

**THE HON RICHARD MARLES MP
SHADOW MINISTER FOR DEFENCE
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**E&OE TRANSCRIPT
SKY NEWS LIVE
PYNE AND MARLES
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SUBJECTS: *Christopher Pyne's retirement; budget; election; ONI; Pyne and Marles last episode*

CHRISTOPHER PYNE: Well good afternoon, and welcome to Pyne and Marles here on Sky News Live. It's one o'clock on the 29 March, Australian Eastern Standard Time. I'm Christopher Pyne and of course my co-presenter is Richard Marles, and here we are for our last show, Richard.

RICHARD MARLES: We're in Sydney, which is where our first show was, so where we finish is where we began. But Christopher, this is the first show since you've announced your retirement. What on earth are you going to do without politics?

CHRISTOPHER PYNE: Well I've been fortunate actually because I've been asked to be the fifth member of Human Nature, so I've been spending a lot of time in Las Vegas.

RICHARD MARLES: You sing?

CHRISTOPHER PYNE: You should have seen me sing Fernando on The Project, of course, it's our last show so I can cross present. Cross-promote.

RICHARD MARLES: You have clearly lost focus.

CHRISTOPHER PYNE: But I'm looking forward to it, it's going to be fun. It's nice to leave when people are asking you to stay. People in our jobs don't usually get the chance to actually leave on their own terms, so I'm very delighted to be doing that. 26 years is a long time. It's been great. I've enjoyed it immensely. I think I've achieved quite a bit in that time, and at 51 I can get onto my third career.

RICHARD MARLES: What was your first career?

CHRISTOPHER PYNE: I was a lawyer for two years.

RICHARD MARLES: No you weren't, you were always a politician. You just used the law firm to get elected.

CHRISTOPHER PYNE: The partners at the law firm would agree with you.

RICHARD MARLES: So, with it being Christopher's retirement, this is indeed our last show, and it's a show which is going to be a bit different. So we will be talking about the upcoming budget very quickly, the upcoming election, of course. We do have a guest today, which is an interview we recorded a few weeks ago – Nick Warner, who is the Director-General of the Office of National Intelligence, so we're going to play that, and then after the break, there is going to be, I don't know if highlights is the right word, but there will be a package which reflects the period of time that we've been on air. But let's have a very quick conversation up front about politics. Tuesday night will be the budget. Now you've doubled the debt, well not you personally, but the Coalition have doubled the debt. I assume the sort of, the theme on Tuesday night will be that Josh dons the drunken sailor uniform again and goes about his business.

CHRISTOPHER PYNE: Goodness gracious. Well Tuesday is the budget. It's a big reset for the country, of course. It's like Derby Day in Canberra. Well it's a reset for the country and the Government, and I think it will be really significant because we'll be delivering a surplus budget, and of course, you've never delivered a surplus budget since 1989 in the Labor Party so this will be interesting for you to see what that looks like, and we've got the country back on track economically after six years, something the Liberals often have to do after your Governments, your period in government. The economy is going well, the budget will be looking very strong, we've created jobs and of course, we have national security well under control so I think it's going to be a really interesting entry into the election campaign. I think all bets are off for the election – Labor is a bit cocky. But we'll see what happens on election day.

RICHARD MARLES: Well we'll get to the election in a moment. So, there may well be a surplus budget, but a strong budget, or a strong economy is a fair economy, and right now we have a situation where the critical indicators that matter – wages growth is stagnating, so we've got record low wages growth in this country. Productivity is not happening at all, I mean, the reality is that compared to other countries in the world, the Australian economy actually isn't doing that good. We need to have fairness in our economy, I don't see the budget delivering any of that.

CHRISTOPHER PYNE: I think Labor's policies that they're taking to the next election, a 200 billion dollar tax hit on the economy, weakening of our borders, a living wage that we can't possibly afford, is going to be a prescription for success, and Bill Shorten is your leader, and he is a major vote hesitation.

RICHARD MARLES: So more money on health, more money on education. We're going to restore people's penalty rates and we're going to have a living wage –

CHRISTOPHER PYNE: You'll spend more money. That's what you do, the

Labor Party, you spend money you haven't got, which is why we haven't had a surplus budget for the last six years and now we're managing to achieve one.

RICHARD MARLES: You guys are running around the country at the moment, dishing out money in an unprecedented way.

