



**THE HON RICHARD MARLES MP  
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**E&OE TRANSCRIPT  
SKY NEWS LIVE  
PYNE & MARLES  
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***SUBJECTS: Valedictories; Labor's border protection policy; Banking Royal Commission responses; franking credits***

**CHRISTOPHER PYNE:** Well, welcome to *Pyne & Marles* here on Sky News Live. It's Friday, 22 February at 1 o'clock Australian Eastern Standard Time. I'm Christopher Pyne and I'm here in Adelaide, and my co-presenter is Richard Marles, and we find Richard in Geelong today. Richard, how are you?

**RICHARD MARLES:** I'm very good Christopher, and we've finished a sitting fortnight which came with some big news at the end of it. Julie Bishop, the former Foreign Minister and Deputy Leader of the Liberal Party, announced her retirement last night, and obviously there are many things about which I disagreed with Julie but over the course of her career she has been an ornament to the Parliament and to public life. It was a big moment, and in a sense an end of an era, Christopher, because she was one of three former deputy leaders of their respective parties – Wayne Swan and Jenny Macklin being the other two - who gave valedictory speeches during the week.

**PYNE:** Yes, it was a big sitting fortnight. It certainly didn't shape up the way Labor had explained that it would to the media before the sitting fortnight, but as you say, it ended with three deputy leaders of their respective parties giving their valedictories and announcing the retirements of Julie Bishop. I think Julie Bishop as Foreign Minister cast a wider shadow than the country that she represented overseas and I think she did it for a couple of reasons. She had excellent relationships with her counterparts and with heads of state all around the world, was able to talk to them directly about our values and the issues that Australia regards as important, but she's also very good at messaging, so it was always clear what Australia's position was on the major issues of the day around the world, and we'll sorely miss Julie, leaving the Parliament. She was a great deputy leader of my party and a good friend, but of course, nothing lasts forever, and people are allowed to retire. I'm sure she'll

have a tremendous and very busy time post-politics.

**MARLES:** That's right, and then Alex Ellinghausen managed to snap a photograph of you and I sitting together in the same side of the bench, which was a little unusual. What were we doing there?

**PYNE:** Well, this week we also gave the speech about Pine Gap, about our relationship with the United States in terms of collection of intelligence and surveillance through the Pine Gap facility, and some of the work we do there with the US and around the world, in fact, with Harold E. Holt of course in Western Australia, and you responded so we have another moment of bipartisanship and a very nice photograph of us looking very relaxed and happy together.

**MARLES:** Indeed, as always, Christopher - or as usual, perhaps not always, but it was a nice photo, and the statements on the joint facilities which you've made as the Minister and comes as another step in a series of statements over the years about the joint facilities, is very important, and they, too, are very important in terms of being at the heart of our alliance with the United States. They really are the essence of the trust which exists between our two nations.

But we should talk about the program because we've got a big program today. The medivac legislation has again been a topic of conversation during the week, so we will be talking about that. The response to the banking Royal Commission has continued to develop, and indeed Chris Bowen and Clare O'Neill have added to Labor's response this morning. We'll be talking about that. And Labor's dividend franking policy has also been the subject of conversation. We will chat about that.

We expect after the break to go live to a press conference between Prime Minister Scott Morrison and his counterpart in New Zealand, the Prime Minister Jacinda Ardern. The annual meeting between the Australian and New Zealand Prime Ministers, so that's what we're expecting to go to live after the break, but let's get into the first of the topics. It's the medivac legislation. Again, have a look at this.

**SCOTT MORRISON [CLIP]:** *He ignored the advice and that's why the Leader of the Labor Party cannot be trusted to protect our borders.*

**TANYA PLIBERSEK [CLIP]:** *He is the people smuggler's billboard right now.*

**BILL SHORTEN [CLIP]:** *If the medical treatment is required and it's delivered on Christmas Island, and it makes people well, well that's fine.*

**PLIBERSEK [CLIP]:** *It's up to the Government to explain how that medical treatment can be adequately provided.*

**RICHARD MARLES [CLIP]:** *The whole discussion about Christmas Island is incredibly unhelpful in terms what it says to people smugglers.*

**CHRISTIAN PORTER [CLIP]:** *So they've had four positions in 48 hours – that Christmas Island is unhinged and not supported, fine and supported, not fine and not supported and not fine and silly.*

**MARLES:** Christopher, it doesn't look to us or indeed the Australian people like you've got many policies on the board at the moment. Are you really telling us that between now and 18 May the only thing that you're going to offer the Australian people is the mother of all scare campaigns?

