



**THE HON RICHARD MARLES MP
SHADOW MINISTER FOR DEFENCE
MEMBER FOR CORIO**

**E&OE TRANSCRIPT
SKY NEWS LIVE
PYNE & MARLES
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SUBJECTS: France; space; Labor's plan for a fairer tax cut; Huawei; Royal Commission into Institutional Responses to Child Sexual Abuse; Singapore summit; weekend of sport

CHRISTOPHER PYNE: Good afternoon and welcome to *Pyne & Marles* here on Sky News Live. It's Friday, 15 June 2018 at one o'clock Australian Eastern Standard Time. Sorry for the technical difficulties that caused us to start a little bit late. No doubt you've been waiting with bated breath. I'm Christopher Pyne in Adelaide, and my co-presenter is Richard Marles and he's in Geelong. Good afternoon, Richard.

RICHARD MARLES: Good afternoon Christopher and you've had a big week in the northern hemisphere – Paris, I believe. What took you there?

PYNE: Yes, I was 42 hours in the plane, 41 hours on the ground, to go to the Eurosatory trade expo for land and air land military equipment and platforms, where Australia presented for the first time. 40 Australian companies went to the Team Defence Australia stand for the first time ever, testament to the Government's focus on defence export strategy, where we're doing very well. Obviously had a great meeting with Florence Parly, the French Defence Minister, to talk about the submarines program making great progress, and back on Wednesday after leaving on Saturday night, so a whirlwind trip but good for Australia. You've been talking about space, which is a place where you might end up if you're not careful.

MARLES: I'm not sure what leads to that comment! Actually there's a space conference going on in Canberra yesterday and today hosted by the Australian Strategic Policy Institute, and it really comes on the back of there being for the first time in Australia a bipartisan commitment to the establishment of a space agency. The Australian Space Agency will commence from 1 July, in a few weeks' time with Megan Clark, the former director of the CSIRO as its inaugural CEO.

PYNE: It's a great thing

MARLES: It's a great thing and this is a huge, I think it's a \$420 billion global industry, but right now we only get about a 0.8 per cent share of that, so hopefully this is a means by which we have a much bigger industry footprint in relation to space.

I also think that, hopefully, space becomes, and our exploration and our involvement space becomes, something of an inspiration for more kids to study science, which was the topic of my speech yesterday.

We should get on with the program because it's been a big week last week, and of course we're coming into the final sitting fortnight before the winter break, and that's our first topic, which is the next week's sittings and competing tax plans, so we'll be talking about that. During the course of this week there's been a lot going on in the national security realm: foreign interference laws; our national security agencies have been raising concerns about Huawei participating in the rollout of the next 5G network; and the Solomon Islands Prime Minister was in town and the Government has announced that it will be building the underwater cable between Australia and Solomon Islands, rather than that being done by Huawei, so we'll be talking about all of that. And on Wednesday the Government announced its response to the recommendations of the Royal Commission into institutionalised child abuse. We'll be talking about that as well. Our guest today is Sam Roggeveen, and of course that comes off the back of the summit of the century which occurred on Tuesday between Kim Jong-un and Donald Trump. We'll be talking about that as well.

Let's start with a preview of next week in Parliament: competing tax propositions before the Senate. Have a look at this.

MATHIAS CORMANN [CLIP]: We call on the Senate next week to vote in support of income tax relief for hard-working Australians.

BILL SHORTEN [CLIP]: I don't think it's economically rational to give the big banks \$17 billion but apparently that's called 'trickle down economics'. That's Mr Turnbull's whole plan.

CORMANN [CLIP]: Labor continues to stand in the way of us legislating a globally more competitive business tax rate.

SHORTEN [CLIP]: I think it is a chance for Australians to send a message. Do they want the big corporate tax cuts, or do they want the cuts to hospitals?

MARLES: Christopher, next week we will be also discussing the competing personal income tax propositions. Now, we've made it clear we don't really like the back end of your personal income tax plan and you've made it clear that you don't support what we're proposing in relation to income tax, but it seems to me that there is one thing that we could do straight away and that is legislate the first phase of your income tax plan which would see people get a tax cut from 1 July, in just a couple of weeks' time. Given that we've got differences elsewhere, why don't we get on with that part of the proposal which we can all agree on and actually deliver a tax cut on 1 July?