CHRISTOPHER PYNE: We're economic managers, we're good managers of the country's finances, and the election campaign, we've won six of the last eight elections.

RICHARD MARLES: An election winning machine, I think that's your line.

CHRISTOPHER PYNE: Well we've won six of the last elections. One was a draw, one you've one, because the great Australian population generally think that having a surplus budget, ensuring that there is strong borders and fairness in the community is what the Liberal Party delivers. Labor just taxes us more, takes it away from us and spends it on their mates.

RICHARD MARLES: Okay.

CHRISTOPHER PYNE: The ACTU, who apparently want to put the Liberals last. They think we're worse than One Nation.

RICHARD MARLES: Okay, three Prime Ministers, three Treasurers, I think four Defence Ministers –

CHRISTOPHER PYNE: All good ones. They've all been very good.

RICHARD MARLES: Is that the proposition. I mean, when you've gone through that, I think you know this, this is a broken outfit now, which is more –

CHRISTOPHER PYNE: Is this the Labor Party lecturing me on unity.

RICHARD MARLES: Well the reality is that we've had one leader for the last six years. I mean, we went through a very difficult period –

[Inaudible]

RICHARD MARLES: Well we can talk about it. We learnt, and I can tell you what we also learnt is getting out of the cycle of eating yourself, which is what you guys are doing now. It's almost impossible unless you lose an election, and if people vote for the Coalition at the next election, this upcoming election, what they're going to get is more Prime Ministers and they're going to get more Treasurers, and more Defence Ministers.

CHRISTOPHER PYNE: We've changed our rules so it's almost impossible to change –

RICHARD MARLES: The only thing that will solve the Liberal Party is some time on the bench and I think that's what our country needs. I think – what are you doing?

CHRISTOPHER PYNE: You [inaudible] me already. We haven't even finished the show.

RICHARD MARLES: I was inviting you to introduce our interviewee.

CHRISTOPHER PYNE: I think a few weeks ago, we sat down with Nick Warner, one of the Director-Generals of the Office of National Intelligence, a very serious man, a very serious organisation, protecting our national security, and we'd love you to have a look at that conversation now.

[Start Clip]

CHRISTOPHER PYNE: Nick, thanks very much for joining us. You applied for a graduate job at ASIS, the Australian Signals Intelligence Service. You were

turned down for the graduate job and then ended up as the chief. How do you bring that about?

NICK WARNER: Well, there was about a 40-year gap between these two events. To start with I was straight out of university: scruffy, long-haired, naïve, shy. I interviewed for a position and ASIS came to the right decision and didn't give me the job. I think - I hope, anyway - that I matured a bit in the next 30 or 40 years. You're right, I ran ASIS for about eight and a half years. Fantastic job, great organization full of brilliant young Australians doing a lot of really important things for Australia and its national security.

RICHARD MARLES: So it's interesting, young Australians, and I think a lot of us will be familiar with that advertisement, which is, I think, IQ plus EQ equals ASIS. Exactly what are the attributes that make up a spy?

NICK WARNER: We ran that advertisement in Australian airports for about a year or two, I think, and it led to a lot of a lot of interest and a lot of people applying to join.

It was taken over by another ad which was much more sophisticated, which may be still is up on the Internet, where you could go and answer a whole series of questions, looking at a number of videos, listening in on a conversation, writing a report. Very intricate, very cleverly done, and that, too, was very successful.

What sort of people are we looking for? Not your average public servant. Not your average DFAT officer. Certainly, those sorts of skills and attributes: you know, we want people who are articulate and honest, who write well, people who work well in a team, people who work well individually - as an ASIS officer you've got to do that sometimes.

But it's more than that, and in a sense I'm sorry to answer like this: there's something a little bit intangible to it. You know it when you see it.

I don't run ASIS anymore. I shouldn't be answering this question. That's for my successor, Paul Simon, but they are, for an intelligence officer and in ASIS they have some very special, particular attributes, and as I say, you know them when you see them.

CHRISTOPHER PYNE: It's great to have you on, actually, because the security agencies have been very secretive, and of course the ASIS is the Australian Secret Intelligence Service and what they do is very, very secret. ONI, though, is your new role, the Office of National Intelligence. Tell us a bit about what that does.

