



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

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SUBJECTS: Newspoll; by-elections; Israel; defence spending; South China Sea

HOST: Joining me tonight to delve into these issues and more is Shadow Defence Minister Richard Marles. Thanks for your time, Richard, coming to me from my old beautiful hometown of Geelong. Great to see that, Geelong there in the background.

I want to get into it straight off the bat in relation to Newspoll, there'd be many in the Labor Party pleased that the continuing trend is your way, two years now, 36 Newspolls in a row that will say the Labor Party will win the next election, but your leader who's been there now for five years, people have had a good look at him and his numbers are only getting worse. Is Bill Shorten safe as leader?

RICHARD MARLES, SHADOW MINISTER FOR DEFENCE: Of course he's safe as leader. We don't define ourselves by reference to the polls. Malcolm

Turnbull did that. Our focus is on making sure that we are presenting the best policy, the best possible option as an alternative government to the Australian people, both in the context obviously of the by-elections coming up in a couple of weeks but more generally in terms of the election that we see in the next 12 months. We know that ultimately we're going to be judged on our efforts in terms of developing that policy Newspolls happen every fortnight. They come and they go.

HOST: But Richard, I was there in the Parliament, you know, let's not forget, when you rolled two prime ministers on the back of a poll, so you might be telling me now that you don't notice of the polls. I've watched you take notice of the polls. I watched Kevin Rudd go out the back door and when things got tough for Julia Gillard, pretty much these sort of numbers that Malcolm Turnbull had, in fact Malcolm Turnbull has now surpassed Julia Gillard's a record for Newspoll losses, she got rolled and Kevin

was brought back. You know politicians and staff, you know and I know, do take notice of polls.

You've got big tests coming up with these by-elections. I think the most critical test is Longman. I said before to Sharri Markson that if the Government cannot win back then from the Labor Party then the Government cannot win the next election. Similarly, if Bill Shorten was to lose Longman and let's say Braddon, either of those losses are a first-time-in-90-years-loss for an opposition leader. He'll take some bark.

MARLES: Well, look the by-elections are important. We're putting every effort that we can into them and we feel confident about the outcome. Every election is important in that sense, so you know we don't hide from that.

Polls are, you're right, they're a tool, and sure, you go around Parliament House on a Newspoll day and you do find the odd newspaper open to that page, but I think it's important to understand the tool. If you start governing by reference to polls, if you start operating by reference to polls, that's a real mistake. It's what I said: of course you look at polls but we don't define ourselves by them, and Newspolls do happen every two weeks. They do go up and down and they're a tool. They're a useful tool. They give you some idea, but it's not the main game and the main game is actually about producing policy and presenting, as an opposition, yourself as an alternative government. We're really clear that that's how we're going to be judged and that's what we're focused upon doing.

HOST: OK, well, then on the policy judgment, today there's talk that another backflip in relation to private health insurance. I give Labor credit for some of the fiscal policy you've got, some of the economic policy. I don't agree with all of it but I think it's well-thought through and the numbers are holding up quite considerable scrutiny. Not so with this private health insurance proposed 10 per cent PHI cap, not so with recent changes in relation to company tax on small business. Why are these policies not so well thought through.

MARLES: I think they are well thought through. You know, you're allowed to calibrate things and you're allowed to listen and refine policies. The essential thrust of what we've done with the company tax cut and the dividend imputation remains the same. The essential thrust of what we're doing with the private health insurance cap also remains the same. Doing same calibrating on those policies as we as we move down the road I think is prudent and that's all you're seeing here. It's actually [AUDIO BREAK]

HOST: Right, let's get to some defence issues. You've just been in Israel for a strategic dialogue between a range of other countries, politicians, and of course the Israelis. You're one of the few in the ALP that doesn't have an anti-Israeli bent. Congratulations to you on that. I know you're well-regarded-

MARLES: -I think you're overstating that-

HOST: -Well, come on. I mean, NSW at the moment, I know exactly what the NSW Labor Party think of Israel and Palestine and many other disputes, but you are well-

regarded by the Israelis. What do you think Australia can learn from their defence and strategic security issues?

MARLES: Well, I feel I do need to just respond to the intro because our policy has been the same for a long time, and that's supporting a two-state solution between the Palestinians and Israel, and part of that is absolutely about acknowledging the existence of Israel, so-

HOST: -Yeah, but unilateral recognition of Palestine is on the table with the NSW Labor Party and it will turn up in your conference which has been postponed until the end of the year.

MARLES: It's not the policy of the Labor Party.

HOST: Well, not yet. You tell me: is it going? It was slated to go to your conference when the conference was in July. Your conference has now been moved. Are you telling me that there will not be a motion about unilateral recognition of the state of Palestine, so-called, at your conference at the end of the year?

MARLES: All I'm saying to you, Peta, is we've had settled policy on this for a very long period of time and it remains settled at the NSW Conference and did so in the last couple of weeks. It's really the only point I'm making in relation to your comment that I'm one of a few, because I think there are plenty of us who see how important Israel as a state is.

