

**THE HON RICHARD MARLES MP
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**E&OE TRANSCRIPT
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PYNE & MARLES
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CHRISTOPHER PYNE: Well, good afternoon and welcome to *Pyne & Marles* here on Sky News Live. It's Friday 10 November at 1 o'clock Eastern Standard Time. I'm Christopher Pyne and I'm here in the Adelaide studio, soon to be joined by my good friend Harriett Baldwin from the UK, and my compatriot Richard Marles is in Canberra today. Good afternoon, Richard.

RICHARD MARLES: Good afternoon, Christopher, and I'm here in our fair capital on a Friday, which is not normally where I'd like to be. I am a little concerned because you seem to be in the media at the moment saying that we will be sitting until Christmas Eve if that's what's necessary. Tell me that it ain't so. Tell me that we will be able to deal with citizenship and marriage equality in the two allotted weeks.

PYNE: Say it ain't so, as they say in the old song. Well, Richard, it all comes down to you guys behaving badly, as usual. The reality is, if you start behaving yourselves and cooperating, then we'll be able to get out on time, but if not, you know, I don't mind sitting in Canberra in December. I know it's hot and I'm sure my family and your family would rather see us home, but if that's what it takes then that's what it takes. Your guys have just got to pull yourselves together, as they say.

MARLES: Yes, well, you manage the business of the Government, so just do it efficiently because I don't want to be here right up until Christmas Eve, and I do have an issue about sitting in December. There's plenty of other things to do and being amongst the people, as they say.

But we should get on with our show today. Obviously the issue of the moment is the whole citizenship debate and crisis, if we can call it that. It continues to bubble on and we will be talking about that. We're also at a time of the year where it's summit season. We've got both the President of the United States and Malcolm Turnbull in East Asia, in Vietnam at the moment at APEC, and the East Asian Summit is going to follow on in the Philippines. We'll talk about that.

We missed our show last week because Christopher and I were both in France, so we thought we would talk to you about what we were doing there in terms of defence industry and our submarine program. Our guest, as Christopher has alluded to, is Harriet Baldwin, who is the UK Minister for Defence Procurement, and we're going to have a chat to her about the way defence industry plays out in her country, and indeed the relationship between Britain and Australia in respect of that.

But our first topic, Christopher, is obviously the issue of citizenship. It continues to bubble along and occupy the entire political space. Have a look at this.

MALCOLM TURNBULL [CLIP]: I want to make sure we've got enough time for the reso- you know, for the disclosure requirements to be complied with.

BILL SHORTEN [CLIP]: We do not believe that Australians should pay one dollar more to sort out the Government's problems.

TURNBULL [CLIP]: Well, either he doesn't know what he wants, he's either confused or he's stalling.

SHORTEN [CLIP]: I don't think the nation can continue into the new year with this government crisis.

RICHARD DI NATALE [CLIP]: And it is only a matter of time before I think we see an election and a change of government.

CORY BERNARDI [CLIP]: The Australian people think we're a joke.

MARLES: Christopher, Bill Shorten was showing leadership on this issue from the get-go in terms of seeking-

PYNE: [Laughs]

MARLES: Well, it's true, in terms of seeking a process here. Well, okay, you're laughing. Tell me this then, Christopher: tell me that you are going to reach an agreement with us, and not one which sees this issue drag out into next year. I want to know that the Government's actually going to face up to this and work out a process so that we can resolve this whole debacle.

PYNE: Richard, I knew you were funny in private, but now you've decided to take your show on the road. The idea that Bill Shorten is doing anything other than playing politics is, quite frankly, ridiculous. What Bill Shorten wants is the Labor MPs to be quarantined from the Constitution and the High Court's ruling, but he wants the Constitution to apply to everybody else in the Parliament. It is quite frankly laughable.

This morning, Justine Keay, the Member for Braddon and the Braddon advocate, admitted that she didn't deal with her citizenship on time because she wanted to keep her options open because it was the last connection to her father's UK citizenship. So she's admitted that she didn't want to get rid of her citizenship before the election in case there was a chance that she didn't get elected. Now, that is an open and shut case that her citizenship needs to go to the High Court. You can't seriously be suggesting that she is in any doubt about her lack of legitimacy to be in

the Parliament, and yet Bill Shorten wants her to be quarantined from the same rules as everybody else. You've got to be kidding.

MARLES: That is all rubbish, Christopher, and you know it. What Justine Keay did-

PYNE: -Didn't you read what she said?

MARLES: Justine Keay took all the steps that she was required to take before she nominated for election to the House of Representatives, and the proof of that is the fact that the steps that she took ultimately resolved in the successful revocation of her UK citizenship. So that's clear.