PYNE: Well, Richard, I'm pretty sure that's going to happen with or without Labor support. Wouldn't surprise me if Labor votes against personal income tax cuts. They've never been in favor of them.

MARLES: We've already done it.

PYNE: There's a joke going around at the moment, of course, that the one thing that Bill Shorten and Donald Trump have in common is they both want to grow investment, jobs, and wages growth in the United States. So, Bill Shorten is facing the situation where he's opposing company tax cuts which would help our economy.

We have the foreign interference laws to deal with this week. The first tranche of which Labour says they support, the second tranche of which they say that they don't support, and then of course there is the personal income tax cuts. We're offering \$140 billion. You think we should offer \$70 billion and you think that's a better deal for consumers.

The real issue is Bill Shorten is really struggling at the moment, Richard. Is he in that leadership death spiral that becomes all so familiar at this time of the year? It is quite clear that our friend Anthony Albanese is campaigning all over Australia, so when is Bill Shorten going to wake up and smell the coffee and realize that he has to change tack?

MARLES: A nice try. This is not about any of that, I can assure you that Bill Shorten is doing just fine and we are really looking forward to those by-elections-

PYNE: -You are the only person who thinks so.

MARLES: -and we're really looking to a general election at some point in the next 12 months, but next week the issue is going to be personal income tax, and we put up a proposal which would see-

PYNE: -No it isn't.

MARLES: -people earning less than \$125,000 get a much bigger tax cut than what you've suggested, and you've already voted against that in the House of Representatives and I dare say you'll be voting against that again in the Senate next week, but we could all get on with one simple tax cut from 1 July. We actually do agree on the first stage of your plan. Why aren't we just doing that? Why don't you just separate that bit which we can agree on? We can have-

PYNE: -So you're trying to sell to the Australian public that a \$70 billion tax cut is better than \$140 billion tax cut. That's seriously what you're trying to sell.

MARLES: I'm trying to be practical-

PYNE: -That is bizarre. The Australian public know-

MARLES: -We've got differences-

PYNE: -The Australian public know that \$140 billion is worth more to them than \$70 billion. They know that if you reduce company taxes you get more growth, more wages growth, more investments.

MARLES: That's all just politics, Christopher. We can agree on something-

PYNE: -Bill Shorten used to say so. Time to move on. You're in desperate straits. I hope your friend Bill manages to get to the end of the year.

The second subject for the day, of course, is it's been quite a flurry of activity this week about foreign interference laws and the plans that the Government has in the next fortnight to tighten those sort of issues up. Let's have a look at how that unfolded.

MALCOLM TURNBULL [CLIP]: We've agreed to jointly fund the construction of a domestic telecommunications cable in Solomon Islands.

JOURNALIST [CLIP]: Can you go into the concerns you had over Huawei?

TURNBULL [CLIP]: You're asking about a company called Huawei. I'm not going to comment on security matters.

HOST [CLIP]: Reports Huawei will be blocked from any building of the 5G Network?

RICHARD MARLES [CLIP]: National security clearly matters. This is a fundamental piece of infrastructure

JOHN LORD [CLIP]: In Australia we look at the local laws and we obey them.

HOST [CLIP]: In your view, Huawei does follow Australian law?

CHRISTIAN PORTER [CLIP]: Well I'm sure that all companies in Australia undertake their absolute best endeavours to obey Australian laws.

PYNE: Richard, I find this story hard to fathom, why the media is so breathless about what seems to me is the normal process of government. The Government announces that we're going to support the Solomon Islands and their telecommunications because they need it. Part of the foreign aid budget. The only story the media can take out of that is a story around Huawei when actually it's a story around supporting the Solomon Islands, extending Australia's role in the South Pacific, yet the media seem very focused on the foreign interference legislation rather than the aid budget. That's the way I see it. How do you see it?

MARLES: Well, firstly it is a good thing that the Federal Government is going to be funding the underwater cable between Australia and Solomon Islands, so let me say that upfront.

I think what's driven this is that last year we had the then-Prime Minister of Solomon Islands, Manasseh Sogavare, coming here actually advocating for Huawei to be

allowed to build an underwater cable between Solomon Islands and Australia. I think there were national security concerns raised by our agencies and it's really important that we're listening to them and that echoes, in a sense, the concerns that have been raised by them in relation to Huawei's participation in the roll out of the 5G network, as it did previously when Huawei was looking to participate in the rollout of the NBN. We obviously need to listen to our national security agencies, so I actually think the Government has done the right thing in stepping in and making sure that Australia is funding this cable.

