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**E&OE TRANSCRIPT  
SKY NEWS LIVE  
PYNE & MARLES  
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**SUBJECTS:** *AFL finals, Scott Morrison's disastrous first sitting week; Peter Dutton's ineligibility to be an MP; wage stagnation; Australia-US relationship; Mid Winter Ball*

**CHRISTOPHER PYNE:** Well good afternoon and welcome to *Pyne & Marles* here on Sky News Live. It's Friday, 14th September, at 1 o'clock Australian Eastern Standard Time. I'm Christopher Pyne and I'm here in Adelaide and my co-presenter Richard Marles is in Geelong. It's been a big week for the Government, Richard. We're back on track. How are you, what are you shaping up for on the weekend?

**RICHARD MARLES:** The humour as always, Christopher. We'll get into that obviously as well, but to be honest I'm feeling a little flat. My football team is not playing this weekend, your football team is not playing this weekend. I know we're both sports fans. A sportless weekend in September, I don't know what to do with myself.

**PYNE:** Well, Richard, I've got some news for you because you wrote a column about a month ago about people who tipped against their own team, and what a wicked, evil thing it was, and I actually won my family—

**MARLES:** -Don't tell me you did.

**PYNE:** No, but I won my family tipping competition—

**MARLES:** -Because you did that?

**PYNE:** I won by one game, and my son Felix and my whole family, turned against me because I tipped against the Crows in one week and I was right, and I said, "Well you've got to tip with your head, not your heart", but I read your column that I felt so bad, that I gave the winnings to my son who came second, so you had a big impact on my son.

**MARLES:** So you should have. That's an act of disloyalty.

**PYNE:** It was my own money, of course. I got to either keep my own money, or give my own money away, and I chose to give it, which a lot of my friends would be quite surprised about that, by the way, that I gave any money away, but I did give it to Felix, because he came second. Because of you! Thank you!

**MARLES:** There you go. Well, Felix deserves it. Giving our money to our children is really the state of parenthood.

**PYNE:** A daily occurrence.

**MARLES:** We should get on with the show because it has been a big week. Obviously, this has been the first sitting week since Scott Morrison has been the Prime Minister, so we're going to have a chat about how Scott went in the first week.

The front pages today, at least in the Fairfax media, is about Peter Dutton's potential referral to the High Court. We're going to talk about that.

And during the week, the employment figures came out. We'll have a chat about that as well.

This week has been September 11, and it's the 17th anniversary of that day, which changed the world, and so our interview today is with Jim Carouso, who is the Chargé D'Affaires of the United States here in Australia, and we actually pre-recorded that yesterday. We also talked to Jim about the life of Senator John McCain.

But the first topic is the first week, the first parliamentary week, of the Scott Morrison Prime Ministership. Have a look at this.

**SCOTT MORRISON [CLIP]:** The events of the past few weeks have been very difficult for us all. That's done. We have a mountain to climb together.

**MORRISON [CLIP]:** I came to this position of leadership not seeking it. Not seeking, not seeking it.

**TANYA PLIBERSEK [CLIP]:** Prime Minister considers the bullying exposed by Senators Gichuhi and Reynolds, the Member for Chisholm, the Minister for Women, the Member for Curtin – one quarter of the women in the Liberal party room - did not occur?

**MORRISON [CLIP]:** We will deal with whatever we have to deal with internally in our party.

**BILL SHORTEN [CLIP]:** Why Prime Minister Turnbull is no longer the Prime Minister of Australia?

**MORRISON [CLIP]:** Get over it! It's time for you to get over it.

**MICHAEL MCCORMACK [CLIP]:** You know, when you combine those sorts of things – ambition and Newspolls and the like, you know, opportunity - you know, people take those opportunities and we've got a new Prime Minister.

**MARLES:** Christopher, last week I asked you why the Prime Minister had changed and you said that that was really a question for others to answer. We've now had a week of Parliament. Do you think anybody has been able to provide an answer to that question?

**PYNE:** Well Richard, you know, lightning doesn't strike twice in the same place, so you're not going to get another answer out of me about that.

We've done that. We've dealt with it. We've moved on. The public have definitely have moved on.

