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**E&OE TRANSCRIPT
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SUBJECT/S: Defence export strategy; Defence spending; US defence strategy; referendum on the republic; citizenship

LAURA JAYES: Now the Greens have called on Labor to be critical of this plan, but I spoke to Shadow Defence Minister, Richard Marles, about this announcement a short time ago and he was broadly supportive.

RICHARD MARLES, SHADOW DEFENCE MINISTER: Well, we'll have a look at the detail of this. We certainly support a strong Australian defence industry and we support an Australian defence industry which has the capacity to export. It's critical that if we're serious about building a defence industry in this country then we have to be focused on exports. But the Government, as usual, has overcooked the goose here. I mean really this is a \$20 million announcement which in the context of the major procurements that are being made, which are being committed to by governments across the political spectrum, this is window dressing. And indeed even allowing Efic to be a line of credit for various defence export decisions, that was being done when Labor was in office, Quickstep for example used Efic in terms of its transfer of an office which allowed it to participate in the Joint Strike Fighter Program, so a lot of this is repackaging of old news to be frank. Of course we support a defence export sector, but at the end of the day it's procurement which is going to leverage that and when you look at that, since coming to office in 2013 this Government's been responsible for thousands of jobs lost in the defence industry.

JAYES: OK, but Government getting behind such a thing; are there ethical and diplomatic minefields? And I say that because there's going to be a long list of countries that both you and the Government would agree that Australia shouldn't be selling to. And how's China going to view this?

MARLES: Well, look I don't think there's going to be any difference between us and the Government in terms of which countries we sell to and which we don't. And there are a whole lot of guidelines in place to establish how we would go about that, it's not really an issue of dispute between us and the Government. And how China views this, we've got a right to develop a defence industry in this country and unless it's engaging in exports it's hard to say that we really do have the kind of defence industry that we would want. If you look at major defence industries in countries

around the world, they're all based on exports. So this is certainly an area that we need to pursue and it's one that we were pursuing when Labor was in office so there's nothing particularly new about it, but it does need to be done with much more vigour than has been done under this Government if we're serious about building a defence industry in this country.

JAYES: OK, do you see this as Christopher Pyne, and the Government more broadly, picking winners? I mean they are doing – from the media conference today, a very excited Prime Minister wanting to do all he can to boost this industry when it comes to high tech, but other areas in manufacturing, such as car manufacturing, they weren't so passionate about.

MARLES: I think your point there is exactly right. I mean, when the Government is talking the talk here there is a high degree of excitement, in terms of actually walking the walk the reality is that we've seen thousands of jobs lost in defence industry, particularly in shipbuilding in Adelaide, and more generally across the manufacturing sector in Australia, we've seen one of the biggest de-industrialisations this country's witnessed, and the loss of the car industry is the most critical case in point. Now what I think you've got at the moment is a Government desperately trying to put a band aid on in respect of that; its new found commitment to the defence industry, which certainly didn't exist in the first term of this Government, I think is simply a reaction to the loss of the car industry. What worries me-

JAYES: Expect for the \$50 billion spend on submarines –

MARLES: But the spend on submarines and the commitment to procuring submarines was a decision that was made by the former Labor Government, and it actually required us to drag the Coalition kicking and screaming to a position where they actually supported the procurement of submarines in the way that we had articulated it. But what you've got now is a whole lot of talk going on, but there hasn't been the thinking around this which is going to underpin a defence industry in the longer term. That's what concerns me. And when you look at the main game here, if you really want to build a defence industry in Australia and one which is capable of exporting, then core business is the decisions that you make in terms of procuring for the Australian Defence Force itself and then how you leverage those decisions. Now, last year –

JAYES: But doesn't it come down to overall defence spending as well -

MARLES: It does.

JAYES: - and on both a job creation side but also protecting Australia side, what's Labor's commitment when it comes – if in Government – is it 2 per cent of GDP spending on defence?

MARLES: Yeah, we've made it completely clear that we've got a bipartisan commitment to a 2 per cent spend of GDP on defence, and you're right in saying that is fundamental to making sure that the ADF is properly equipped, but making sure that we have an ability to build a defence industry in this country. But the point I was going to make Laura is, last year there was very significant procurement in relation to offshore patrol vessels, this is one of the really great opportunities we might have to

develop an export industry in Australia, where we would build offshore patrol vessels for other countries in the world. Central to that is making sure we have a design capability in Australia. Now the Government hasn't explained how the decision that it took last year actually will see that design capability being nurtured in this country, indeed one of the most significant design houses in Australia was cut out of this, so they're the key decisions that you need to be getting right if you want to build a defence export industry in Australia and I think today's announcement compared to that is frankly window dressing.