PYNE: Too late. It was too late.

MARLES: She took all the steps that she was required to do before she nominated, and we're confident about the timelines of all the Labor MPs who have been in the news. I mean, that stands in real contrast to- I mean, Barnaby Joyce was a dual citizenship a year after the election. I mean, that's what we saw with Fiona Nash. I mean, those who've gone to the High Court are in a completely different boat.

But we're not seeking to quarantine anyone. We're confident about our processes. What we're now saying is that there needs to be a process applied to the Parliament and we're just waiting for you to actually face the facts here and agree to a process which doesn't kick this into next year.

PYNE: Well, we've got a process. It is a very good process. We offered it to Bill Shorten. We handed out an olive branch to Bill Shorten. As usual, your mate plays politics with everything. He's playing politics with citizenship, playing politics with the Parliament. He just wants to blow up the Parliament and have an election, because true to his union background he just wants power. He's not interested in good outcomes.

But next topic. While all this is going on at home, the Prime Minister is in Southeast Asia, as you said at APEC, at the East Asia Summit and at other forums as part of his job as Prime Minister. Let's have a look at this.

MALCOLM TURNBULL [CLIP]: Our prosperity is built on two foundations of free trade and open markets, which is what APEC is all about, it's an economic forum, and of course national security and regional security. Free trade means more jobs, more prosperity in Australia. The key focuses in the region are counter-terrorism, and then of course there is the looming challenge from North Korea.

PYNE: Well, Richard, the good news is that the Government continues to promote the free trade agenda that has been the hallmark of successive governments – Keating, Hawke, Howard, now our government – promoting free trade, opening up trade markets, and one of the key discussions they'll be having at APEC, ASEAN and the EAS is the TPP+11, which is the eleven countries still in the Trans-Pacific Partnership. How do you see that playing out?

MARLES: Well, you missed out on Rudd-Gillard in there. I mean, we were also a government-

PYNE: -I'd forgotten about that government. Very forgettable.

MARLES: We were a government which absolutely pursued the trade agenda, as I did for my five minutes as trade minister. It was important. It is important to be building markets overseas.

Look, the TPP without the United States is obviously a different proposition. We are for greater trade within our region, that's really important. We'll have a look at what it looks like and we want to see a cost-benefit analysis associated with that trade agreement, as we do with the agreement that's just been announced in respect of Peru, and that's standard business as usual. I mean, trade agreements are deals at the end of the day, but our pre-disposition is to do trade and it always has been.

I think one of the points I was going to make about this is that when you look at both the East Asian Summit and APEC, both are examples of regional architecture where Australia's played a really critical role in establishing them, and they're examples of Australia being an activist power in the region, which we need to be.

PYNE: That's exactly right. The TPP, of course we'd prefer the United States to be in it, and I still have confidence that eventually they will be, but thanks to Australia and Shinzo Abe in Japan, there is still a lot of enthusiasm for the Trans-Pacific Partnership. It's another opportunity for us to build on the Turnbull and Abbott Government's success with the Chinese Free Trade Agreement, Japan, South Korea free trade agreements. I've seen in my own state of South Australia what it means for the wine industry, so let's hope that we have some success in Southeast Asia with that over the course of the next few days.

But we should move to the next subject, which I think you're going to introduce?

MARLES: Which indeed, Christopher, was your and my visit to France last week, which we let people know was happening a couple of weeks ago. So first of all I got the experience of travelling with Christopher, and there's that old adage that what happens on tour stays on tour, so I should probably stick to that, but I think the important point to make here is that there really is a unity ticket between both the major parties about the significance of defence exports, and obviously you were seeking to pursue that in France.

I had the opportunity of visiting Cherbourg, which is where Australia's future submarine is currently being designed. I was really struck, Christopher, about just the sheer scale of building a submarine. This is really one of the most complicated machines that humans have made, it and really the space shuttle, and you hear that line, but to actually see a large submarine in front of you makes it very plain.

The other issue is that this is going to transform our relationship with France in a really significant way, and it's quite unusual that two G20 members in a positive way would have such a transformative event occur in their relationship, and it's something we need to leverage.

PYNE: Well, it certainly is, and thankfully the Abbott and Turnbull governments have committed to 12 submarines built here in Australia. Naval Group won the contract to do that.

I've been to Cherbourg before in North-Western France. I was glad that you got the chance to do so last week. As you say, it is really exciting. I mean, for example, in Adelaide, the current submarine yard is very impressive; the new submarine yard is actually bigger than the Adelaide Oval stadium, and anybody who's flown into Adelaide in recent years, you know, you can't miss the Adelaide Oval stadium. Well, there's going to be another one of those at Osborne North as a submarine yard. The industrial economic impact of that is dramatic, the strategic power that it gives Australia is dramatic, and, as you say, the relationship with France, especially in the modern era, to think that we would be having such a transformative event with a European nation in 2017 and over the next few decades is really very exciting, and this will go through various governments – Liberal governments, Labor governments, back to Liberal governments, depending on the next 20 or 30 years – and it's a project that needs to have both of our parties' absolute 100 per cent support.