**PYNE:** Well when it comes to scare campaigns, Richard, Bill Shorten knows all about them. He told so many lies in the last federal election about Medicare, so I don't think if I were you I'd be lecturing us about the kind of campaigns we might be running or not running. What does surprise me is that Labor decided in the last fortnight to score a cheap political point by winning a vote on the floor of the House of Representatives and to do so decided to weaken our border protection policies, and I think you of all people, from the right-wing of the ALP, I'm surprised that you would want to weaken our border protection policies in the way that you've done. And that's the advice from the security agencies.

**MARLES:** But at the end of the day, you know, and certainly the Prime Minister knows, that that claim is just not true. Over the last two years, under your government, under the current Minister for Home Affairs, 800 people have come to Australia from Nauru under the guise of medical treatment to receive their treatment in Australia. Now, this legislation cannot possibly give rise to anything like that number going forward, so the idea that something in the last two weeks has happened to weaken border security in the context of what you've been doing over the last two years does not stand up to any scrutiny at all. At the end of the day, border security is built on a willingness to turn back the boats, on maintaining the offshore processing system and you absolutely know that that is bipartisan policy in this country.

**PYNE:** No, it's not. There were three stools to the border protection policies of the previous Government, the Howard Government: boat turn backs, temporary protection visas, offshore processing. Labor doesn't support temporary protection visas. Labor now has tried to dismantle our offshore processing, and of course you've never turned back a boat in the entire time you were in government, so I think the Australian public know who they can trust on borders, and it's not the Labor Party. You rushed this legislation through. Your spokesman for immigration has no idea what he's doing, and as a consequence you've taken away the discretion of the Minister for Immigration to stop people of bad character coming to Australia. We can't stop people unless they've been convicted of a serious offence that carries a sentence of more than 12 months, so we have situations where there are people who are facing very serious charges of criminal activity who will not be able to be stopped coming to Australia, and it's on your head.

**MARLES:** Well it's a discretion that your Minister used in a way to bring 800 people here over the last two years. But at the end of the day, let me just say, this is just a big distraction so that you don't have to talk about banks, or health, or education or wage stagnation or any of the issues that matter to the Australian people because all you're doing is going for scare.

**PYNE:** Well I'm glad you raised banks, Richard, because that's our next topic for discussion. Let's have a look at how the Royal Commission responses have been unfolding in the last week or so.

**BILL SHORTEN [CLIP]:** *These new laws go towards protecting people.*

**JOSH FRYDENBERG [CLIP]:** *The Labor Party in its traditional style is all focussed on stunts.*

**SHORTEN [CLIP]:** *Set some sitting days in Parliament so we can deal with the laws.*

**FRYDENBERG [CLIP]:** *It's not focussed on the substance. The substance is, where is their response?*

**JIM CHALMERS [CLIP]:** *We don't want to see the end of mortgage brokers. They've got an important role to play in the system.*

**FRYDENBERG :** *We stand on the side of mortgage brokers. The Labor Party can't be trusted.*

**PYNE:** Well Richard, here's another example of where the Labor Party thought that they were on a great wicket, on the Royal Commission into the banks, and yet have completely fumbled the ball since the handing down of the recommendations. We responded as a Government within four days in a substantive way. What you have done today apparently is basically try to copy the government on the Banking Royal Commission. You thought this was a great strength, and in fact it's the Coalition that created the Royal Commission; it's the Coalition that's responded to it; and it's the Coalition that's getting on with the job. Your leader, when he was the Minister for Financial Services did nothing in all that time, and you've managed to turn what you thought was a political positive into a political negative.

**MARLES:** Do you really reckon those lines work? I mean, because everyone does remember the fact that you voted against a Banking Royal Commission 26 times, and that if you were really trying to take this seriously we would be in Canberra next week dealing with the kind of legislation that we need to be putting in place in this country to deal with the outcomes of the Royal Commission.

The reality is, it's Labor who was calling this from the outset. It's because of our pressure that the Banking Royal Commission happened in the first place, and what you see today with an announcement, for example, which deals with proper

compensation package which is retrospective, which will actually deal with what people lost and have the banks pay for it, that is the perfect example of the kind of response which we're engaging in. Right now, if you're serious about it, we would be in Canberra next week actually debating the kind of legislation which would fix this problem up.

