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SUBJECT: Federal Budget.

DEBORAH KNIGHT, HOST: Last night, the Treasurer Josh Frydenberg, announced massive spending, pumping billions of dollars into pretty much everything you can think of, including our own wallets, in the hope that we will spend up big and get the economy out of recession. It comes at a cost though; net debt is set to reach almost a trillion dollars by 2024- and that's a lot of zeros. The government says it's all about protecting our future, all about creating jobs. But Labor claims there's no plan. Richard Marles is Labor's Deputy Opposition Leader. He's on the line for us now. Richard, thanks for joining us.

RICHARD MARLES, DEPUTY LEADER OF THE AUSTRALIAN LABOR PARTY: Good afternoon, Deb. How are you?

KNIGHT: I'm well, thank you. Why is Labor calling this Morrison's recession? That's unfair, isn't it? It's the COVID recession.

MARLES: Well, the economy wasn't in great shape before coronavirus hit. I mean, we had a situation-

KNIGHT: We weren't in a recession though.

MARLES: Well we had a situation with anaemic growth and but for population growth, but for migration, we would have been in a recession. That is to say that growth per GDP was going backwards. And so - growth per capita was going backwards. And so, you know, the economy was not in great shape. Household debt was at it's highest level, we had record low wage growth.

KNIGHT: But we weren't in a recession and that didn't happen until the pandemic hit and up-ended absolutely everything. It's a bit disingenuous, isn't it to blame the economic situation that we are in now on Scott Morrison when clearly it's the pandemic, which has impacted not just

Australia but the whole world?

MARLES: But I think to suggest that the state that the economy was in before corona hit is irrelevant, isn't right either. I mean, sure that the government can't be blamed for coronavirus coming about, we understand that. But they own the state of the economy as it occurred. And they own the decisions that have been made through the coronavirus. And we do have a situation now where we've got a trillion dollars of debt. And there's not that much to show for it. I mean, exactly what the plan is for the country going forward looks pretty unclear. And there are a whole lot of people who despite a trillion dollars of debt being spent, find themselves basically out in the cold in terms of where this budget now goes.

KNIGHT: So no plan, nothing being done. But you will back the government with the income tax cuts?

MARLES: Well we've been saying for more than a year now that those stage two income tax cuts should have been brought forward. We were saying that before coronavirus hit, precisely because it-

KNIGHT: Okay, so you will let it go through Parliament because it is going to be before Parliament today.

MARLES: We've made that clear, that the stage two tax cuts being brought forward is something we support and we've actually been advocating for it for more than a year and before Coronavirus, struck.

KNIGHT: And the tax cuts are being wrapped up in this big bill, which will be before parliament, including other budget measures as well. Will you be backing that too?

MARLES: Well, there's a lot of- there's an awful lot which is in that bill. So, you know, we're inclined to support the measures that are being brought forward. But I think it's also our responsibility to have a good look at these issues. I mean, we've made a position clear in relation to the tax cuts, but we're talking about billions and billions of dollars being spent. You know, we're elected to this parliament to actually scrutinise that, and we'll have a look at it.

KNIGHT: But are you inclined to stand in the way?

MARLES: No, we're not inclined to stand in the way. But there's also a role of needing to be constructive in all of this. And so, you know, I think we can balance those objectives. We're not going to be standing in the way and we haven't been from day one, when it comes to this government's handling of coronavirus. We've made our position really clear actually from the moment the pandemic struck. We want to be constructive, we actually want to see the government succeed. I mean, we want to see the virus defeated and we don't want to see people losing their jobs and the economy going backwards. And we want to play our part in minimising all of that. But the government, you know, they're the ones who are running the country. And it is for them to actually outline a vision for the country, which despite all the spending that was done last night, I didn't see. I'm not sure what the story was in the budget last night. And you know, you were making the point about childcare earlier, I think you make a whole lot of really important points there. I mean, participation, economists will tell you is one of the golden keys to economic growth that you know, basically having as many people as possible being able to work; childcare is critically important to enabling a whole lot of women to be in a position to pursue employment. Nothing really was done about childcare last night. And in fact, what the budget did in relation to women's engagement in the economy and I think you also made the point correctly that women have borne the brunt of the recession that we're now in, we didn't see much there. I'll tell you

what, if you're if you're over 35- which, as far as I'm concerned is still very young, and my views on that change every year- this is a, I mean the government's not even trying. There's a million people who are in receipt of benefits now, on jobseeker, jobkeeper, who are over 35 for whom there's going to be no subsidy in terms of employment going forward. It's as if, if you are in that category, the government's just kind of saying; that's too hard. And there's gonna be a whole lot of people who aren't going to be working.

KNIGHT: They have revealed a plan though, for job creation for young Australians, so the under 35s and spending billions on that to help businesses and with wage subsidies. It's a bit rich, isn't it for Anthony Albanese and for the Party- the Labor Party to criticise the budget for having no plan, particularly for older people, because your party, you really put young and old people against each other at the last election. You said, Labor would abolish tax refunds for share dividends, which would have impacted lots of self-funded retirees.

MARLES: Yeah but to be fair, Deb, this isn't about the last election. This is about how Australia maps its way forward, given coronavirus having hit and the budget that was delivered last night-

KNIGHT: Well Labor's talked very, very heatedly about saying, well, the government had a go at us last time without debt and deficit. And you're wanting to hark back to those days, too. So you know, it is a circular argument that is coming around. But in terms of Labor, and in terms of what you would propose, what should happen in terms of ensuring that older people over the age of 35, how do you get them into jobs then?

MARLES: Well, I think it is important that if you're going to be spending a trillion dollars, that you've got some strategy in place for people who are in their 40s and 50s, around retraining and around getting them back into employment. I don't think it's good enough, which is what we've seen in the budget last night to just say, actually, that's a category, which is too hard, like, we can't help you. I mean, and that's what this this budget is doing. But I think the other point here is; when you're thinking about where we go as a country from here, like this is a this is a pretty significant moment of almost reimagining the nation, it is in a sense, a bit like the period immediately after the Second World War. What will our economy look like? What kind of things will we do as a country? How do we get there? You know, that's what I was looking for last night. And we didn't get any of that. I mean, there is no vision for the country in that sense. There's a lot of money being spent, it's being thrown around a lot of areas. But it's being done with gaps as we've described but without any vision. And I think that is the most concerning aspect of last night's budget.

KNIGHT: But at the end of the day, let's be clear; Labor will not stand in the way of these budget measures and the bill before Parliament today?

MARLES: Well, we've made it clear, we're not going to stand in the way of the of the tax cuts. As I say; we were calling for them to be brought forward a year ago. We are inclined to support these measures but we are going to play our role as parliamentarians and we are going to engage in in the proper scrutiny of what is an enormous expenditure of money, and that's what we were elected to do.

KNIGHT: Alright. Well, we thank you for your time today. Richard, thanks so much for joining us.

MARLES: Thanks, Deb.

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Authorised by Paul Erickson, ALP, Canberra.