HOST: Alright, let's get into it. So what do you think Australia could learn?

MARLES: You know, look, I think there is a lot we can learn right now. There is a lot of discussion in this country around the establishment of a defence industry. You know I support that, but I do feel that at times the rationale for this hasn't been particularly well thought through, certainly hasn't been articulated. I actually think there is a job to be done in this country in terms of not just convincing both sides of politics but convincing the bureaucracy and convincing the ADF about how important it is to develop a defence industry in this country. When you go to Israel you get a real sense of what a defence industry actually looks like. Firstly it's exporting, but secondly you're talking about, in companies like Rafael, Elbit, IAI, companies that are extremely high-tech, employing thousands of scientists - you know, something that as the co-convenor of the Parliamentary Friends of Science absolutely warms my heart. It's a climbing up of the technological ladder that we really have to do in this country and there is a lot to be learned from Israel on that perspective.

The other point perhaps to make about it is when you speak to Israelis about the, you know, the remarkable start-up nation that Israel is, their innovation achievements, they will all talk about the fact of how important defence industry has been in founding that, so, you know, as we want to climb the technological ladder, as we want to do innovation better and see greater entrepreneurship around start ups, you know I think there's a lot for us to learn from Israel.

HOST: I take your point about defence industry and the way in which it's developed under the Coalition. There is a lot of criticism particularly now that Christopher Pyne is in that position as the Industry Minister that too much of the contract work has

gone to the state of South Australia. There is an argument out there that there's a bit of pork barrelling by the Liberal Party into South Australia. Do you think that's fair?

MARLES: Well, I think what's really important is that contracts by government are not based on electoral issues, because really it has to be based on the national interest and we've got to be making decisions which see the whole nation benefit from it. Now, I've got no doubt that the submarines, the frigates, are going to be built in South Australia in a fantastic way and indeed I think it's also important to note that in the building of those or the ongoing nature of those programs you'll see a whole lot of work performed around Australia in support of them, but it's really important that electoral politics, that sort of regional electoral politics, doesn't form part of the way in which government programs are decided.

HOST: OK, let's look back at last week's NATO meeting. President Trump berated the NATO leaders for not spending anywhere near enough on their collective defence. The United States spends the vast bulk, puts in the vast bulk of the NATO budget. I might quibble with his megaphone diplomacy. I think these are the conversations that need to be had inside the room rather than outside the room, but I think he's right in the sense that so many US presidents have attempted to raise this issue and got nowhere. Australia made a commitment under the former prime minister to lift our spending in defence spending 2 per cent of GDP. That's the target which Trump was pushing last week. Does the Labor Party hold to that 2 per cent of GDP budget if they were elected?

MARLES: Yes. There's a very clear answer to that. We see that achieving a 2 per cent spend in defence is really important for our national security. It's important in terms of the context of our relationships with countries around the world and with our alliance with the United States. We need to be pulling our weight in the context of those relationships.

I think what's probably important to observe is that in a more volatile world you need more defence rather than less, and that's what we're doing in terms of growing the defence budget, and we certainly do live in a more volatile world.

I guess I'd also say in response to your comments about America's asking of countries around the world to lift their spending that it is reasonable to be asking countries to be paying their way, and Australia actually stands in good stead in relation to that. It's also really important, I mean, the alliance with the United States is fundamental to Australia, but also are the United States' alliances with countries around the world, with Japan and South Korea, and with NATO. It's really important that America remains engaged in NATO in Europe. I don't think the European Union is a foe. These are liberal democracies and at the end of the day that matters, and I think it's very important that America remains a part of that.

HOST: Some time ago you floated the idea that Australia should be doing its own freedom of navigation exercises in the South China Sea. The Government hasn't taken up that initiative. I think other countries, behind closed doors, the US in particular, are probably encouraging Australia to do that. Do you think it should be back on the table?

MARLES: Well, I think in principle all options should be on the table. It's hard from opposition to determine exactly when and how a freedom of navigation operation should take place or what steps should be taken, because you know we don't have that information in front of us, but as a matter of principle - and we can certainly answer things in those terms - I think it's important that all of these measures are on the table and that's because the South China Sea is fundamental to our national interest. Most of our trade goes through the South China Sea. The UN Convention on the Law of the Sea is fundamental therefore to our national interests and it's fundamental to our national interests in the South China Sea, and so freedom of navigation is really critical and critical in asserting the UN Convention on the Law of the Sea.

The artificial islands which China have been involved in constructing have been found by the International Court of Arbitration to be in contravention of the UN Convention on the Law of the Sea. That means something, so I think it is important that we are continuing to be a nation which asserts the UN Convention on the Law of the Sea globally, but in the South China Sea because it's fundamental to our national interest.

HOST: Richard Marles, thank you for your forthright comments, and you know as I've always said you're one of the better briefed of the frontbench on both sides, so thanks for your time tonight.

MARLES: It's a pleasure, Peta. Thank you.

Authorised by Noah Carroll, ALP, Canberra.

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