**MARLES:** Have you dealt with it?

**PYNE:** We've definitely moved on. The public has moved on.

The Labor Party want to keep staying inside the Canberra bubble. The problem is for the Labor Party this week, you've really drunk deeply from the Canberra-bubble Kool-Aid. You're still talking about internal things happening in Canberra, to political parties, or people. We spent the week talking about drought, keeping Australia strong and growing the economy, keeping Australians together, providing essential services. That's what the Australian people want to talk about and that's why we're going to win the next election: because we're focused on the things that people care about and Labor's just focused on trying to create as much mayhem as possible.

**MARLES:** The problem with that answer is that there is a certain plunging of one's head into the sandpit there, because I think the Australian people are absolutely craving for an answer to the question as to why the Prime Ministership changed, and there's a total reluctance and an obstinance, really, to provide any kind of change of narrative, and I think unless you provide an answer to that very basic question, well beyond the Canberra-bubble, you are going to get absolutely punished.

**PYNE:** No, I don't think you're right about that. I think the Australian public are thoroughly sick of the last 10 years, starting with Labor and Kevin Rudd, and the constant instability of the Rudd-Gillard-Rudd Government. They want stability. They want a Government that's focused on them, dealing with the drought, providing essential services like education and health.

You didn't even ask a question this week about mental health. Your side didn't ask about national security or terrorism, despite it being the 17th anniversary of 9/11. Not one question about the economy or reducing tax for income earners or for small businesses. We're focused on those issues. Bill Shorten is focused on politics, and that's why remarkably this week, we saw the poll on Monday showing that even within two weeks Bill Shorten has fallen behind Scott Morrison as the preferred leader of the country. How could he be quite so unpopular?

**MARLES:** Well it's a dangerous game to start relying on polls, but you also know what the two party preferred result was, on that poll you're referring to.

**PYNE:** You rely on them all the time.

**MARLES:** But if you're referencing stability as what people want - and I agree with you, I think that's exactly what people want - is three prime ministers in five years a tenable proposition?

**PYNE:** Well, it's very unfortunate that we've changed the Prime Minister. We've been through that conversation. We've had it. But the Australian public expect the Government to get on with the job, and that's exactly what Scott Morrison has been doing. The ministers have been chosen. They're getting across their briefs. I'm obviously now Defence, having moved from Defence Industry, within the same general area. We're not letting the grass under our feet.

If Labor wants to keep focusing on the minutia inside the bubble, I think they'll be punished at the Wentworth by-election and the general election and I think Dave Sharma is a fantastic candidate that we've chosen for Wentworth. He's a rock star candidate. As a former Ambassador to Israel, I know him very well, and I think the people of Wentworth will warm very much to him. I certainly hope they do.

**MARLES:** Again the issue here is you were at war three weeks ago. It doesn't look like the war is over, and in that preselection we've seen the Prime Minister have his own candidate lose, but we should keep going, Christopher because the other, or another, big issue during the week was Peter Dutton's questions around visas being granted to au pairs, but then ultimately the question of whether or not he should be referred to the High Court, in terms of Section 44 issues. Have a look at this.

**PETER DUTTON [CLIP]:** What's this faux outrage about issuing visas for tourists.

**DUTTON [CLIP]:** It's clear to me that Roman Quadvlieg is your Godwin Grech. He was a man who had groomed a girl 30 years younger than himself.

**PRESENTER VOICE OVER 1 [CLIP]:** "furious, stuttering, rambling comments, he said. And grooming? Are you serious??"

**PRESENTER VOICE OVER 2 [CLIP]:** Given the uncertainty around Peter Dutton's eligibility, he should be referred to the High Court.

**SCOTT MORRISON [CLIP]:** I think people have had enough of the lawyer's picnics.

**ANTHONY ALBANESE [CLIP]:** I think it's about time that Peter Dutton himself stop being angry, stop making wild accusations, refer himself to the High Court.