JAYES: OK, let me turn to another issue and Jim Mattis overnight, over the weekend, has said that Russia and China, in the eyes of the United States, are bigger threats than Islamic State. Is that the case do you think?

MARLES: Well I think we face changing strategic circumstances in the world and we obviously face that here in Australia. There's no doubt that terrorism remains a significant threat and you look at Islamic State in the Philippines, for example, and you can see how that threat is encroaching into the East Asian Time Zone and our region. Equally though I think it is important that America aspires to retain its primacy as a state actor in terms of military capability, and I do take comfort from the comments of Secretary Mattis in respect of that, and I not only take comfort from that in terms of America's stance in the world but I also think America's stance in East Asia. It's certainly, as I said last Thursday night in the Curtin Lecture, it's certainly in Australia's interest to have as present a United States within the East Asian Time Zone as possible, and I take comfort from his comments in respect of that.

JAYES: OK, just to other issues outside of your portfolio area. Anthony Albanese made a proposal at the weekend to have a joint referendum on the republic and also Indigenous recognition in the Constitution, is that something you think is a good idea?

MARLES: Well, I think dealing with our great questions of national sovereignty, and indeed the place of First Australians within the status of Australia, are really important. And we've been saying for some time now that the question of a republic needs to be looked at again, and I made, again in my Curtin Lecture on Thursday, the point that Australia came about its independence almost in a haphazard way. We don't actually have an independence day in this country. It wasn't until 1942 with the passage of the Statute of Westminster Adoption Act that Australia actually became an independent country. And so I think looking at these key national questions which go to our identity and go to our state as an independent nation are critically important [inaudible].

JAYES: That's a good way to sort it out perhaps, joint referendums, wouldn't you agree?

MARLES: Well, I think it's a really interesting idea that Anthony's put forward and I think it's worth thinking through.

JAYES: OK, one final question, Labor could be facing by-election in David Feeney's seat of Batman, now he can't find his documentation, nor can the Home Office in the UK, should he just step down now so Labor can prepare for this by-election? Why go through this High Court process?

MARLES: Well, look, I'm not going to go through the details of his case, that really is a matter for the High Court, but therein really lies the answer to your question – it's appropriate that we go through the court case within the High Court, I don't think the outcome of that decision is in any sense predestined, and whatever the outcome of the decision is we will deal with it, and the Parliament will deal with it.

JAYES: But if he can't find his documentation and neither can the Home Office, it is predestined isn't it? We have a precedent for that, we've see it recently.

MARLES: Well I'm not actually sure there is a precedent for that, and I don't think that that does determine the outcome of the case at all. But in any event, that's not for me and it's kind of not for this interview, at the end of the day that's going to be for the High Court and we ought to let the High Court go through its processes to consider that and whatever is the outcome is the outcome, and our system will deal with it.

JAYES: Well as a Victorian MP yourself you know Victoria very well, if it does come down to a by-election, can Labor win Batman?

MARLES: Oh look, I don't want to get ahead of ourselves. Right now there is a process for the High Court to go through and let's see what the outcome is –

JAYES: You don't sound too confident Richard Marles, I gotta say –

MARLES: Well it doesn't really matter my view in a sense. This is going to be determined by the High Court and from there we take it as we go forward. I think Labor's standing in the community is good, I think David's been an excellent MP within the electorate of Batman, but I'd be hopeful of a positive outcome in the High Court, but in any event that's where the process is at the moment and that's where we need to focus –

JAYES: But really you need as much time to prepare for this given what's happened at a state-level in the seat of Northcote, Labor would need as much time to prepare for a possible by-election as possible to be given the best chance to win wouldn't you agree?

MARLES: Well again I think it's difficult to put the cart before the horse here. We've got to actually see what the High Court ultimately determines to find out whether there is a by-election at all. If there's one, there'll be plenty of time in which to deal with that. But right now, there's a decision to be made and a process to be gone through by the High Court, I think we should let them do that.

JAYES: Alright, Richard Marles, thank you for your time.

MARLES: No worries, thanks Laura.

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