**PYNE:** Well, Richard, the fact that you're so grumpy about it indicates to me that you know that Labor has fumbled the ball, because if we had legislation to be dealing with this between now and the next few months, it would be 40 different pieces of legislation that would be required to be changed-

**MARLES:** -There's low-hanging fruit.

**PYNE:** -as a consequence of the Government's response to the recommendations, and we don't want to be rushing, in a feverish sitting just before an election, when it will be a significant change to the banking sector. We've just seen you guys, in the last fortnight, rushing legislation through that you've made a mess of, in terms of our border protection policies. Now you want to do the same thing with the banking sector and it's too important to do so.

**MARLES:** Well there's certainly nothing feverish about the way in which you're governing at the moment, You've set up a part time Parliament. We've got three days of sitting left between now and the election.

We should move on. Labor's franking credit policies have also been the subject of conversation again this week. Have a look at this.

**TIM WILSON [CLIP]:** *The ability for investors, including individuals and superannuation funds, to claim their fully franking credit refund is an established feature of our tax system.*

**MATT THISTLEWAITE [CLIP]:** *It's the view of the Labor Party that the actions of yourselves and other members of the Liberal Party and the processes of this Committee have undermined the integrity of the Committee and its standing within the community.*

**WILSON [CLIP]:** *The practical reality is that it's an election issue. You know that, I know that, and of course I will fight to make sure that this retirement tax is defeated.*

**MARLES:** Well Christopher we saw Tim Wilson there. Now, Tim has not covered himself in glory in the last few weeks. He's used a public parliamentary committee to coordinate with Wilson Asset Management, run by Geoff Wilson, a company he has shares in, a company which donates to the Liberal Party. There have been various sittings of that Committee where you had to actually give your email address to that company if you wanted to participate. You've been in the Parliament for more than a quarter of a century. You know all about parliamentary standards of behaviour. You

cannot feel comfortable about the way Tim Wilson has gone about his business with this committee.

**PYNE:** The fact that you're trying to distract from the actual issue of the franking credits policy of the Labor Party indicates that you realise what a dog of a policy it is, because retirees around Australia are up in arms that the Labor Party wants to take away their franking credits, damage their income capacity, reduce their revenue, damage charities in the process because a lot of charities receive a lot of their money from retirees and pensioners in small donations. It's a terrible policy, poorly thought through, and it just shows that Chris Bowen has led you, the Labor Party, into a terrible place where the next election you're going to be campaigning for \$200 billion worth of increases in taxes, not just on retirees, but on housing, on small business. It's a very hard row to hoe and I'm surprised that you've allowed Chris Bowen to do it, but I just don't think you're ready for government.

**MARLES:** Well more of the scare campaigning again, and again very little substance in terms of policy.

So, here are some uncomfortable facts for you Christopher.

First of all, you get a dollar of a pension and the policy that we've put together does not apply to you. That's fact number one.

Fact number two is we're talking about dealing with a situation where people are getting tax refunds when they have paid no tax.

Four percent of the population, only four percent of the population, benefit from these cheques from the Government. It is the same amount of money that we spend on schools and kindergartens, and at the end of the day it is only going to four percent of the population,

This is a practice which you don't see in any other OECD country, and it is ultimately unfair, and it is completely unsustainable in the context of Australia's budget.

**PYNE:** Well you supported it for 20 years, apparently, but now suddenly because you need to get hold of other people's money-

**MARLES:** -Well, it's not.

**PYNE:** -which is the usual Labor way, you're scrambling around to find other people's money to take. Now, everyone knows the franking credits, the franking credits are because the companies already paid the tax, so you're trying to double tax the same amount of money because you don't understand or you don't support the fact that companies have already paid this tax and now you're trying to tax it again at the hands of the retirees.

**MARLES:** Well, it's one thing having tax deductions which bring down your taxable income to zero, but this is going further and these are cheques which are actually paid out by the Tax Office to people who have not paid any tax at all.

**PYNE:** That's because the company has paid the tax.

**MARLES:** There's no other country in the OECD which handles these affairs in this way, and ultimately it's not sustainable, but—

**PYNE:** -Well why'd you support it for 20 years?

**MARLES:** -to be clear, let's be clear: if you get a dollar of a pension then this policy doesn't apply to you, and that's—

**PYNE:** -You're making it up as you go along. You always have.

**MARLES:** That's not making it up at all.

**PYNE:** It's always been a disaster.

**MARLES:** That's been completely clear in terms of the policy as we've gone along.

It is time for a break. Join us afterwards when we are still expecting to go to a press conference between the Prime Ministers of New Zealand and Australia.

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Authorised by Noah Carroll, ALP, Canberra.