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**E&OE TRANSCRIPT
SKY NEWS LIVE
PYNE & MARLES
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CHRISTOPHER PYNE: Well good afternoon and welcome to *Pyne & Marles* here on Sky News Live. It's 16 November at one o'clock Australian Eastern Standard Daylight Saving Time, which is quite a mouthful, and this is our 100th show of *Pyne & Marles* - and they said we wouldn't make it. Richard, we're still here.

RICHARD MARLES: It is amazing, Christopher. They definitely said we'd never make it but we've managed to get to this point. I'm not sure how that happened. I'm not sure who we've managed to convince at Sky News but it's been a lot of fun doing it and we'll talk a little bit about it later in the show, but you had a big announcement yesterday: the Offshore Patrol Vessels began construction in Adelaide.

PYNE: Yes, well, this show is on budget and on schedule. It's quite a hefty budget, of course, but they're very generous to us at Sky News.

MARLES: Yes, we keep getting pay increases of percentages of our base wage.

PYNE: Exactly.

But talking about on budget and on schedule, so is the Offshore Patrol Vessels program and we started construction yesterday at the first of 12 Offshore Patrol Vessels and announced that they're going to be called the Arafura Class, which is the third class that I've been associated with naming, which is really exciting.

That doesn't happen for many ministers, so that's a great thing.

Today we announced that we're building, or buying, with the General Atomics USA, the Reaper, which is an unmanned aerial vehicle for intelligence surveillance reconnaissance, humanitarian and disaster relief, but it's also weaponized. It's a very substantial capability, worth up to \$2 billion, between \$1 billion and \$2 billion, 12-16 Reapers, so two very exciting days for the Australian Defence Force.

MARLES: Yeah, they are very significant procurements and very much supported in a bipartisan way. So, this is your third class of vessel and there was no temptation to announce it as the Pyne Class?

PYNE: Well, there was a lot of pressure on me to accept the Pyne Class. Wait for the submarines, Richard. We haven't announced the submarines yet. They might yet twist my arm.

MARLES: Indeed. All right, well we need to get on with the rest of the show because it has been a big week and perhaps what characterizes this time of year is summit season. We've got ASEAN going on, East Asian Summit and this weekend is APEC, so we'll be having a chat about that.

During the week the Health Minister announced an extension in the time for the opt out period in respect of My Health Records. That goes from now, the extension goes from now through to the 31st of January. That's been a discussion in the Senate this week and we'll be having a chat about that.

And of course last Friday after our show there was the tragic set of events which occurred in Bourke Street. That terror incident has led to quite a lot of debate over the course of the last week. We'll be talking about that.

In light of the Pacific becoming more central to the discussion around foreign policy, today we've got James Batley, who is the distinguished policy fellow at the Department of Pacific affairs at the ANU. James is a former high commissioner to Solomon Islands. He's a former high commissioner to Fiji. He's been our ambassador to Timor Leste, Special Coordinator RAMSI. He's a very distinguished person in terms of Australia's involvement and place in the Pacific and we'll be having a talk to him about that

But let's start with the first issue, Christopher, and it is summit season. Have a look at this.

BILL SHORTEN [CLIP]: I just hope that Mr Morrison, sooner rather than later, just admits that he's not going to move the embassy so we can stop having that

foreign policy distraction.

SCOTT MORRISON [CLIP]: I'm disappointed that the Leader of the Opposition would be so quick to take cues on Australia's foreign policy from those not within Australia.

MORRISON [CLIP]: Good to see you. Nice to see you again.

PENNY WONG [CLIP]: It's harming our economy, costing jobs and damaging one of Australia's most important relationships.

MORRISON [CLIP]: From time to time issues arise. You're able to talk about them openly and honestly and in a friendly way.

MARLES: So, where Australia has its embassy in Israel is now appearing to dominate discussions during summits season with our near neighbours, countries like Indonesia and Malaysia. I know you're going to loyally defend this, Christopher, but deep down even you must know that this has been a profound error.

PYNE: Well, Richard, this has turned into a complete shambles for the Labor Party in the last couple of days because the Labor Party is now quite prepared to be the party that says our foreign policy should be determined by other countries, in the same way as you've subcontracted out your economic policy to the coalition and when you were in government you subcontracted border protection policies to people smugglers you're now prepared to say for cheap, domestic, political gain that you're prepared for other countries to determine our foreign policy.