I guess the only point I'd make is we are the partner in this particular project now. It would be nice if we were the natural partner of choice from the outset of all of this.

PYNE: The Government will get on with its normal processes of ensuring our national security is protected, and the security of the Solomon Islands, for that matter. We're introducing foreign interference laws. We're introducing a national transparency register. People go through the normal processes to ensure that they comply with that, as well Huawei. We need to have a very agnostic view about the countries from which these kind of companies come from and simply focus on their activities, and I think Labor and Liberal agree on both of those things - but we need to move on and I think the next topic is yours.

MARLES: Yes that's right, and look I agree with that, that last point that you made, and we need to be listening to our national security agencies on these matters.

On Wednesday we saw the Government announce its response to the recommendations of the Royal Commission into institutionalised child sexual abuse. Have a look at this.

MALCOLM TURNBULL [CLIP]: I will deliver a national apology.

BILL SHORTEN [CLIP]: I would like Mr Turnbull to offer Julia Gillard a role in this very important day.

TURNBULL [CLIP]: If you see a child being abused or you believe a child is being abused, don't turn a blind eye.

SHORTEN [CLIP]: The last thing they need is some know-it-all whitefella to come in paternalistic as has been happening for 200 years and say 'we'll just fix it all for you'.

TURNBULL [CLIP]: To suggest that the Federal Government lacks empathy or concern for children in the Northern Territory is absolutely false.

MARLES: Well, we saw there events play out in the Northern Territory, but the announcement of the Government's response to the recommendations of the Royal Commission really is a very significant moment in this journey. It follows on from the redress scheme being agreed by the Commonwealth and the States and making its way through the Parliament, as it did in the House of Representatives in the last sitting week and it will be, I assume, in the Senate in the next parliamentary fortnight. This is a really big moment and whilst, Christopher, we do have some concerns about how the redress scheme has been put in place, I wouldn't want to be too shrill

about that now. The fact that this scheme has been achieved is enormous credit to a succession of governments and ministers, and I'd acknowledge Jenny Macklin and I'd acknowledge Dan Tehan in bringing this to its finality. This is the centrepiece of what the Royal Commission recommended and it is a huge moment that this is going to occur on 1 July. I think the other person I'd like to mention is Leonie Sheedy who is the driving force behind the Care Leavers of Australia Network, people who grew up in orphanages, and this is an enormous achievement for her as well.

PYNE: Well, Richard, it was great to see that political cage fighter Jenny Macklin actually praising the Government this week about the national redress scheme, and yesterday the Prime Minister, Dan Tehan and and Christian Porter announced the rest of their response to the recommendations: a National Child Safety Office, of course the redress scheme, and a national apology on 22 October.

This has been a good outcome obviously for the victims of child sexual abuse. It's been a long time coming. It will never solve all of the issues that they have had inflicted upon them, but at least it goes some way to acknowledging that we believe their stories, that the national government believes their stories, and that we can hopefully assuage some of their unhappiness.

MARLES: Well, we've come to the break. Join us afterwards when we will be talking to Sam Roggeveen from the Lowy Institute about the summit of the century.

[AD BREAK]

PYNE: Welcome back to *Pyne & Marles* here on Sky News Live. It's our great pleasure this afternoon to be talking about what's been a big issue, one of the great issues of the last few years, and for the next several decades if it has an impact as we hope it will, which was the summit between Kim Jong-un of North Korea and President Trump of the United States. Our guest today is Sam Roggeveen from the Lowy Institute, currently at the ANU. Welcome to the show, Sam.

SAM ROGGEVEEN: Thank you very much. Pleasure to be with you.

PYNE: So, there's been a lot of hype about this summit in Singapore. What's your take out on the outcomes of the summit?

ROGGEVEEN: I think if you look at it purely as a summit that's devoted to reducing North Korea's nuclear weapons capabilities then it was probably a bit of a fizzer, and in fact a lot of the arms control people, a lot of the nuclear weapons specialists out there commenting on this, have been pointing out that in fact the statement that came out of the summit was probably a little softer and a little less substantive than what the United States has achieved previously, for instance, in 1994 with the so-called agreed framework under President Bill Clinton.

