

**THE HON RICHARD MARLES MP
SHADOW MINISTER FOR DEFENCE
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E&OE TRANSCRIPT

SKY NEWS LIVE

PYNE & MARLES

FRIDAY, 23 NOVEMBER 2018

SUBJECTS: Final sitting fortnight; energy policy; economy; national security; sitting calendar

CHRISTOPHER PYNE: Well, good afternoon and welcome to *Pyne & Marles*, here on Sky News Live. It's Friday 23 November, at 1 o'clock AESDT. I'm Christopher Pyne and I'm here in Adelaide and my co-presenter is Richard Marles, who's happy to be at home in Geelong this afternoon. Good afternoon Richard.

RICHARD MARLES: Good afternoon Christopher, and we can see the end of the year in sight. We are on the eve of the last sitting fortnight, but I must confess, I do get pretty tired by this time of the year. I feel like I kind of limp to the finishing line, so as we go into the last sitting fortnight, how are you holding up?

PYNE: Well that's because you're such a puss, that you can't obviously cross the line, and I carry you across the line yet again.

MARLES: Well that pitch for sympathy went well.

PYNE: So I'll have to carry you across the line, no doubt. But it's amazing that another year has flown past. It's just incredible, quite frankly. I can't believe it's 23 November. But it does get very fractious towards the end of the parliamentary sitting year, so part of my job as Leader of the House and Tony Burke's job as Manager of Opposition Business is try to keep everybody as much on the straight and narrow as possible, and of course we'll have another crossbencher too, so my job's been made a little bit harder, but with good humour and sharing and caring, I'm sure we'll get to Christmas unscathed.

MARLES: Well that's right, and yes you're dead right. That last sitting fortnight and I guess with the extra spice of a new crossbench member, people do tend to fray a bit at the edges, but there's also quite a lot of end of year functions, which see people getting together in a collegiate way, so we look forward to all that. Anyway, we should get into the topics of the week, because it has been a big week. Yesterday, Bill Shorten, the Leader of the Opposition announced Labor's policy in relation to energy. We're going to have a chat about that. The IMF have released a report which talks about the Australian economy, and of course this leads into the mid-year Economic Forecast, which is a couple of weeks away, so we'll be talking about that, and the Government announced yesterday another package of proposals in relation to the National Securities phase. This comes, of course, in the wake of the incident on Bourke Street a couple of weeks ago. Our guest today is James Campbell, who is the national political editor for the Herald Sun, and we will be talking to James about the Victorian election. Victoria goes to the polls tomorrow. In fact, people have been going for the last couple of weeks, so we'll be talking to James about who's going to win and what the issues have been.

But let's start with the issue of power. Bill Shorten was speaking to the Bloomberg Conference yesterday, announcing Labor's position in relation to energy. Have a look at this.

BILL SHORTEN [CLIP]: Our big boost of batteries system will help

manufacturers scale up. It will deliver benefits to electricity users by cutting peak demand and average prices.

ANGUS TAYLOR [CLIP]: Labor is going from Pink Batts to Big Batteries.

SCOTT MORRISON [CLIP]: They've learnt nothing. They've learnt absolutely nothing, and if you couldn't trust them to put Pink Batts in your own roof without it setting on fire, I wouldn't be trusting Bill Shorten to put a Pink Battery in your house either.

SHORTEN [CLIP]: It is 50 percent renewable energy by 2030. It is cutting pollution by 45 percent by 2030.

MARLES: This is a comprehensive energy plan which looks at having energy which is affordable, reliable, and which has a positive impact on our environment. 50 percent renewables by 2030, 45 percent emissions reduction by the same date. So Christopher we want to do this with you. This should be something which is bipartisan. When are you going to be junking your crazies, that are keeping you back in the Stone Age?

PYNE: There's just so many hairs on this policy, Richard, I don't know where to start. Apart from the fact that your Pink Batteries policy sees that it will give \$10,000 to some households, number one, massively distorting the market, number 2, the batteries aren't selling for \$10,000, they're selling for \$22,500. That's Tesla's price at the moment. You couldn't put Pink Batts in people's roofs without setting fire to their houses, and now you want to do a Pink Batteries policy. I mean it's just an attempt to bribe the voters. They'll see completely through it. Worse than that, with your renewable energy target of 50 percent by 2030, you're going to put a wrecking ball through the economy, as the Business Council of Australia says, and I'm worried, as the Defence Minister, and you should be worried as a potential future Defence Minister, how are we going to have a steel industry in this country without reliable power?