NICK WARNER: OK. So, the Office of National Intelligence is Australia's newest intelligence agency. It was established after a review of the entirety of Australia's intelligence community and activities done two years ago by two very prominent Australian public servants Michael L'Estrange and Steve Merchant.

Amongst its recommendations was the establishment of ONI. ONI is built on the foundations of the Office of National Assessments which was formed about 40 years ago, and which I worked in 40 years ago. ONA has been Australia's primary all-source intelligence assessment organisation, so ONI continues to carry out that task, but it also – and this is the new aspect of the function – ONI also coordinates, integrates, and evaluates the entirety of Australia's intelligence community.

Australia's intelligence community is now 10 agencies, so ASIS is one, ONI, ASD, of course, the sigint agency and others. The review looked at this large activity and large investment of resources and came to the pretty obvious conclusion that this was now a major enterprise for Australia. 7,000 people or so work within the national intelligence community. It has a budget of probably more than \$2 billion, so it is a major enterprise. ONI's role is to help manage the enterprise, and as I said, coordination, integration and evaluation.

About a year ago I moved from ASIS to ONA and started to lay the foundations for this new mandate for ONI, and on 20 December last year we changed the names around the building to ONI.

CHRISTOPHER PYNE: Nick, unlike the other security agencies, ONI is directly under the auspices of the Prime Minister.

NICK WARNER: That's right.

CHRISTOPHER PYNE: It's very much his personal organisation that can control or assess all the intelligence across many other different agencies.

NICK WARNER: That's exactly right. We have 10 agencies: three, of course, live within your portfolio; five within Home Affairs; one to the Foreign Minister; and then my agency to the Prime Minister. That's important, I think, if ONI is to have - not control, because this is not about control, it is about coordination - but if we are to bring the other agencies along to get a bigger bang for our buck, to have better coordination, better cooperation, better integration, having that direct link to the Prime Minister is important.

But it's also important from the assessment point of view that Australia's primary all-source intelligence assessment agency has the ear of the Prime Minister. He is our primary reader. You and other ministers, of course, are as well, but we're essentially writing to the Prime Minister

One of the initiatives we've introduced in the last six months or so is a daily intelligence report to the Prime Minister. Australia, it's a bit surprising, but we've never, ever done that before.

RICHARD MARLES: That does surprise me.

WARNER: We pull together the best intelligence that's come in overnight. ONI

analysts, but also analysts from other agencies in the intelligence community contribute articles. I think it's becoming a sort of one-stop-shop around town for intelligence assessment. It's the thing you need to read most from an intelligence point of view each day.

RICHARD MARLES: Well, Nick, we've run out of time. We could do that for another 20 minutes, I reckon. You know, along the way I've been a consumer of your material and there's no doubt that our intelligence community are a really professional group of people who do a remarkable job for our country.

Thank you for taking the time to come on Pyne & Marles. it's been a real treat to speak with you.

NICK WARNER: Great. Thank you very much.

[End Clip]

RICHARD MARLES: Well Christopher, I don't think Nick Warner has ever done an interview before so it was a treat to put him on, but that brings us to the next part of the show. Join us after the break when we will be having some reminiscence of Pyne and Marles.

[Ad Break]

CHRISTOPHER PYNE: Well welcome back to Pyne and Marles here on Sky News Live as you would know, it's our last show which is making a lot of people, the many hundreds of thousands of people who watch our show very sad today, and we're getting a lot of text messages from our fan base saying please don't go. But kindly, the Sky team have put the entire Pyne and Marles budget into a cake.

RICHARD MARLES: That's very sweet.

CHRISTOPHER PYNE: Which they will eat so they'll get the benefit of it after.

RICHARD MARLES: We have been told that we need to bring it back stage after this is done.

CHRISTOPHER PYNE: Lovely. But because this is our last show, the Sky team have put together a reel of our highlights, which I'm sure they – potentially low lights. Let's have a look at that.

[Start Clips]

CHRISTOPHER PYNE: Saturday mornings will never be the same again.

RICHARD MARLES: Certainly not for us.

CHRISTOPHER PYNE: Because Sky is running this show right through the election year.

RICHARD MARLES: I do remember, it was the second episode where there was the longest thirty seconds of my life.

[Crickets]

Welcome to Pyne and Marles on Sky News Live. I'm Marles and he is Christopher Pyne.