But maybe this wasn't just a summit about nuclear weapons. Maybe this was a nuclear weapons summit in disguise, and it was really all about US-North Korea relations and the first attempt by the Americans to sort of bring North Korea in from the cold, and in that respect the location of the summit was really important, the fact that it was in a really well-developed, rich, small nation: Singapore. Maybe we'll look

back on this, if that second interpretation is right, maybe we'll look back on this summit and say that the discussions between Trump and Kim themselves were less important than the tour that Kim did of Singapore the evening before, when he saw with his own eyes what a rich, developed Asian nation looks like.

MARLES: That's an interesting take, Sam, and in a sense an optimistic one, and I agree I think the optimism here lies in the hope of North Korea coming in from the cold, but ultimately the bottom line for all of us has to be the denuclearization of North Korea and maintaining maximum pressure there, I would have thought, is critical to achieving that result. What was your take about President Trump's announcement that joint exercises with South Korea would not continue?

ROGGEVEEN: Look, my sense of that is that it reinforces something that Trump has been about really for his entire public life, which is that he has been extremely skeptical about America's alliance network. He's been anti NATO in the past. He's been skeptical of the US alliance with Japan, to some extent with Korea. Interestingly, Australia tends to get off scot free in this assessment. He's never really gone out of his way to rubbish the alliance with Australia and as President has been relatively supportive.

But generally, in as much as Trump has a world view, a big part of it is that he's very skeptical about alliances, so he sees the South Korean alliance as being a bargaining chip in this negotiation and this is one way that he can show goodwill in the negotiations because ultimately I think he regards that alliance as a huge burden to the United States. The fact that the United States has lots of troops, about 28,500 troops, in South Korea I think is something he sees in the long-term as being unsustainable and something he would like to change. In fact, he has said as much in the press conference after the summit, so I see that announcement about the joint exercises as just one small signal that Trump sees the alliance as a bargaining chip in a larger effort to a) get rid of the nuclear weapons, and also b) bring North Korea in from the cold.

PYNE: It's obviously significant, Sam, that the dialogue happened at all. I think that's a very good point that you make, and there'll be a lot more to come I think and I hope in discussions. Does it frustrate you as an expert on foreign policy that the media are now completely obsessed about President Trump accepting a salute from a North Korean soldier rather than the actual substance of the issues that happened in Singapore?

ROGGEVEEN: Well, look if I allowed know media focus on triviality to frustrate me then I think I'd be in a constant state of frustration. Part of the genius of Trump, if we can call it that, is that he manages to keep his political opponents in a constant state of frenzy through stunts like this. In fact, in this case with the salute I'm sure it was inadvertent and just thoughtless. In fact, he was saluted first, I believe, by the North Korean general and so slightly thoughtlessly he returned the gesture.

But Trump does have a genius for keeping his opponents constantly off balance just through stunts, and this is another one where really if you wanted to make a case against Trump you're better off ignoring this and focusing a bit more on what he does and a bit less on what he says.

MARLES: Well, look it will be very interesting watching in terms of this relationship going forward and it was an amazing set of pictures on Tuesday. Sam, thank you very much for joining us to give us your insights and we look forward to speaking to you again.

ROGGEVEEN: Thank you both.

MARLES: And that brings us to the question of the week, which is inspired by perhaps the biggest night of sport that we are going to see on Saturday night. We've got typical AFL and NRL matches, but in addition to that we've got the World Cup, the one day international cricket from England, the Wallabies are playing Ireland, so amidst that smorgasbord of sport, Christopher, what are you going to be watching?

PYNE: Well, Richard, my team, the Adelaide Crows, as you know, have been racked with injury for this season. They're at 6 out of 12. Tomorrow night I know I should be watching the Socceroos or somebody else, but honestly I'll be mesmerised by the Hawthorn-Adelaide game at the MCG where I'll be strongly barracking for the Crows to keep their season alive.

MARLES: Well I wish you the best of luck with that, and I'm going to be going to bed early. I won't be watching any of it so I can get up early on Saturday morning to watch the US Open and see Mark Leishman win that.

We've run out of time. Christopher, great to speak to you again today and we look forward, viewers, to seeing you again next Friday on *Pyne & Marles* on Sky News. We'll see you then.

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Authorised by Noah Carroll ALP Canberra