MARLES: Well we will have reliable power, but it's sad that that's where you guys are at. I mean, this is just a really desperate scare campaign. Look, we're talking about a \$2000 rebate that will be means tested in relation to batteries which are the new technologies, which means you can have solar panels on your roof and it will deliver power irrespective of whether sun is shining or not, because you've got a battery which stores it, and we have rebates schemes in relation to solar panels under your Government and under ours. We're talking about people who are completely and totally licensed to put this in. There's no issue around that.

But where you're at is you've got a part of your party room, and you know they're crazy, who are really making an argument for publicly subsidised coal. I mean this is a technology which is distant in the past, and so long as you're in that place, you are rooting your party room to the Stone Age, so are you really telling me that there is no prospect at all of you coming board for some kind of modern edgy policy, and working with Labor on that?

PYNE: Well we have modern energy policy, and it doesn't include-

MARLES: -You don't have an energy policy.

PYNE: -another catastrophic scheme from Labor. I mean, Labor always attaches themselves to these mad schemes. I mean, the latest one is the Pink Battery Scheme. Now the public have been here before. They saw the cash for clunkers scheme. I've been around long enough to know that Labor always likes to have a program that gives money to households or to the public, but actually doesn't care about the consequences. Whereas, we've got a completely agnostic approach to energy in Australia. In other words, we want renewable energy. We want to reduce our carbon emissions, but we're not going to pick one particular kind of energy over another. We're going to do what we can to lower prices. That's exactly what's happening. We are lowering prices. AGL announced just last week. But we've got to move on to the next subject. We've been given the wind up, and that is the economy, which is a

stand out feature of the Australian society right now, and it's how well the economy is going. Let's have a look at how that's played out this week.

JOSH FRYDENBERG [CLIP]: I'm not going to get into the pre-MYEFO speculation. We are in that preparation period.

SCOTT MORRISON [CLIP]: I hope you make a great presentation, Josh after your next budget. Expectations are high, mate, but at least you'll get to be the first treasurer at some time to announce a surplus budget. That will be a very important day for Australia, a very important day for Australia.

PYNE: Well Richard, on the one hand we've got a growing economy – 3.4 percent growth. We've got unemployment at record lows – it's down to 5 percent, which in many cases, if it was at 4 percent, it would be full employment, so we're very close to full employment. Interest rates are low. The tax take is coming down. We're moving towards a surplus budget. It all sounds great. Labor's policies, on the other hand, if you get elected, you will cause a recession in Australia. Your negative gearing and capital gains tax policies will wreck the housing sector. Your policies to reduce the income of retirees and households would mean there's less money circulating in the economy, as you Hoover it up in higher taxes. Your lack of support for small business – there will be a recession in Australia if Labor wins. Mark my words. You can mark it down today.

MARLES: Well, what is clear Christopher is that ever since Coup Week, the only strategy you guys have got left is fear. Fear and scare campaigns. So it really doesn't matter what we talk about, what issue we have on the table. You are going to push that fear button. I mean that is the most ridiculous thing I've ever heard in terms of—

PYNE: -Lot of people are saying it.

MARLES: Here's the reality. If you think that the economy is going tickety-boo,

with all the things you've just quoted, you run with that, because I'm telling you, out there, that's not what people are feeling. We've got the slowest increase in wages since records have been kept. The standard feature of the Australian economy right now is wage stagnation, and we do have a budget which is in structural deficit, and you have basically vacated the field in terms of trying to do anything about it. So, you'll see that the international conditions come and go. Sometimes they're good, sometimes they're bad, but the job of our Government is to look after our own backyard and you've stopped doing it.

PYNE: Well wages grew by 2.3 percent in the last twelve months, which is the highest in three years, so you're running out of sand on your beach because the truth is, every time you try to pick an area that you try to pick on on the economy, you find that actually it's improving. Wages growth is improving. The economic growth is at 3.4 percent, which is higher than any G7 country. So I'm quite happy to have an election based on the economy, but again, we've got to move on, and the next topic is yours.

MARLES: Well I'm happy to have an election on those terms as well. But we do need to move onto the next topic, and this is a package of proposals which was announced by the Prime Minister, and it obviously comes at the aftermath of the incident of Bourke Street a couple of weeks ago. Have a look at this.

SCOTT MORRISON [CLIP]: It's to protect the integrity of Australian citizenship. Terrorists have violated everything about what being an Australian is all about. It's a crime against our country, not just against other citizens, and this is something that cannot be tolerated and permitted, and for those who have engaged in this sort of activity, if they have citizenship elsewhere, and we have reason to believe they do, well, they can go.

MARLES: Very sadly, this is the world we live in now, and we should be thankful for the fact that we have the most professional agencies in the world dealing with issues around terrorist incidents, and they have done a great job in keeping us safe, but we need to be ever vigilant about this. The package of

proposals the Government has brought forward, we should be looking at them, and certainly from Labor's point of view, we'll be taking them very seriously. The Joint Intelligence and National Security Committee in the Parliament works very closely on these issues, and we'll be listening to what the agencies' advice are, Christopher, and working through that committee process to see how we can get the best response.