MARLES: Look, that is right, and one of the points about the Future Submarine projects is we're talking about almost a 50-year commitment. I mean, that's the length of the relationship, by the time that the submarines are built and then maintained and sustained throughout their period of operation. It's a very, very long relationship indeed.

There are five permanent members of the Security Council. We've got very close relationships with the United Kingdom and the US. We've had good relationships with France, but this will change it, and it will really mean that there's another member of the P5 who becomes a very, very close friend of Australia by virtue of what's occurred here. And I was actually- you know, there's some significant geopolitics about all of this, which I think is a very exciting opportunity, but of course the fundamental thing here is what capability it gives us with our submarines, and they will really be very impressive machines indeed.

It's time for us to go to a break. Join us afterwards when we will be speaking with Harriet Baldwin, the UK Minister for Defence Procurement.

[AD BREAK]

PYNE: Welcome back to *Pyne & Marles* here on Sky News Live on Friday, 10 November. One of our most important and enduring relationships, of course, is our Defence relationship with the United Kingdom. Clearly it goes back to our founding as a nation, but also we have an ongoing relationship as a Five Eyes country, which is the US, Canada, New Zealand, Australia, and the UK. Travelling to Australia this week is one of my counterparts in the Defence portfolio, the Minister for Defence Procurement and the Under Secretary of State for Defence, Harriett Baldwin, and she's very kindly agreed to join our show this afternoon.

Harriett, thank you very much for joining us.

HARRIETT BALDWIN: Well, Christopher, thanks very much for inviting me on your show. I love this idea of Defence ministers having their own show. That's an innovation I shall try and take back to the UK.

MARLES: [Laughs]

PYNE: Absolutely. And, of course, Richard is another one of our counterparts so it's something of an inside club discussion this afternoon, but perhaps if I could go first-

BALDWIN: -I see they've had to separate you in two different cities though, in case you come to blows. You've had to be in two different cities, though.

PYNE: That's not so bad-

MARLES: -Important insurance policy there. [Laughs]

PYNE: Harriett, I think it's fair to say that in the last six to 12 months, we've met at least four times and had several discussions about our Defence industry relationship. I think that relationship has moved to a much higher plane over the last 12 months, and the potential opportunities for exports between each other's countries are quite dramatic and enhanced. Do you see it that way, and how much more do you think we can co-operate over the next few years, and in what particular areas would we be collaborating?

BALDWIN: Well, thanks Christopher. It's a great pleasure to be in your home city this morning and I'm really pleased that our ministerial dialogue is going so well. And as you say, I think it is the fourth time that we've met together, and I think there's a huge opportunity here for us. I'm going to have the pleasure this afternoon, I hope you don't mind me announcing this on live TV, I'm going to go for a ride in one of your Bushmasters.

I know that we've had a good discussion this morning about some of the other areas of equipment co-operation. We're both great maritime nations and we're both embarking on a period of significant ship building, and so we cut steel this year in terms of our first anti-submarine frigate, and I know that's a design that Australia's looking at very closely and we would be really thrilled if we were able to work together on that platform as Five Eyes countries together. So there's a huge opportunity, I think, for us to go from what is already a very strong relationship to an even stronger one.

MARLES: Well, Harriett, enjoy the ride on the Bushmaster. It is top-notch Australian product and we are very keen to try and export that around the world. One of the things - and I had the pleasure of meeting you yesterday afternoon - that really impresses me about the way Britain goes about its Defence Industry is there is a real sense of national mission. You mentioned that the Type 26 frigate is one of the short-listed bids for the new Australian frigate, and indeed BAE Systems is also looking at participating in the armored personal vehicle production that we're also tendering for at the moment. You definitely get a sense that when Britain goes out to play, it is a complete whole-of-government national mission that there's a real decision to do this, and I wonder whether you might just speak about how Britain has got to the point of doing it in such a united way?

BALDWIN: Well, thanks for saying that, Richard, and you know, I think there's a lot we can learn from what you do here as well and we're very proud, obviously, of our Defence industry and some of the capabilities that we have but also some of the partner countries that we work with. So, for example with BAE Systems, they've been in Australia for six decades and so they've got a very long history of working with partner companies. I just met some of your supply chain here in Australia over

lunch, and a couple of those companies are already selling into our Type 26 program in the UK. So we're really open to looking at the best capabilities for our armed forces. Obviously it's great if they're UK-based, but also we will look around the world at the capabilities that we see elsewhere, because it's always about the best capabilities.