**MARLES:** Christopher, are you 100 per cent sure that Peter Dutton doesn't have a Section 44 issue?

**PYNE:** Well Christian Porter absolutely nailed Mark Dreyfus this week. If you were so concerned about Peter Dutton and Section 44, why did you sit on your legal advice for four months? For four months! Apparently you didn't have the care for those four months. You only decided to bring it out, once again, to try and create maximum mayhem for the Government. Now, I think the public are thoroughly sick of it. We have the Solicitor-General's advice that shows that Peter Dutton does not have—

**MARLES:** -Which is inconclusive.

**PYNE:** No, it's quite conclusive.

**MARLES:** It's not.

**PYNE:** It says there is no eligibility issue. You've got half a dozen people on your own side who've got much bigger clouds hanging over them, than Peter Dutton. Do you really want to go through this again—

**MARLES:** -So there is a cloud over Peter Dutton?

**PYNE:** No he hasn't got one, but you've got people on your side that have a cloud hanging over your people. Now, Bill Shorten has done this once before. You ended up with five by-elections because Bill Shorten has said that there was a rolled gold guarantee that none of his members had a problem with their citizenship. One of them, Susan Lamb, had been sitting in the Parliament knowing she was a British citizen and had done nothing to get rid of her citizenship. Do you really want to go down this track again?

**MARLES:** But the Solicitor-General has given an inconclusive advice-

**PYNE:** -It was very conclusive.

**MARLES:** It's inconclusive, and by your own test, surely Peter Dutton should be referring himself.

**PYNE:** No, we're not playing these games with you anymore. Labor can play them all they like. You can sit in your cul-de-sac playing these games together, with each other. We're getting on with it.

And talking about getting on with it, this week was a great week for good news, economic news, which is what really matters, in the Australian economy. Let's see what that was.

**KELLY O'DWYER [CLIP]:** There are more Australians in work than ever before.

**BRENDAN O'CONNOR [CLIP]:** Quite frankly, the hubris of Prime Minister Morrison, Scott Morrison, to boast about the labour market when 1.8 million Australians are looking for more work or any work, is a little bit rich.

**O'DWYER [CLIP]:** The unemployment rate has remained steady over the month at 5.3%, the equal lowest rate recorded since August of 2012.

**O'CONNOR [CLIP]:** Profit growth is five times that of wage growth. Wage growth is at its lowest in a generation.

**PYNE:** Well Richard, the last five years has seen the Government completely turn around the wreckage that was left to us by the Labor Party under Wayne Swan, Rudd, Gillard, and Rudd, because we've now got 1,144,500 new jobs created in the last five years. The last month, August: 44,000, which must be almost a record, unemployment: 5.3 percent. Full time work up, more women in work than at any time

in Australia's history. Growth in the last two weeks is highest in the G7 countries. I mean, the economy is growing, the Government is making the economy grow and create jobs through good budgetary management, which means we can provide the essential services that we need to provide, and all Labor wants to talk about is issues that are inside the bubble. It must really shatter your confidence when you see this great economic news across the economy.

**MARLES:** Really, Christopher. I mean, firstly, that's a set of stats from inside the bubble. The stand out stat in the economy today is wage stagnation. Under the Abbott-Turnbull-Morrison Government, we have seen the lowest increase in wage growth in our nation's history, and that's what's defining the lived experience out there. For all that you've just said, when people are not having their wages go up, when prices go up and where we've got huge levels of underemployment, the reality is that people are hurting, so when you go out and tell this rosy story which doesn't reflect the lived experience, actually that's going to hurt you.

**PYNE:** Well that's why we have introduced income tax cuts in the last year and the year before that, and Labor's voted against income tax cuts.

**MARLES:** You're getting rid of penalty rates!

**PYNE:** If Labor gets elected, the people will be paying a lot more income tax and they know it because you want to rip \$70 billion out of people in more income taxes. You've got over \$200 billion worth of new taxes-

**MARLES:** -Income tax will be less under us!

**PYNE:** That's rubbish. We are helping wages by reducing income tax. You want to increase income tax again because you think people with \$100,000 are rich.

**MARLES:** That's just not true.

**PYNE:** it is true.

**MARLES:** If you are under 100, the income tax story under Labor is going to be much better than under the Liberal Party, and that's where the mean average wages actually exist-

**PYNE:** -We've run out of time.

**MARLES:** -We've run out of time, Christopher-

**PYNE:** Exactly. Thank God, because people don't want to hear that rubbish any more.

**MARLES:** You take us to the break!

**PYNE:** We're out of time on this segment. I look forward to seeing you after the break.

[AD BREAK]

**PYNE:** Welcome back to *Pyne & Marles* here on Sky News Live. Yesterday we had to opportunity to catch up with the Chargé D 'Affairs from the US Embassy, Jim Carouso, who is effectively the acting ambassador for the United States in Australia, because it was a momentous week. We had the 17th anniversary of the terrorist attack on the twin towers on September 11, and of course we lost one of Australia's allies and friends in Washington, John McCain. Let's have a look at how that unfolded yesterday.