PYNE: Well we need you to come on board in the next fortnight and pass these laws around encryption, because Andrew Colvin was saying this morning, every single investigation being conducted by our agencies at the Commonwealth level, whether it's into paedophiles, organised crime, or terrorist offences, is being hampered at the moment by the encryption laws that don't allow our investigative agencies to break into those kinds of encryptions on Whatsapp or Telegram or whatever it might be, so we need Labor to support that really important change because we don't want to inhibit anybody's freedoms except people who are doing the wrong thing. If you're doing the right thing, you've got nothing to worry about. If you're doing the wrong thing, our agencies need to be able to catch you and protect Australians. Yesterday we also announced, of course, that we're going to make it easier to take away the citizenship of people who be it at the moment not cooperating with the Government to prove that they're capable of getting citizenship elsewhere, so we're going to change the law to make sure that the Minister for Home Affairs is satisfied that a person who's convicted of a terrorist offence can have the citizenship of another country, or does have the citizenship of another country, their citizenship can be removed. Nobody will be made stateless, but we need to have those powers. Labor needs to get on board.

MARLES: Well we'll have a look at all of that, Christopher, but you made the point there that you know, there is a balancing act. I mean, I agree, that we want to be putting our agencies in a position that they can catch people who are doing the wrong thing, but we also need to be making sure that the rights and privacy of those law-abiding citizens are not breached either, and there is a balancing act in all of this, and that's what we've been doing all along – working

actually with you. We have a good track record of the two major parties working cooperatively through the joint intelligence committee of the Parliament to come up with legislation, and we've been working to see ten rafts of legislation to go through the Parliament, something like 200 amendments, which you've agreed to, have come through this process and as a result made that legislation better, so we're going to be exactly that again, working with you to try and make sure that we get the best outcome possible, but it is important that as we go down this path, where we get the balance right and deal with the threats that our country faces. We've run out of time for this side of the program. Join us after the break and we'll be talking with James Campbell, from the Herald Sun about the Victorian election.

[AD BREAK]

PYNE: Well good afternoon and welcome back to *Pyne & Marles*, here on Sky News Live. This afternoon, we're going to have a chat about the Victorian state election. I think it's about 18 hours or so until the polls open on polling day. I might have that slightly wrong actually, but we'll move on from that quickly, and our guest is James Campbell who is the national political correspondent for the Herald Sun newspaper. It's his first time on *Pyne & Marles* so we'll go easy on him. James, welcome to the show.

JAMES CAMPBELL: Thanks for having me.

PYNE: Now, tell us who's going to win tomorrow. That's the question everybody wants to know the answer to, and how much by?

CAMPBELL: Well, if you believe the state-wide polls, the Labor Party should win comfortably. In fact, if our poll in the Herald Sun at 53-47, which is up from 52-48, you'd have to assume that they'd be a show to take some seats from the Opposition, but if you talk to both sides who are familiar with their own polling, that state-wide number probably doesn't reflect what's going on in the south east of the city, the sandbelt and further east, the Cranbourne, Narre Warren

South area of outer Melbourne, and it doesn't probably reflect what's going on in Ballarat. So, I can see a situation in which Labor win, and they win comfortably, but I can also see a situation in which the Liberal Party manages to pick up two or three seats in the sandbelt. They'll probably pick one in the seat of Wendouree, meanwhile in the inner city Labor's got problems with the Greens. They're probably going to drop the seat of Brunswick to the Greens. They might also drop the seat of Richmond, although that's less likely. I think the Greens will hold everything they've got, so I think it's looking most likely like a Labor victory or a hung Parliament, with only the Labor Party able to form Government. The big unknown is, is the Liberal Party going to be able to hold all of its seats. There are some seats that are a slight concern to them – the seat of Bass, which goes to Pakenham down to Wonthaggi, which has been a big growth area around Melbourne. Last election it had 44,000 voters, now it's going 58,000. The Liberal Party is worried about that, but further in, in the inner suburbs – sort of the inner ring of suburb seats, they're also slightly concerned about Burwood, which is Jeff Kennett's old seat, and I'm hearing in the last 24 hours now some concern about the seat of Caulfield, which I know very well, because I've spent three years in the electorate office of the MP down there. So if Labor picks those up, they might be able to hold onto the majority of Government, even if they do lose those seats to the Greens, but it's looking at the moment, unlikely that the Liberal Party will win in its own right. Everything's got to go absolutely right for them. They've got to win, they've basically got to sweep the south east plus take Wendouree off the Labor Party, which is, if the state wide polls are right, I think that's looking a little bit unlikely at this point.