RICHARD MARLES: I actually couldn't hear anything in the ear piece so we've learnt a lot about TV along the road.

DAVID SPEERS: Christopher, Richard, it was always an honour to appear on your program, especially given the amount of respect you always showed.

CHRISTOPHER PYNE: You've got to go David. You can't keep talking, what are you doing? You're wrecking this show.

CHRISTOPHER PYNE: Republicans are going to have a very hard road to hoe, regardless of the result coming at the end of November 8.

[Cricket]

KIERAN GILBERT: I just wanted to say congratulations to the stellar television career of Christopher Pyne and Richard Marles. We did win a Logie, the wonderful statuette a couple years ago in Melbourne for our election coverage. I want to know, as a parting gift, to you Laura and I are going to chip in and get some replica statues sent to you both.

LAURA JAYES: I don't know if replicas will quite cut it, but Pyne and Marles, you've been in our eyes, a Logie winning television programme, and you know what? This is all because of the "fixer".

CHRISTOPHER PYNE: I'm a fixer.

DAVID SPEERS: How did you fix it?

CHRISTOPHER PYNE: I fixed it by funding it another way, which you'll find out in the budget.

DAVID SPEERS: Why can't you tell us?

CHRISTOPHER PYNE: I want it to be a surprise for you.

CHRISTOPHER PYNE: Speersy won me a Walkley Award actually, but he took it home. He's refusing to share it with me.

RICHARD MARLES: Was it that interview, it won him a Walkley. Does your name get on the award.

CHRISTOPHER PYNE: No. I'm just the subject of his great success. It was my

Jeff Kennett moment that day on Sky with the “fixer”. I really had a gut full. Where is the money coming from? I wanted it to be a surprise for you. He was thinking that was a rather unusual response. Anyway –

RICHARD MARLES: We will never get a better opportunity to win a Walkley than right now.

CHRISTOPHER PYNE: Do you think if I announce a retirement on Sky, Pyne and Marles will go from 12 viewers to 25 viewers? Do you think that would be a big jump?

RICHARD MARLES: Who would have guessed that I now find myself shadowing you in your new portfolio and my portfolio?

CHRISTOPHER PYNE: Well it’s because of the Pyne and Marles show. I think they want to keep us together in everything from now on. This has been such a ratings bonanza.

RICHARD MARLES: Did you have time away? Did you spend time with the family?

CHRISTOPHER PYNE: I did build a magnificent sandcastle modelled on the Schönbrunn Palace in Vienna.

CHRISTOPHER PYNE: Clearly, it’s been the size of Donald Trump’s hands. Now you must have seen those up close, are they small, and does it preclude him from being the leader of the free world? That’s the question Australians want to know the answer to. John Howard and Bob Hawke both had small hands, they were both successful Australian Prime Ministers, so there’s really, I think he could probably be the President of the States.

TOM CONNELL: Well congratulations gentlemen. Two thoughts of me when I think about Pyne and Marles, first of all, it gives me, of course, a lunch break

since News Day and second of all, no matter how badly my show is going, I can watch Pyne and Marles and think, you know what, I'm not too bad.

UNKNOWN: I'm sure Labor never likes when these stories come out, it does reflect, as much as it does –

But uh –

RICHARD MARLES: I think we're at the point where it's time to piss or get off the pod. So are you actually going to refer Susan Lamb.

CHRISTOPHER PYNE: It's the kind of language we don't approve of on Sky News Live.

RICHARD MARLES: But this is, Christopher, our 100th show, so it's a very simple question, how long did you think we would actually last?

CHRISTOPHER PYNE: You and I have put up with a lot of mockery from our colleagues.

RICHARD MARLES: We certainly have.

CHRISTOPHER PYNE: - 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 to get their own show on Sky News Live.

RICHARD MARLES: Yours has been a mighty career Christopher, and I for one will miss you. I'll probably get in trouble for saying that but that's how I feel.

DAVID SPEERS: In all seriousness, we'll miss your program enormously on Sky News, but hopefully it won't be the last time we talk to either of you for a chat.

CHRISTOPHER PYNE: Well we've both had a couple of milestones. You've had your tenth anniversary in Parliament. You're starting to get a bit better now. We both got glasses.

RICHARD MARLES: I'm talking about that either.

