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SHADOW MINISTER FOR DEFENCE
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**E&OE TRANSCRIPT
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SUBJECTS: Adani; NEG; China

RICHARD MARLES, SHADOW MINISTER FOR DEFENCE:

HOST: This is *AM Agenda* and with me now is the Shadow Defence Minister, Richard Marles. You've heard the arguments from the Prime Minister and the Energy Minister in relation to Adani. Should Mr Shorten be clear on this one way or another given what Geoff Cousins has had to say in the last 24 hours?

RICHARD MARLES, SHADOW MINISTER FOR DEFENCE: I think we have been clear. This is a project which doesn't stand up economically or environmentally. Our position has been clear all along it shouldn't be the recipient of public money and that really does make no sense at all-

HOST: -So it shouldn't go ahead?

MARLES: Well I think that without public money it doesn't go ahead, so our position would be very clear. I mean, if we were in Government now we wouldn't be providing subsidies or support for it, and in those circumstances it wouldn't go ahead.

HOST: He's also said, Mr Shorten, that if it doesn't stack up environmentally it shouldn't go ahead - this is via the statement from his office this morning - but Mr Frydenburg says there is nothing on his desk that says it should be revoked, the licence which has been granted via the various approval steps and, you know, held up by various courts as well.

MARLES: Well look, my understanding is there is still information that Adani needs to provide in terms of ultimately providing all of the material around the environmental assessment of it, but fundamentally here if this does not stack up economically then it shouldn't be the subject of being given public money and really the issue ends there.

HOST: So Mr Shorten hasn't been trying to play two constituencies, the left-leaning voters in Batman and those that support the mine in Central and North Queensland?

MARLES: I get the lines that the Government's running and it's all nice in the context of Batman that they're running those sort of lines. Absolutely not is the answer to your question.

HOST: So you're flat out against it?

MARLES: Well, the point I'm making is this argument that somehow two positions are being put is wrong. We have been very consistent all along, and that is if it doesn't stack up economically and if it doesn't stack up environmentally then it shouldn't go ahead; and that Labor, if we were governing right now, would not be giving it any public money at all and on that basis it wouldn't go ahead.

HOST: Andrew Liveris from Dow Chemicals has told the *Fin Review* that there needs to be bipartisan support for the National Energy Guarantee in order to attract investments from companies like his. Is it time that Labor gets on board 100 percent, and at the state level as well?

MARLES: Well one of the issues around the National Energy Guarantee is right now that it's just a name, so the fundamental proposition here is get on board with what? We actually need to hear something from the Government about what this plan actually means. Where Andrew Liveris is absolutely right is we do need to have a settled energy policy in this country, and without it we are going to see haemorrhaging in investment and I think that is what we have been seeing-

HOST: -So actually you're inclined to support the Government on that-

MARLES: -No, no, no-

HOST: -to ends the years of fighting.

MARLES: Let me be really clear so the position is clear. We are inclined to have a settled energy policy in this country, and we have absolutely been of the view that that does need to ultimately be a bipartisan position, which is why even though we were supporting an emissions intensity scheme when the Finkel Review came up with the clean energy target, which wasn't our preference. We were happy to sit down and work that through. That seemed to be what the proposition from Government was in terms of having a settled energy policy.

The National Energy Guarantee is just a name. It's impossible for me to say whether, you know, that is the basis on which we go forward because all it is is a name. The ball is completely in the Government's court here about actually putting some meat on those bones and making it clear what the National Energy Guarantee actually means before we have a conversation from our side about whether that's something we can work with.

The principle that there needs to be a bipartisan settled energy policy in this country is something we completely agree with-

HOST: Sure-

MARLES: -and we've got form on board here

HOST: Let's go to this last issue I want to ask you about, developments out of China that the two-term limits for presidents is going to be scrapped and therefore opening the way for President Xi Jinping to serve indefinitely. What is your reaction to that?

MARLES: Well, it's certainly big news, there's no question of that. I mean, the term limits have been a feature of Chinese Government for decades now, really since Mao Zedong and the scrapping of it is big news.

I guess it's to state the obvious that at the end of the day this is a matter for the Chinese Government and the Chinese people. I think it is important to note, as I often do, that I don't think with the Chinese Government or with China that we're talking about the former Soviet Union. This is not a country which is seeking to export its ideology or its system of Government to us or anyone else, and working with China is really important for Australia economically, but I think more than that I think actually building our political relationship, ultimately our defence relationship, is an important step for us to take, and we'll do that with whoever is the leadership in China and ultimately this is a matter for them.

HOST: Does it create a risk though, given that part of their framework ensured a peaceful transition of power after two terms, and in a one-party state that's something that is always, of course, a question, but they've had that two-term limit since Deng Xiaoping, and now it's gone. Doesn't that create some uncertainty?

MARLES: Well the two-term limit, obviously, from the Chinese perspective served some purpose over the last few decades. I'll come back to what I said at the start: this is clearly big news that they're going to move away from that, but as I say ultimately it's a matter for China, and Australia needs to be able to work with China irrespective of who is the leader of China, and irrespective of whether they have terms limits or not. That is a matter for them

We don't have term limits in this country. Terms limits are a feature of other democracies, such as America, but it's really their issue.

I make the observation that it's a change. It's a big deal, but we will work with China. We should work with China not matter what their system is.

HOST: What did you make of President Trump's comments last week in response to the issue around General Mattis, the Defense Secretary, describing China as proposing growing threats, and yet Mr Trump was very keen to point out that he has a very good relationship with Xi Jinping. It's quite a paradox right now within the US on that front.

MARLES: Firstly, I think the world feels safer from where we sit here when China and America have a good relationship, so the American President is talking up that fact that he's got a good relationship with the Chinese President I actually think is a good thing and so I take heart from that, and in our diplomacy, our diplomacy, if you like, within the alliance, I think we should always be encouraging America to do everything they can to build their relationship with China, which is why I also think it's

very important from our point of view, within the context of the alliance, that we think to build our relationship with China as well.

I mean, China is a growing power. That's completely legitimate. It's something that by and large we should be embracing. It does present challenges, and the South China Sea is an example of that and I think we need to deal with those challenges as we go down that path.

HOST: Mr Marles, thanks for your time. Appreciate it.

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