I don't mind at all if the Malaysians, the Indonesians or others express their opinions about where the embassies of countries should be in Israel. It's a pretty simple fact for us and we have a process to determine whether we should keep our embassy in Tel Aviv or move it to Jerusalem, which happens to be the capital of Israel. It will be like Israel having their embassy in Sydney and pretending Canberra wasn't our capital, and yet Labor, because they want to create chaos, unprepared to subcontract out their foreign policy to have overseas governments. Shame on you.

MARLES: I think it was Winston Churchill who once said when my arguments are weak I speak louder. That's a valiant attempt to try and clean up here, Christopher, but the starting point here is why do you have a process going on in respect of what has been a long-standing bipartisan position in relation to our embassy stands? We all know that that's because you started to raise this issue in the context of a by-election, and the low-rent, try-hard nature of this prime

minister to bring foreign policy into a by-election in Sydney in order to seek to win a handful of votes says everything about how he has acted, and you're acting in your own interest but not in the national interest and the cost in this is enormous. We are seeing the Indonesian free trade agreement now being put on hold so long as this is an issue which we are which we're considering. I'll bet that ultimately you walk away from this, but the fact that you've walked down this road in the context of trying to win votes by-election says everything about how amateur hour this government is when it comes to foreign policy.

PYNE: Well we're not using the Rudd-Gillard Government as a model of how to run a government, Richard, but if that's the model you think we should adopt-

MARLES: -Three prime ministers in five years.

PYNE: -we're certainly not going to do that. I can tell you we are we are not going to adopt the old Labor Party model and we're certainly not going to subcontract out foreign policy to overseas governments. We'll put our own national interests first.

Our issues around the embassy in Israel were driven by the fact that Dave Sharma, our candidate for Wentworth, put a very cogent argument about how it would help a two-state solution for Israel-

MARLES: -So it wasn't about Wentworth?

PYNE: He happened to be the candidate for Wentworth, but when he was ambassador to Israel – and you would have liked him very much, I'm sure you did - he put a cogent argument about why this would be a good idea and that's what we were reacting to, which is very sensible and we have to move on because the clocks against us, to the My Health Record issue, which is also bubbling away. Let's see how that played out this week.

GREG HUNT [CLIP]: It's about saving lives and protecting lives, 200,000 Australians are admitted to hospital every year for misuse of medication, and this will go towards protecting people.

PAULINE HANSON [CLIP]: The computer system to opt out has crashed, so it's not fair in the public unless we give them an extension of time

HUNT [CLIP]: Extending the deadline - that's to give people more time, and I'm happy to do that.

BILL SHORTEN [CLIP]: This government has ignored all of the experts, tried to rush out a rollout of this record. We've got over a million Australians now

opted out. The reality is that the My Health website just went into meltdown.

PYNE: Well, Richard, this is largely a bipartisan issue, the My Health Record, because Labor, of course, was the first to introduce legislation to establish the My Health Record and we supported that, but unfortunately Labor didn't put in place the protections necessary for Australians health records and that's what we've been trying to fix ever since. So, here we are yet again fixing a Labor mess in the same way that we had to find the money for the NDIS. Labor floats these ideas but doesn't fund them, and in the case of My Health Record didn't actually put the necessary structures in place. Greg Hunt's going through a sensible, methodical process to ensure that people's privacy is protected and I'm glad that people now have the opportunity till January 31st to opt out should they choose to. It's not compulsory either way.

MARLES: It feels to me like you're the Government's janitor today, because what you're doing is cleaning up the mistakes of the Government which are rolling out everywhere.

Look, it is a good thing that there has been a deferral of the deadline here, because basically public confidence in the My Health Record had not been established. There were privacy experts left, right and centre saying that the way the Government had set this up, access, for example, to minors' records, the way things worked in terms of default settings, what information was getting automatically uploaded, all of these are really critical questions that obviously people are worried about in terms of participating in this scheme.

The question, though, is that we've known this for quite a long time, Christopher. Why did it have to wait till the crisis point before the Government actually came to the party, under the distinct pressure that was put on by others, to finally say that they would extend this in order to allow for more confidence to be built in the system in the first place?

PYNE: Well, Richard, Labor is cowering in the cellar over the issues of foreign policy, subcontracting out to overseas governments our foreign policy settings, and we're getting on with the job, so I'm not cleaning up any messes. What I'm doing is getting on with the job, in the same way as with My Health Record we're fixing up the mess that Labor left us and we will get it right because it's too important not to get right.

MARLES: All right, well let's move on to the last topic, and that of course was the very tragic incident which occurred last week in Bourke Street, a lone wolf terrorist attack, and it has sparked quite a significant discussion during the course of the week. Have look at this.