MARLES: I think, so I think it's actually closer to what those polls seem to suggest, but I think there were two polls published in the next 24 hours, which are, which are pretty much aligned. If Labor were to win, and that's still a big if, I think I'm right in saying that will be the first time a Government in Victoria has been re-elected since 2006. I certainly have my view of why Labor is in this position, but what's your view about why Labor is in front.

CAMPBELL: Well I don't think you can, I mean, well I'd say there are two

reasons, well three. One, most first term Governments get re-elected, so it's more probably likely than not that it was going to get re-elected, even though it was a first term Government that got booted out last time. The second reason it is the Liberal Party's machinery in Victoria is really not fit for purpose. They have simply not caught up with the times in the technology of campaigning, although they've made some great strides in this election, but they are in much better shape than they were four years ago. But the third reason which is what I think is really hurting the Liberal Party, the closer you get into the city, is I think, the Federal noise has really damaged Matthew Guy's chances of being elected. The closer in you go, the more Malcolm Turnbull fans you find, and you know they're still pretty cranky about his ejection at the end of August. So, but that said, this could have been, you know, Daniel Andrews hasn't governed like Steve Bracks by any stretch of the imagination. I mean he hasn't been a sort of consensus easy going Premier. He's quite a, you know, he's a confrontational guy. He's picked a lot of fights. He's picked a fight over, with the biggest voluntary organisation in the state, the CFA, he's stuck to his guns on something like Safe Schools, which has been quite controversial amongst socially conservative circles. He's pushed through volunteer assisted dying legislation, which is again, a big no-no with the social conservative voters. You know, he's put heroin injecting rooms into, you know, into the inner city, right next to a school, and of course, overlaying this, you've had quite an enormous number of scandals. Two ministers, sorry a Minister and a Speaker both had to resign for rorting their second home allowance. You had another Minister resign for using his car to chauffeur his dogs around the state, and above all, and now for the last few months, we've had a police investigation into 21 state MPs including six Ministers over allegations that they rorted their electorate office entitlements, and meanwhile there's another investigation going to allegations that kickbacks were paid into an electorate office used by ALP memberships – very old fashioned scams. All that sort of stuff, it's not surprising that the Liberal Party's close, but I think that the three factors that I outlined in the beginning, if Labor does get over the line, well that'll probably be the reasons.

PYNE: And James how has the terrible incident in Bourke Street in the last ten

days played out in the campaign? I mean it's always hard for state politicians to dominate the media for various reasons over time. Election campaigns for state elections have come harder and harder onto the front pages and dominate the nightly news bulletins, but has the Bourke Street tragedy made it harder for the state election to get oxygen or has it worked against Daniel Andrews because it's put law and order very much front and centre?

CAMPBELL: Well it's probably been – it's a mixed bag. On the one hand, Andrews, I think, looked quite good and looked like a leader in command during a time of sort of, tragedy that brought the city together, and so he looked in that front. My understanding is that polling showed in that period his leadership numbers went up. The alternative view, of course, is that this was a law and order problem in an election in which the Opposition was trying to make law and order a giant issue, so you're essentially playing on the Coalition's – half of their pitch. The whole time that anyone's talking about bail laws and terror and crime, that's a good thing. I think it's been a mixed bag, really.

MARLES: James, we've run out of time, so thank you for joining us today and I'll be joining you tomorrow night on the Sky News coverage of the state election. So we'll talk then.

CAMPBELL: Looking forward to it, Richard.

MARLES: Okay. And that brings us to the question of the week. On the eve of the last sitting fortnight, at some point during the next two weeks, the new sitting schedule for next year will come out, so that's the calendar of when the Parliament sits. So Christopher, as the Leader of the House, you've got a role in this. How exactly does the sitting calendar get set?

PYNE: Well before I answer that, I should say I was right. It is 18 hours until polls open for the Victorian election. I don't know why I lost my sense of confidence there momentarily. In terms of the schedule, well there's a lot of factors. We try and avoid school holidays, so people can spend some time with

their families, obviously, and that's sometimes around the country, school holidays are sometimes quite different. There's also these leaders seasons these days. So last month we've seen the Prime Minister at APEC, at the East Asia Summit, the G20 is coming up. We look to see if CHOGM, the Commonwealth Heads of Government meetings might be, so that the Prime Minister, the Foreign Minister, sometimes the Defence Minister can be at some of these big international conferences, so there's a lot of different moving features. There's an election next year of course. That'll affect the sitting schedule. I will put that sitting schedule up to the Parliament.

MARLES: I don't know if you can still hear us, but we've run out of time so join us for Pyne and Marles at 1pm, on Sky News. We'll see you then.

-ENDS-

Authorised by Noah Carroll, ALP, Canberra.