

**THE HON RICHARD MARLES MP
DEPUTY LEADER OF THE AUSTRALIAN LABOR PARTY
SHADOW MINISTER FOR DEFENCE
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**E&OE TRANSCRIPT
RADIO INTERVIEW
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SUBJECT/S: Tax Cuts, Australia's alliance with the U.S.

ALI MOORE: So, on the first sitting day of the new parliament, is there room to move? Richard Marles is the Deputy Leader of the Labor Party and the Federal Member for Corio. He is also the Shadow Defence Minister. Richard Marles, welcome to the program.

RICHARD MARLES, DEPUTY LEADER OF THE AUSTRALIAN LABOR

PARTY: Good morning Ali. How are you?

MOORE: Well, thank you. So, it is still a no to the government's tax package as it stands right now. If you can't amend it, you'll reject it?

MARLES: Well right now we're the only party who's actually trying to get a tax cut into the hands of every Australian worker this week. And that's what our focus is about. We want to make sure that stage one is put in place immediately and we're facilitating debate in the House this week so that it can occur in that way. But we also want to bring stage two forward which at the moment under

the government's plans are scheduled for 2022. We want to make sure that that's happening at the end of this week so that there is actually a tax benefit that's put into the hands of every Australian worker. And the reason for that, Ali is because right now the economy is pretty soft and it matters to be ensuring that people have money to spend and that's what we're trying to achieve.

MOORE: And stage three?

MARLES: Well I mean the issue with stage three which people need to understand is we're talking about proposed tax cuts in 2024-25. It's a long way off. It cost \$95 billion; that's the cost of stage three. That's such a vast number that it rolls off the tongue pretty easily. But \$95 billion represents a significant reshaping of the Commonwealth and there's no sense in which the government has come forward and explained where that money comes from, what services will be cut? What does that mean? Less money for our schools, for our hospitals? Exactly how that is going to be paid for hasn't been explained at all. Not a cent of it. And yet that's what the government wants passed right now. So our simple point is; you haven't explained that bit. It's actually not about this term of government, it's well into the future, there's another election between now and then. Let's have the conversation about stage three later. But in terms of those tax cuts which would benefit people in this term of government that people were electing or were choosing their vote at the last election, let's get on with that right now.

MOORE: But in fact, people were choosing their vote on all three stages, weren't they? Because they were front and centre of the government's election campaign. Here is a little bit of Scott Morrison from 7:30 last night with Leigh Sales:

LEIGH SALES, 7:30: *Why is Labor's offer to pass the first two stages of the tax cuts in return for holding off the legislation for part three to preserve flexibility in economic management not a perfectly sensible compromise?*

SCOTT MORRISON, PRIME MINISTER: *That's not what I said to the Australian people and that's not what they voted for. They voted for the personal income tax plan that we set out in the Budget which was a responsible plan that dealt with the immediate requirements to ensure we put more money back in people's pockets.*

SALES: *If you aren't prepared to compromise with Labor, what's your pathway to getting your full package through the Parliament?*

MORRISON: *Working with the crossbench.*

MOORE: They have a mandate.

MARLES: I don't think they have a mandate. There's not a person who voted on the 18 of May for the cuts that will be necessary to enable stage three to occur because the information around those cuts simply haven't been put into the public domain. That's the bottom line here.

MOORE: You say yourself, stage three will be after another election, so if you win the election, you are still bothered by stage three, can't you just repeal it?

MARLES: Ultimately what we are focused on now is stage one and stage two- that's in the here and now. That's where we can benefit people right now. And let's get on with that. Our only point-

MOORE: That is obviously a no go zone for the government.

MARLES: No but this is- I mean this is a dynamic place. There should be a conversation that's allowed to happen here. We are facilitating this getting into the Senate as quickly as possible so that that conversation can occur. And in respect of stage three when the government comes to us and the Australian people in general with exactly how it is going to pay for it well then we can have the conversation about it. It's a pretty meaningless conversation to have in the

absence of what? Putting up an explanation of how you're actually going to pay for the \$95 billion that this will cost. So in the here now let's deal with stage one and two and that's the conversation we're going to try and have with the Senate during the course of this week.

MOORE: That said, Shadow Treasurer, Jim Chalmers says that all alternatives are available. If you do push for amendments in the Senate to try to split the package and they fail does that mean and certainly, it has been read this morning as meaning that you will try for amendments, if they don't work, you will give the package the go ahead.

MARLES: Our focus is on seeking to split stage three off and to focus on stage one and two-

MOORE: You have made that very clear but if you can't do that is there room to move?

MARLES: That is what we are focused on doing. I'm not going to get into steps down the path here. If one or-

MOORE: Would you rule it out? Would you rule it out letting stage three through?

MARLES: Ali, our focus is as I've said; it's going to be talking with the crossbench and the Senate about splitting off stage three and focusing on stage one and two and bringing stage two forward, that's where we're at. That's where our attention is focused. And what ensues after that depending on what occurs is it is a matter down the track. But right now we're focused on this.

MOORE: It's not that far down the track, it is probably only as far down the track as Thursday. That sounds to move like there is a bit of room to move?