CHRISTOPHER PYNE: See?

RICHARD MARLES: You do look wiser. Politics is keeping us young.

CHRISTOPHER PYNE: How many elections have you faced?

RICHARD MARLES: Four.

CHRISTOPHER PYNE: My tenth one will be coming up in eighteen months.

RICHARD MARLES: Of course we're working against that.

CHRISTOPHER PYNE: You haven't succeeded in 25 years. You know, everytime, "Labor's going to get me".

[Clip Ends]

RICHARD MARLES: Well I don't know what to make of all that. Thank you Sky for putting all of that together.

CHRISTOPHER PYNE: Yes, thank you Sky.

RICHARD MARLES: So why did you do this?

CHRISTOPHER PYNE: Well I wanted a show that lasted longer than Jasmin's Getting Married, and The Verdict, which has been a success. Well to begin with I thought, it's never been done before, so it's worth trying. Other journalists

thought it was a really bad idea, which made me think it must be a really good idea, because we've taken them out of the picture, and they see it as a thin edge of the wedge. Looking at that reel, I can see why they've been so –

RICHARD MARLES: It's quality TV.

CHRISTOPHER PYNE: I didn't realise we were that good except for that dreadful moment when you didn't say anything for 30 seconds.

RICHARD MARLES: Well it was my earpiece and the fact that I forgot my own name.

CHRISTOPHER PYNE: Always blame the equipment. I'm Marles! And, my colleagues were pea green with envy when I told them about it, so I thought, I better make this work.

RICHARD MARLES: So like you I thought it would be something different. I really wasn't sure what it was going to be like. But I thought it would be fun, and it has ended up being fun. But as that clip shows, at the start it was pretty terrifying.

CHRISTOPHER PYNE: That could still be, but people are nicer to us.

RICHARD MARLES: They're more diplomatic.

CHRISTOPHER PYNE: I also think, on a serious note, it was good to get people on the show that normally do television, like Mike Burgess on the Australian Signals Directorate, Nick Warner, we've just heard from, Dennis Richardson, when he announced his retirement after 49 years in the public service. These people would never have agreed to do –

RICHARD MARLES: Chief of Navy, Tim Barrett.

CHRISTOPHER PYNE: -- A Current Affair or something.

RICHARD MARLES: I mean, that's right. We're very lucky that we do obviously, and we do get access on some pretty remarkable Australians, who are very integral to the running of our nation, and one of the things we want to do is try and present them to people because often you don't get to see that, and so I think we've done that.

CHRISTOPHER PYNE: The only one we haven't had and that I regret is Mike Pezzullo from Home Affairs actually. I think we basically covered a lot of the serious people, but Mike would have been really interesting and I think he would have wanted to do it, so shout out to Mike Pezzullo because I'm sorry that we couldn't have him on because I announced my retirement.

RICHARD MARLES: So someone needs to interview Mike. Did you have a favourite interviewee?

CHRISTOPHER PYNE: Jim Carouso? Actually I quite liked the Emperor Haile Selassie III. He was my favourite. He's my friend from Washington. He came out and he was on our show. Nobody else has ever had the Emperor Haile Selassie III.

RICHARD MARLES: That's true. And it's been nice to work with you Christopher.

CHRISTOPHER PYNE: It's been lovely working with you.

RICHARD MARLES: Hopefully we have shown that whilst there is a lot that we disagree on, working across the aisle, and having friendships across the aisle is, I think actually a really healthy thing in politics, and life's too short to take tribalism.

CHRISTOPHER PYNE: I think it's been a pleasure and a privilege, and I hope

we can continue to stay friends into the future.

RICHARD MARLES: No, we definitely will stay friends, and in all seriousness, it has been a real joy doing this program. I've made a friend in you Christopher. I knew you but not so well until we did this and we ended up –

CHRISTOPHER PYNE: You're such a good sport when I tease you in Question Time. My favourite one was that I "always back Richard Marles in a butter knife fight, a fast moving butter knife fight".

RICHARD MARLES: We're doing well. Lets just get to the end. I have made a friend.

CHRISTOPHER PYNE: Thank you Sky.

RICHARD MARLES: Thank you very much to Sky, and that's it. Thank you Sky, Christopher, thank you viewers for watching. It's been a lot of fun and that's that.