SCOTT MORRISON [CLIP]: Radical extremist Islam can take seed and we've seen it here again. Religious communities have a responsibility, so I won't cop the excuses.

ANNE ALY [CLIP]: The Prime Minister needs to do a little bit of Terrorism 101 before he starts talking and know what he's talking about before he starts dividing communities and pointing fingers at radical Islam.

RICHARD DI NATALE [CLIP]: All we are hearing is a desperate Prime Minister engaging in race baiting to salvage votes in the lead up to an election.

MARLES: It was an absolutely tragic incident which occurred last Friday and it resulted in the death of a very significant owner of Pellegrini in Melbourne, an icon, Sisto, an icon of this town.

I must say I was uncomfortable with the comments that were made by the Prime Minister in relation to the Islamic community. What I recall in respect of these sorts of issues, Christopher, is David Irvine's comments, the former head of ASIO, who made the point that the Muslim community is really the front line when it comes to dealing with Islamic extremist terrorism and we need to be working with those communities rather than turning people against them or dividing communities, because that is where we get the information which ultimately has foiled a number of incidents up until now.

PYNE: Well, Richard, I was pleased to say that Anne Aly apologized for her remarks not long after she made them, and I agree with you, obviously, the incident occurred after our show last Friday and the death of Sisto Malaspina has been a real tragedy, as is the trauma that has been visited on Melbourne by this terrible incident. I'm sure we both send our condolences to the family of Sisto Malaspina and wish all those who have been injured a full recovery.

The truth is, though, that the Islamic community and the Hume Centre, for example, they do need to step up and that's what the Prime Minister was saying, and I said the other day on radio if this was an IRA terrorist attack in the 1970s in Melbourne performed by extremists, radicalized extremists as the IRA has been, we would expect if they went to a particular church that the people who ran the church, the priests and brothers, had taken some responsibility for what was going on in their particular parish and the Hume Centre needs to take some responsibility, because a number of these incidents have emanated from people who attend that particular mosque.

So, no-one is blaming anyone for it. No-one's blaming the mosque for it or the imams who are involved, but everyone needs to take responsibility and step up and protect our community.

MARLES: Well I just think we need to be doing everything we can in public office to be providing all the support we can to that community for whom this is a real concern for them, and we're very reliant on them to get that information to make sure attacks of this kind of foiled

We've come to the end of the first half of our show. Join us afterwards when we'll be talking with James Batley.

[AD BREAK]

PYNE: Well, welcome back to *Pyne & Marles* here on Sky News Live, our 100th show if you haven't already caught up with that.

Today our guest is going to talk with us about the Pacific pivot which the Prime Minister announced last week in Townsville, a very substantial investment in our relationship in the south-west Pacific. He is James Batley, arguably one of the most foremost experts on the south-west Pacific in Australia, having served across the south-west Pacific and Timor Leste and now is working as an academic advising government and others about policy in this area. Welcome to the show, James

JAMES BATLEY: Thanks very much, Christopher

PYNE: It's great to have you on the show, and as you know in Townsville Prime Minister Morrison announced last Thursday a Pacific pivot, a substantial investment from a defence, foreign policy and infrastructure point of view across our region. How would you characterize the timeliness and value of what we've announced last week?

BATLEY: Look, I think it's a really significant set of announcements it seems to me that it does build on what's being a process of policy development and a rollout of policy over the last year or so, because I think last year's Foreign Policy White Paper clearly put the Pacific pretty much front and centre, but I think what we've seen this year and in last week's announcements is, really, you might describe it as a turbocharging of the Pacific step up on the part of the government.

MARLES: Obviously, this is very much a bipartisan view, James, and I've got to say it's very satisfying to see the speech that Bill Shorten made and then followed up the Prime Minister made, that that really does elevate the Pacific in Australia's world view. I know you are very dedicated to the Pacific. One of the questions I'm interested to get your sense about is how, from the perspective of the Pacific Island nations, is Australia ultimately viewed, and how is our

engagement in the region viewed?

BATLEY: Sure. I would say to someone that has followed policy in this part of the world for very many years it is fascinating to see both sides of politics almost outbidding each other in this in this area at the moment. I think it's a great thing to see and I hope it can be maintained. I think from the point of view of Pacific Island governments, they will be very interested to see these announcements, and in fact to follow the announcements from both sides of politics in Australia.

I think a lot of Pacific countries will feel that their, I guess, their leverage has gone up over recent years given broader international developments.