In terms of exports, in our strategic defence review in 2015 we actually put prosperity at the heart of the overall strategy. It was the first time we'd actually mentioned that. We've, as you know in the last year, decided to leave the European Union, and part of doing that meant that we set up a separate department for international trade, and we have a defence security organization as part of that. So we're very proud of some of the things that we do, but we're also very open to looking for the best ideas from around the world and I'm so thrilled to have met so many great companies here in Australia.

PYNE: Harriett, of course, I have to stay entirely neutral about the outcome of the future frigates tender, which I'm sure you understand. I think a lot of people understand the military to military relationships between the UK and Australia and how close we've been, obviously, over a very long period of time. One of the other areas, though, that I don't think people realize we're quite so engaged is on science and technology. The relationship between our Defence Science and Technology Group, the excellent work that you're doing in the science and technology area, and the collaborations between the two. And also, do you see that as an opportunity where we can gain – as you point out – the capability that puts us ahead of any of our potential opponents down the track?

BALDWIN: Well, you're so right to highlight that, Christopher, because I think that, you know, military equipment throughout the centuries has always been about having the capability that is better than any other potential adversary, and so it's really important to invest in innovation. You do a lot of that here in Australia, we do a lot of that in the UK.

Our Chief Scientific Advisor in the Ministry of Defence actually has a long history of working in Australia and one of the things I was very excited to hear from his reports of his recent visit was the strength that you have out here in terms of autonomy, and next year the UK and Australia are going to be working here in Australia with our armed forces on something called Autonomous Warrior, so I think that's an area where we can explore the potential for that to really allow us to innovate, and it's an area of equipment that I'm very, very excited about.

MARLES: Harriett, this has gone way too quickly, because we're already out of time, and I did want to make the point, though, that I think in terms of research and development, you certainly do a lot in the UK in relation to that, and I think we've got a lot to learn there as well. But thank you so much for joining us today and taking time out of your schedule, and we really look forward to staying in touch.

BALDWIN: Well, it's an honour to have appeared on the very, very famous *Pyne & Marles* show. Thank you very much for inviting me on.

PYNE: [Laughs] You're too kind. Thank you.

MARLES: Well, that is excellent, Harriett, and that, of course, will now be part of a grab which is used in all our advertising material from here on in.

PYNE: [Laughs] Exactly.

MARLES: And that brings us to the question of the week, which is inspired, obviously, by what's going on with the whole citizenship debate, and it is: what you do when you face a media frenzy such as we are seeing with the current citizenship issue?

So, Christopher, how do you deal with a media frenzy when it takes off?

PYNE: Well, like all things, Richard, you have to choose fight or flight, don't you? I mean, lots of people go underground in those sorts of situations. Clearly, there is something of a media frenzy at the moment around citizenship, since the High Court's decision, and you can understand that: it's not a usual situation for there to be by-elections as a result of doubts that the High Court has created over citizenship, and that's as it may be.

I always think the best thing to do is never to be intimidated by the media throng; to embrace it; to try and get your story out there, to get your message out there, as I did yesterday on the *Speers* program on Sky News Live; so hopefully- I think that's the best way to do it. What have you done in the past when you've been faced with these kinds of issues?

MARLES: Look, I think that's exactly right. It's fight or flight, and I'm definitely in the camp of fight. My adage always is if you've got difficult news to deal with, make sure you're the one who's telling it, because if you do engage in flight and you vacate the scene, that's when there really is a feeding frenzy, and the Press Gallery turns into something like a shark attack at that point, and they really show all the compassion of a feeding shark at that moment. So I reckon it is very important that you're in there boxing and making sure that, as best you can, you get your message across, don't you think?

PYNE: Well, I've always said you can't win a fight if you're not prepared to swing a punch, and if you're prepared just to stand there and be a punching bag, as you say, somebody else will fill the news. The media will pursue whatever lines they've been given, and it's critically important to give them an answer, give them the line that you want to get out there, and they will faithfully report it. They might always not report it the way you want them to, but it'll get out there eventually.

MARLES: That's right. Well, there you go. So that's one of the edicts of media management from *Pyne & Marles*: when you're in a difficult situation, stand up and fight.

PYNE: That's right. Take that to the bank.

MARLES: But we've run out of time, Christopher. Indeed, we've run out of time. Thanks for joining me again today. It's been great to have a chat, and thank you, viewers, for joining us as well, and join us again next week at 1 o'clock on *Pyne & Marles* on Sky News. We will see you then.