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**E&OE TRANSCRIPT  
RADIO INTERVIEW  
RN DRIVE  
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**SUBJECTS:** *Labor's dividend imputation reform; Batman byelection; Adani coal mine; Land 400; Russia*

**HOST:** Labor has provoked a political brawl over its plan to scrap the tax refund investors can claim from earning on their share dividends. The Government says reform will affect some pensioners and low- and middle-income earners. Here's the Prime Minister:

**MALCOLM TURNBULL [CLIP]:** Bill Shorten is robbing pensioners and self-funded retirees of tax refunds. He's effectively taxing them twice. He is hitting people on lower and middle incomes. This latest tax grab is not going to affect the very rich at all.

**HOST:** For more on this, as well of the revolving door at the White House, Richard Marles is the Shadow Defence Minister and joins us tonight. Welcome to the program.

**RICHARD MARLES, SHADOW DEFENCE MINISTER:** Good evening, Patricia. How are you?

**HOST:** Good. Why design a policy which puts a dent in people's pension? These aren't just wealthy people. There are many pensioners who are not wealthy who will be hit by this.

**MARLES:** Well, it's not that many, to be frank, and if you look at where the impact of this policy is skewed it's very much towards the top end, which is why we're pursuing it.

I mean the biggest impact is in self-funded retirement schemes. It's the top 10 percent of those schemes, the wealthiest 10 percent of those schemes, which have used 50 percent of this tax, or cash credit, really, which comes through the tax system which we're seeking to abolish.

Obviously the reason we're doing that, and you have the quote from Bill Shorten earlier, is that it enables us room to deliver policies which are more directed at the lower end of the socioeconomic spectrum.

**HOST:** You haven't told us what those policies will be. You say the policy will save the budget \$11.4 billion over the forward estimates. Will Labor use some of that revenue to fund personal tax cuts before the next election?

**MARLES:** Well, I'm not about to go through that now. and you know there's a long time between now and the election and we'll be rolling out policies between now and then.

I'd make this point: we've been as policy big at this point in the electoral cycle is probably any opposition has been. There are policies that we've announced up until this point in time which are absolutely directed at the at the lower end of the socioeconomic spectrum, and the best example of that is unfreezing the Medicare rebate. All of this enables room to do that in a way which is very different to the policy which is being put forward by the Government.

**HOST:** There's another story that's circulating today out of the seat of Batman where how-to-vote card basically, or some information, was printed under a section called Macedonian but it was actually the Greek language. It certainly hit Labor in the last days of the Batman byelection. You're a Victorian MP - how embarrassing is that?

**MARLES:** Well, look, I'm not aware of the specific details of that, but these sorts of issues around how-to-vote cards come up from time to time. I don't think it's going to be the issue which determines the outcome of the Batman byelection.

At the end of the day, I think if you are an elector in Batman it is very clear where your interests lie, and that is having a Labor government and also having a party of government - a party which is actually interested in putting in place policies which are going to make a difference in your life, and that's very different to what's being offered by the Greens.

**HOST:** Bill Shorten has been playing down the chances of a victory in Batman. How do you see it?

**MARLES:** I think it's a tight race. I mean, we all know it was tight last time, so that's the starting point. I think in the context of a byelection that probably ample amplifies the votes of non-major parties, so if the Greens were ever going to have a crack at it it's now. So, I think where we're in a tough fight.

That said, you know, I think we've got a really good candidate in Ged Kearney and, you know, there's hope. I think she's done a great job during the weeks of the campaign, and we're not going to leave anything in the locker here. We're going forward trying to win.

**HOST:** CFMEU Queensland President Stephen Smyth says that Bill Shorten's skepticism over Adani in the lead up to the Batman byelection could jeopardize seats in Queensland at the federal election. Is he right?

**MARLES:** No. Firstly, Bill Shorten has been up in Queensland in recent times going through the various policies that we are developing and we'll bring out in relation to jobs in Queensland, and to think that the Queensland economy, even the economy around Townsville, is wholly dependent upon whether Adani goes ahead or not is just getting it wrong. I mean these are a part of the world which has a vibrant economy. Defence, for example, is a very big part of that world, and so we'll be

working very hard on making sure that we have an offering to that part of the world which goes to their job security and their economic prosperity.