[INTERVIEW PLAYS]

**PYNE:** Jim, welcome to the show. Thanks for joining us.

**JAMES CAROUSO:** Please.

**PYNE:** Where were you on September the 11th, 2001?

**CAROUSO:** Funnily enough I was here in Canberra. I'd just arrived for my posting here to help negotiate the free trade agreement. It was about ten at night. My boss calls me up and says, "Turn on the TV, you're not coming to work tomorrow", and there it was.

**MARLES:** So Jim, you're actually a New Yorker, so do you know people who were at the scene?

**CAROUSO:** Yeah, I worked on Wall Street before joining the Foreign Service in '95, so my first job in uni was working a summer at the Meryll Lynch Building, which is right across the street from the World Trade Center.

**PYNE:** So New York is such a big part of the United States story, almost every American must have a connection to people who were involved with September 11, and it really had such an impact on the rest of the world, but how do you think what happened on that day and the anniversary of course was this week, has changed America in the last 17 years?

**CAROUSO:** Well you know, its things as crazy as taking your shoes off when you go into an airplane, always having that nagging doubt on the back of your mind. It changed how all of us view our day-to-day lives. It's a real credit I think to all of us, and to our resilience, that we get on with it.

**MARLES:** Does it – I remember there was a sense in the aftermath, in the weeks after September 11 that the culture in New York changed, that as people were walking down the street, they were talking to each other, and there was a sense of camaraderie. Has that been maintained?

**CAROUSO:** Well not like it was in the immediate aftermath. Nothing can be like that for too long. People go back to sort of normalcy.

**MARLES:** But has the culture of New York been changed at all by the event in the long term?

**CAROUSO:** No, you know, New Yorkers are tough. They pride themselves on being

tough. Even that, the immediate reaction was, we'll get the bastards and we're going to show them that we're going to come back. If you go down there, in down town now, it's only more vibrant than it was because you have all this residential building that's going on. You have people going down there on purpose to show support for the region, for the area.

**PYNE:** And in the Western world, of course, it did unite the US and its allies in a way that had not been united, really, since the Second World War, and the impact of that of course has been the 16-year war, 17 years in Afghanistan. I said this week in Question Time in fact, there were 800,000 kids at school in Afghanistan in 2001, all were boys, now there are 8 million kids at school and 40 percent are girls, so that was an absolute tragedy on September the 11, but there has been some good out of it, and that uniting of the Western allies continues to this day. So that has changed, in a way, I think, over the last 17 years that perhaps wasn't there before September 11.

**CAROUSO:** You know, we Americans are very cognisant that Aussies were there with us every step of the way, that John Howard was with President Bush at the White House when all of this was going down.

**MARLES:** He was.

**CAROUSO:** And he invoked the ANZUS Treaty for the first time. So, that's known.

**MARLES:** And America's place in the world, 17 years on, it had profound as Christopher said, impacts in terms of American engagement in places like Afghanistan. We talk a lot today about 'what does America look like in terms of its role in the world, going forward?' How much of that do you think is shaped by September 11?

**CAROUSO:** You know, when the Berlin Wall fell, the Soviet Union fell apart in '89 we were clearly in a position where we thought things are going to go pretty well. We have the end of history, right, according to that book. This reminded us all that history has a different idea.

**PYNE:** Another big thing that happened this week, Jim, of course was the death of John McCain, one of Australia's greatest friends in Washington and one of the great Senators in the United States. That's been well recorded here as part of our last few days. How do you place the US-Australia relationship today? Do you think that John McCain's loss will have a marked impact on that relationship, and who are the people in Washington who are stepping into that role perhaps for the next couple of decades?

**CAROUSO:** You know, John McCain's history, as the son and grandson of admirals, whose father was based out in Perth during World War II, his history as someone who fought side by side with Aussie's in Vietnam, his profound understanding of the nature of the military relationship as a politician, as a political relationship, that's pretty hard to replace.