I think sometimes you can see in the Pacific the views of leaders and policy makers in Pacific countries can be slightly nuanced compared to the broad views of populations in the Pacific. I think Australia is broadly seen very popular, very positively in the Pacific by grassroots Pacific Islanders. I do think from time to time, though, at the leadership level and at the level of policymakers we are seen as not sufficiently sensitive to Pacific concerns, not sufficiently responsive to the concerns of Pacific Island governments, and that's an ongoing challenge I think for Australian governments of both stripes to manage.

PYNE: And James, the Australian Government obviously takes our responsibilities in the south-west Pacific very seriously, and I'm sure other countries look to see what Australia does. How do you think other countries around our region, in the world, both allies and not our allies will respond to the Pacific pivot announced by the Government?

BATLEY: I think our allies and our friends in the region – and I'm thinking of countries like the United States, New Zealand, Japan, and thinking further afield of the Europeans such as the Brits and France - they will be pleased to see us stepping up, taking more of a leadership role, and I think we are well placed to marshal that support, if you like, to play a leadership role in the region.

I think when it comes to a country like China we've seen just in the last couple of days a Chinese government spokesman saying this is no one's particular backyard, or it's not an area of, I can't remember the phrase that was used, sphere of influence of any one country. So, I think China is keen to put down that marker to say that they have got interests in the region and they intend to pursue them.

So, I think the perception of external players will be a bit nuanced just depending on the sort of relationship we have with them.

MARLES: So we're obviously not in a position to be telling the Pacific which countries they should work with or who they should accept help from, and in that sense China's right and, you know, I think countries are going to accept help from China if it's offered. It seems to me that our motivation in the Pacific has to be in terms of our relationship with the Pacific and not about the denial of others, but I am interested in what your sense of China's interests in the Pacific are. Why do you think they are getting more involved with this part of the world?

BATLEY: That's one of the, I think, the big questions that a lot of people are wrestling with at the moment, Richard. I am not sure that we really do have a full understanding of what China wants, what its objectives are in the region.

I think if you look back 10 years ago, say, really the key issue for China in the Pacific was Taiwan, the fact that a number of Pacific countries have diplomatic relations with Taiwan, and that's still the case, but I think that's no longer the key interest for China in the region.

I think you can look at Chinese behavior certainly in terms of simply its growing role in the world. It is a much more important player whatever part of the world you look at, whether it's the Middle East, whether it's Africa, whether it's the Pacific, so that in that respect the Chinese would say, well, we shouldn't be surprised if we've got bigger embassies, if we have bigger aid programs in the Pacific.

Where there is a geo-strategic angle to this, whether China is genuinely testing the role that the Western powers, Western allies, have traditionally played in the Pacific, I think is a big unanswered question and I think it's one that policymakers in Canberra are wrestling with at the moment, so I think that's something that we will need to see as time goes on.

MARLES: Well, James, you've been a very wise counsel to me and I know to many people in government on the question of the Pacific. It's great to have you on today and I'm sure you'll be as excited as I am about the growing importance of the Pacific in policy in Canberra, and to that end we look forward to having you on the show again in the future.

BATLEY: It would be a pleasure.

MARLES: Thanks, James.

And that brings us to the question of the week which is obviously inspired by the fact that this is, Christopher, our 100th show. So it's a very simple question: how long did you think we would actually last?

PYNE: Well, you know, Richard I have to say you and I put up with a lot of mockery from our colleagues-

MARLES: -We certainly have!

PYNE: -in the last few years of having this show. To start with they used to mock us, and then I would hear from Sky people that they would ring behind our backs and try and get their own show on Sky News, so they were that determined to get us off the program they wanted to get themselves onto it. I think we should have a theme song: *'If My Friends Could See Me Now'*, Richard, because we have survived. I promised not to sing it. On the other hand, you could play the accompanying music, perhaps. 100 shows is a lot of shows in modern television, so I think we've done well.

MARLES: We have done well. If we start singing together that will become a very different show.

I do remember, I think it was the second episode where there was the longest 30 seconds of my life. That actually felt like it was going over about six years later, and to this day. I actually couldn't hear anything in the earpiece, so we've learned a lot about TV along the road.

I reckon the general consensus around my side of politics was that we might last about half a dozen shows, so the fact that we're into our 100th, I think we've done not too badly.

PYNE: I think we did better when we stopped channelling Ron Burgundy.

MARLES: That's exactly right.

Well, we've got to the end of this show, so join us again next week for our 101st show. I look forward to talking to you then, Christopher, at one o'clock next week on Sky News on *Pyne & Marles*. We will see you then.

[ENDS]

Authorised by Noah Carroll, ALP, Canberra.