MARLES: Yeah but there is a process of having a conversation with the Senate

about this and that's what we're focused.

MOORE: Former Minister, Martin Ferguson, he has been around for a very long time. He says you do need to pass the legislation, you are putting yourselves in a perilous position and the government has a mandate and you risk giving up your relevance and handing more power to the minor parties.

MARLES: Well there's all sorts of people who are going to offer their commentary about-

MOORE: But Martin Ferguson is not all sorts of people, is he? I mean he is an elder statesman of the party.

MARLES: Martin Ferguson is a giant of our movement, there is no question. I can only say we are focused on what we're doing right now and we're going to take this sort a step at a time and actually I think that's the only way you can go about the practice of politics. And in seeking to split stage three off and getting stage one and two up is where we're at. We feel that there is a completely legitimate conversation to be had with the Senate about that and we're optimistic about how that will play out.

MOORE: Is everyone- I should ask you; where is your source of optimism about how that is going to play out? Given, listening to Scott Morrison last night, there doesn't seem to be any room to move on that third stage.

MARLES: Well Scott Morrison doesn't have all the numbers in the Senate. I mean there is a crossbench.

MOORE: He needs four of the six crossbench and it looks like he is getting close.

MARLES: Sure. There is a crossbench which are relevant in this discussion as well and we'll be talking with them.

MOORE: Not everyone in your party is happy with this. There is a fair bit of chat about that you are drowning out all your other messages with this opposition.

MARLES: I think there is a range of views that have been expressed up until now. But the position that was taken by Shadow Cabinet and the Caucus yesterday is very clear. And these are complex issues but having gone through a conversation and reached the position there is a lot of unity behind it.

MOORE: And to what extent is forced unity? With Anthony Albanese certainly making it very clear together, we stick together and no leaks.

MARLES: It's not forced at all, I mean ours is a process of having debate, reaching a position and then prosecuting it. And that's exactly what we're doing.

MOORE: Richard Marles, of course you are Shadow Defence Minister as well. Just to another issue this morning; Hugh White, Professor Hugh White, a very well-known security analyst has written a book and he makes the point that Australia can no longer rely on the U.S. to protect it in Asia and we should consider developing our own nuclear weapons. What do you make of that?

MARLES: Well the starting point here is that we are a party to the Non-Proliferation Treaty and the architecture of that is that non-nuclear states, of which we are one obviously, don't seek to acquire nuclear weapons. So that's the position that Australia should have in relation to the world. And that is that we should not seek to gain nuclear weapons and indeed our view is that we need to be trying to make sure that the Non-Proliferation Treaty continues to have significance in reaching its ultimate goal of removing nuclear weapons from the world. So that's the position in respect of gaining nuclear weapons. But I do think, the point that Hugh White is also making- or comes out of his observations- is that we face a challenging a set of strategic circumstances as we have since the Second World War. That's through the rise of China- an assertive China- and also the place of America in the world. I think that the way

we address this is to identify and give expression to the leadership side of Australia's international personality, something that I don't think we've been particularly comfortable doing up until now. And you do that in places where we have significant influence such as the Pacific which I think is why it's so important for Australia. It matters for example that we have a strong voice in Southeast Asia and in East Asia. And all of that then enables Australia to share the burden of strategic thought with the United States. And, in the process helps encourage the US to stay engaged in East Asia and I actually think we do have significant capacity to shape those circumstances and to keep the U.S. involved in this part of the world.

MOORE: So you say no to nuclear weapons but do you accept the premise that we can't anymore rely on the U.S. to protect us?

MARLES: I definitely say no to nuclear weapons. I think the United States is in East Asia, Hugh for a long time has made an argument about America being in retreat. I don't necessarily accept that. In fact during the course of this term of the Trump Administration you'll see the American military footprint increase in East Asia rather than the opposite. But having said that I understand Hugh's point and he would he would argue that for example America's withdrawal from the TPP is an example of America retreating. I think, where I get to-

MOORE: Can we rely on them, or can't we?

MARLES: Well where I get to with all of this is; our alliance with the United States is critically important. It's as relevant today as it's ever been. And we need to be encouraging America to stay involved.

MOORE: But that is not an unequivocal, yep they have got our back.

MARLES: Well I think, well they've got our back to the extent that that America is present and we need to be doing everything we can to argue for an influence of America in maintaining its presence. But my point here is and I think this is

where, you know Hugh makes a valid point, we've got to look to ourselves and and what we can control and that involves finding and developing the leadership side of our international personality. I mean for a long time we have not had much intent in the Pacific region where that is a part of the world where we're expected to play a significant role. Unless we find that intent and actually demonstrate a sense of leadership on the part of ourselves in the world, then it's a bit hard to expect a country like America to remain involved. Whereas I actually think that if we do that, if we say to the United States we are willing to share the burden of strategic thought in our part of the world- and in East Asia- that that is a way in which we can shape circumstances such as to keep the U.S. engaged.

MOORE: Richard Marles, you obviously have issues much closer to home over the next day or two to focus on. Thank you very much for joining us this morning.

MARLES: It's a pleasure Ali, thanks.

ENDS

Authorised by Noah Carroll, ALP, Canberra.