You guys saw him when he was here last May and you saw the profound feeling he had, so it's hard to replace that but as they say the graveyards are full of

indispensable men. Someone will come, and he let it be known to his colleagues in the Senate that he expects them to stand up to be the voice of the US Senate in favour of the US-Australia relationship. I think you're going to see that.

**MARLES:** In the aftermath of that phone call last year between Malcolm Turnbull and Donald Trump, of course John McCain came out and very much voiced his love for the alliance and for Australia and thanks to you Jim we - both Christopher and I - got to meet John McCain last May. I don't know how you felt-

**PYNE:** -It was terrific

**MARLES:** -but the moment he's in the room you know you're in the presence of a giant and he absolutely was a giant. The generosity of spirit that he displayed throughout his life to his foes, I guess, it really stands out, and it stood out in his funeral where eulogies were given by Barack Obama, George W Bush who he ran against in the Republican primary, and Joe Biden, a close friend. That kind of spirit of political dignity, that's alive in the US?

**CAROUSO:** You know, it shows from his funeral, as you pointed out, that people can come together when it really matters. I think it's an example for all our democracies, what we need to do, work together to solve the problems. I'm actually speaking tonight at the Young Australians in Foreign Affairs dinner, and that's what I'll talk about, that we all have to step up and take responsibility for our democracies by the participants. We can't outsource democracy if we want to keep it, and I think John McCain showed that by being such an active participant, running our country for what, 60 years.

**PYNE:** The US-Australia relationship's in very good shape. One of the keys, of course, is the multi-rotational force posture in Darwin which is growing and it's a significant investment by the United States in that relationship. Also of course the Singapore training area in Shoalwater Bay and that part of North and Central Queensland. You get the feeling that countries like Singapore, Japan, Australia, the US, are seeing a change in our region and responding to it, interest in the South Pacific. Do you feel that the US is recognising that this part of the world is going to be more challenging rather than easier in the years ahead?

**CAROUSO:** I think it's absolutely true. You saw it under President Obama. We talked about the pivot. That was for a reason. We saw a rising China which we welcome as a member of the international community. That's why we all welcomed them into the World Trade Organisation back when, but unilaterally changing rules, where does that lead? And that's what were all saying, as Singapore, Japan, the United States, Republic of Korea: you can be part of the team but you can't be the umpire and a team player.

**MARLES:** Well Jim we've actually spoken about you quite a bit on our show. We don't have a better friend from America than you and I think that through some pretty challenging times as an American diplomat in this town you have been an absolute champion of the relationship, so, for that, thank you, Jim, and thank you for joining us today.

**CAROUSO:** Well, thank you both.

**PYNE:** Thank you.

[INTERVIEW ENDS]

**MARLES:** That brings us to the question of the week and this was the Mid Winter Ball, albeit in September because of renovations to the Parliament so it got delayed, but Christopher, what was your Mid Winter Ball highlight?

**PYNE:** Well Richard it had to be sitting at the Sky table in the Great Hall between Laura Jayes on my left and Peta Credlin on my right, and yourself of course and Anthony Albanese and Carmel and the executives of Sky television in Australia. It was a glittering occasion and I think the most important thing about the Mid Winter Ball is surviving it and I felt when I got home that I'd survived it successfully. What about yourself?

**MARLES:** Well you certainly did survive it. You got a little bit of attention from Bob, but no, you survived it. Well, I was sitting on the other side of Peta Credlin, so she was sitting between you and me, so I don't know if whether we asked her the question her highlight would have been Pyne and Marles but someone needs to ask her that question.

**PYNE:** Of course it would have been!

**MARLES:** I think the Mid Winter Ball is a little like an armistice moment. There are these great stories during the First World War of a 24-hour treaty where sides come out of the trenches and they play soccer and they have a drink. For us it's the night where we do put down our weapons and actually spend some time with each other, have a drink, get to know each other in a human way. I really like that.

But Christopher with that note we're out of time, so thanks for joining me again this afternoon, and viewers we'll see you again next Friday at one o'clock on Sky News for *Pyne & Marles*. We'll see you then.

***Authorised by Noah Carroll ALP Canberra***