embassy in Iran which has been enormously valuable, I think, to our interest but as a collective international interest, and so the way in which we relate to Iran ought to just bear that that fact in mind. People like us having an embassy there.

I have concerns about Iran's ambitions. The agreement with Iran on restraining its nuclear capabilities, I very much hope has the effect that is desired, which is that it does curtail any development by Iran of a nuclear weapon. I do agree with President Trump that an Iran with a nuclear weapon is a very frightening prospect and not one which I think the world would wish to have. So, I guess I have a high degree of wariness in respect that country.

I acknowledge the deal that's been done. I hope it has the effect that is intended. So that's probably the answer to that question.

In your preamble you did make a suggestion which I think is an important observation. I was in Israel in December, and I'd agree with the observation it is

driving a whole lot of productive relationships between countries who have traditionally not been friends, which has a significant upside in changing the face of the Middle East. There are really encouraging signs in relation to that, and I think Israel's assured place in the Middle East is really important.

Israel has so much to offer to the Middle East in terms of its technology, its economic development, what it means for employment within the region, that Israel gets to a point where there is not just an acceptance but an embracing of Israel as a member of the region is obviously a desired outcome, and there is just a sense that maybe we're on a more positive path down that way than we've seen previously.

KENNY: The Australian.

JOE KELLY: Joe Kelly with the Australian, Mr Marles.

Just picking up on one of the themes from your speech, you made some comments on Mr Trump indicating that a future Labor Government would be prepared to call out and criticize the US more frequently in the future on differences of opinion and values and so on.

I'm just wondering why not confine these to private channels, given the potential for tensions to arise in the alliance relationship? Mr Turnbull has been more restrained than Labor in relation to criticisms of the US. What's the benefit of that approach, I guess, particularly given there are values gulfs with other countries like China?

And secondly, if I can, relating this to North Korea, obviously one of the key or most important global flashpoint at the moment, you mentioned Mr Trump wears unpredictability as a virtue. How confident are you that he can effectively manage this global flashpoint? Are you confident that we won't see some sort of confrontation in coming months or years?

MARLES: Well, look, let's start at the beginning.

I think it is very important that as a country we make our position felt in the international arena on matters of international affairs. The two examples which I've drawn in the speech go to that.

The executive order, at one level is a domestic decision, but it is the gateway to the United States and there's a definite foreign policy dimension to that decision. And of course, you know, happily things evolved in a better way, but the initial tweets from as he was president elect Donald Trump at the time in relation to Taiwan go to our neck of the woods and were concerning.

It's important and it's appropriate that we make our position known in relation to any country in what it is doing within the world and we absolutely do that in respect of China. To set up a notion that there is some double standard here is not right, and in fact that's exactly what we're trying to avoid.

The point I'm really making is this speech is a call for the need for the alliance. That's where I stand. I remain a fierce advocate for the alliance and I actually think the

evaluation of the alliance which has occurred in the context of Donald Trump has been a useful exercise because it has brought out how relevant the alliance remains in contemporary Australia but going forward in this century, so I absolutely say I'm a fierce advocate of the alliance.

But I am making the point that if we are not to maintain a double standard we are going to have to be prepared to criticise decisions of the kind that I described, and it's very important in terms of our own, well, in terms of who we are, but in terms of our own international standing that we do that.

In terms of North Korea, the unpredictability of Donald Trump is an observation I make. It's disconcerting. It is what he does. I don't think he would regard it as a criticism. I think he would put his hand up and say 'guilty as charged'.

Nor do I necessarily say that he's getting all the decisions wrong. That's not my point. It is just unpredictable, and that makes life harder. That's all.

There are some steps that President Trump has made which have clearly been right, and I think have been welcome. Drawing a line in the sand and sticking to it in the context of the use of chemical weapons in Syria, I think was a really important step for America to take, which it did under the Trump administration.

I think having a harder edge in terms of its stance with North Korea and then seeking to engage China in the solution of dealing with North Korea is exactly the right way to go, and I would support what the President has done in relation to that as well.

Do I think that there is a likelihood of conflict? I don't. I feel confident that the basic strategic position in relation to North Korea has not changed to the degree which would see the possibility of a nuclear conflict on the Korean Peninsula.

That said, the notion of the North Korean regime weaponising an intercontinental ballistic missile with a nuclear warhead is a very scary prospect, and it's right that action be taken, which is why I think having a harder edge, engaging China, is the right thing to do.

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