**HOST:** So you acknowledge that you haven't been providing an offering while Bill Shorten has been bashing Adani, so you must provide an alternative?

**MARLES:** No, I'm not saying that at all. All I'm really saying is that the premise of those sort of comments is about the North Queensland economy is dependent on one thing and that's Adani, and that's obviously wrong.

At the end of the day Adani is only going to go ahead if it stacks up economically. We've seen the global market for thermal coal collapse, and so in the absence of a government subsidy it makes it hard to see how Adani does go forward, and we have again made it very clear, as the Queensland Government made clear when it went to an election recently, that it's not appropriate to be putting public money into this. So, that's our position and that's been our position consistently and we feel confident about that position in North Queensland, as we do in maintaining that position in the suburbs of Melbourne.

**HOST:** The Government announced today that the German company Rheinmetall has won the tender to build the new fleet of combat reconnaissance vehicles for the ADF. The contract is worth \$5.2 billion. It's going to create 1,500 jobs, but they'll be built in Queensland. Was that the right location?

**MARLES:** Well, the starting point is Rheinmetall is a great company and the Boxer vehicle, which is the capability that they'll be providing to the Australian Army, I'm sure will be a very good product. I might say you could say that, and I would say that, in relation to the BAE bid as well, which was based in Victoria.

I think it is very regretful that the Federal Government allowed this to become in some respects a political contest between two States, and I also think it's incumbent now on the Government to make clear that considerations of electoral politics, ie, marginal seats, had nothing to do with this decision. The reason why I say that is because the form of this Government in terms of defence procurement since 2013 has not been flash when it comes to the question of political considerations having a bearing.

**HOST:** You might say that but, Marcus Hellyer is a senior analyst at the Australian Strategic Policy Institute, and he says the discussion about military contracts has been unhelpfully hijacked by State-level parochialism.

**MARLES:** I agree.

**HOST:** Gary Wheeler from Australia's largest defense contractor says interstate rivalry for defense industry is hysterical if not destructive. So, are the States-

**MARLES:** -I agree with that, too.

**HOST:** -to blame for the politicization of national security?

**MARLES:** No, I think the environment that the Federal Government has created is really unhelpful. I mean, I agree with both of those comments, and-

**HOST:** -But are the States part of that, because if you listen to the Premier, Daniel Andrews, that's the Victorian Premier, to be clear, I mean he's had a complete blast at the Government. He also wants to ensure it stays in Victoria and that's also for parochial reasons, isn't it?

**MARLES:** At the end of the day you can hardly blame a State for sticking up for its State, but the level of government here which is responsible for creating an environment where it's not State against State is the Federal Government. So, that we find ourselves in this situation - and I essentially agree with the observations that you've quoted - is a function of the Federal Government.

I mean, I'm not going to blame the State for the going out there for its own interests. That's what State governments do, but the Federal Government is responsible for how this is being managed.

The point I was going to make earlier is that we watched, with the submarine procurement, it be tossed around the Government party room in the course of a leadership challenge. By some measures this is the single biggest procurement in Australian history. I mean, the Government at times has been reckless in the way in which it has imbued really significant decisions for our defence forces, for our national interests, with pretty seedy political motives.

It's against that background that I think workers around Australia, I do think workers in Victoria, would want to know that the only considerations in the decision around Land 400 have been around the capability and which bid was the better.

**HOST:** On the diplomatic row between London and Moscow, should the international community, including Australia, join further sanctions against Russia if the UK heads down that path?

**MARLES:** I think there is still a little to wait and see here, but I do note what the British Prime Minister has said, so Britain is saying that they think it is highly likely that Russia has been a part of this event. They're also noting that the nerve agent was a military grade agent that's been developed in Russia. If it does transpire that Russia is involved, well obviously this is a breach of sovereignty, Britain's sovereignty, here and quite apart from that it's the use of a chemical weapon that we would all abhor, so it may well be that that's where we go and we would agree with the Government's support for the UN Security Council having a look at this this issue. I think it is a very concerning incident indeed, and you know, I'm not privy to what the British Prime Minister has in front of her, but given what she said I think this is a really concerning development.

**HOST:** Richard Marles, thank you so much for your time tonight.

**MARLES:** It's a pleasure, Patricia.

**ENDS**