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SUBJECTS: Isolation; Trade tensions with China; the economy; Jobkeeper

VIRGINIA TRIOLI, HOST: Let's turn now though, to that big issue today, after China launching a second trade investigation into Australia yesterday. Now beef, following barley- the dairy industry is frankly terrified that they're going to be next- next focused on by China. This seemingly angry and rather retaliatory for our calls for an inquiry into the origins of covid-19. Richard Marles, is the Deputy Leader of the Australian Labor Party and the Shadow Minister of Defence; we thought we'd get the Opposition view on this morning. Richard Marles, good morning. Good to talk to you.

RICHARD MARLES, DEPUTY LEADER OF THE AUSTRALIAN LABOR PARTY: Good morning Virginia. That's an uncomfortable start to your program.

TRIOLI: Well I- you know you're going to get asked the question; drinking more or less in isolation, Richard Marles?

MARLES: That that is a firm 'no comment.'

TRIOLI: I'm not going to take that as a yes.

MARLES: It's so hard. It is so hard. I have maintained my two alcohol free days a week.

TRIOLI: Right.

MARLES: But for me, home is the comfort place. And being on the couch with my wife, having a glass of wine is one of my favourite things to do and so that's happening more.

TRIOLI: No one can take that away from you. But watch it, the GPs want to know your intake.

MARLES: Well my sister is a GP, so she is making the point right.

TRIOLI: Right, good. I'm glad there is someone making that point in your life. Was this emerging trade war with China avoidable? I mean- no matter the politics of who was running the country, if you wanted to put your hand up and say; we'd like to know where covid-19 came from, was this going to happen?

MARLES: Well I think the starting point is, we do need to take the Chinese at face value in terms of how they have described this. But you're right, that certainly the agricultural sector are enormously concerned that this is happening as a result of that- and that the situation will get worse. I think the point to make here is that the relationship with China has been deteriorating under this Government for a number of years now- well before covid started. And it's important that in our relationship with China we are able to express our voice. And when that differs from Chinese action and we have supported the Government in a call for seeking an inquiry into the origins of the coronavirus, it is important we're able to say that. But it's also really important that there is balance in this relationship, and that we approach this relationship from the point of view that we, as a nation value it, because obviously we do. China is

our largest trading partner. And when you see, you know, a lot of backbenchers filling the void for this Government- and essentially being the voice of the Government in the context of the relationship- you know, what worries me is that we don't have the leadership from the Prime Minister and the Foreign Minister in terms of articulating a clear message of what- of how Australia views the relationship-

TRIOLI: What do you mean filling the void, exactly?

MARLES: Well what we hear is a whole lot of voices from the Government's backbench which are often making pretty inflammatory statements in relation to China. What we need to hear is from the Foreign Minister and from the Prime Minister about firstly, you know, an articulation of how they see the relationship. And presumably that Australia values the relationship. And I think right now we need to be hearing from them about how they see themselves fixing this problem.

TRIOLI: But also as part of this discussion, and also of Australia realising during covid-19 that we are now right at the end- and have been for some time- right at the end of the supply chain and have no control over that, the emerging discussion is about other markets being pursued but also about us getting much more in control of that destiny ourselves- and maybe moving into some kind of manufacturing 5.0 that we abandoned many, many years ago. That's not- you could argue about how realistic that is- but that's not necessarily an anti-China sentiment but one that is needed and a discussion that has to be had right now.

MARLES: Definitely. And it's not an anti-China sentiment and I think-

TRIOLI: But it could always be pitched that way, you see what I mean. I mean, I know you're saying that it's a lack of leadership from the Government but in order to start talking in those terms why does it always have to be seen as anti-China?

MARLES: But that's not what we've seen in terms of a whole lot of the voices

from members of the Government. Look, I think your point is right; I think that making sure that we have the most diverse set of trading arrangements possible is really important. And I think making sure that we have an economy which is resilient and where we are able to make things again- and the truth is that since 2013 we've seen a pretty significant deindustrialization of Australia- and that's particularly occurred in Victoria. We've seen it- and I've seen it in my hometown of Geelong. You know those things have- as is really being borne out by the coronavirus crisis, led to our economy in fact being more fragile than perhaps we realised. But with all of that, the relationship with China is still going to matter. China is our largest trading partner and there's a whole lot of industries in Australia, a whole lot of industries in Victoria which rely heavily on that trade. And whichever country you're talking about, I mean, I don't think international relations are very different from human relations. If we are going to be doing business with this country we need to be in the room making it clear that we value the relationship. Now, that doesn't mean that you don't have a space in that relationship where you can articulate your voice when you've got a difference of opinion. In fact it's quite the opposite; you need to build the balance in the relationship so that you can do that. And that's particularly the case, I think with China. But that's not what we've seen over the last few years and I think that's the problem.

TRIOLI: Is dairy going to be next in your view?

MARLES: Well certainly the dairy industry are very worried. I hope it's not. But I think what we need to be hearing from- in terms of a Government- is an articulation from Scott Morrison about how he's going to fix this.

TRIOLI: You've ruled out a cut to the company tax rate, which the Government says is needed to lift the country out of recession. Why? And are you prepared to stand by that decision if we don't actually get that that kickback out of this slump, quickly enough?

MARLES: I mean, the point that we've been making in relation to that is that it's a long way down the track. And from this time last year, or July last year, when

the tax cuts were going through the Parliament we made the point that in terms of that tranche of the tax cuts which are not during this term but after the next election, you know, we need to be seeing what the economic circumstances are at that time.

TRIOLI: Yes but circumstances have changed. Just jump in there-

MARLES: Totally.

TRIOLI: So substantially. While philosophically everyone can understand why the Labor Opposition believed that and went into the last few months saying that. You've got such a change of circumstance now, can't you see as part of a suite of measures an argument for it?

MARLES: Well again, it's still a fair way into the future and our point then- which remains the same now; is you have got to make these calls when in the context of what you can foreseeably predict in terms of what the economy is going to do- and right now that's hard but it was certainly hard last year. I mean our point last year was that the government were trying to give the impression that there was a sense of certainty around the economy, you know five years down the track. Well that's obviously proved to be completely wrong. The lesson we need to learn from that is; let's deal with these things as they come. But right now, the economic circumstances are very unpredictable going forward. And that's the basis upon which we're going to approach this. I mean these are tax cuts that are mapped out years in advance and that's always been our issue in relation to this.

TRIOLI: Richard Marles is with you, Deputy Leader of the Australian Labor Party and the Shadow Minister for Defence. We're hearing word that the Prime Minister would like to see the end of Jobkeeper a little earlier than people expected. I know the Labor Opposition wants to keep it in place. You're going to need support from the Greens and Pauline Hanson to get the numbers to do that. Have you spoken to her?

MARLES: Well, we'll deal with the Senators at that point. But I think the most important point to make now is that; to have a 'SnapBack' as the Prime Minister has said in relation to the relief packages that are out there, in respect of Jobkeeper, Jobseeker and the like- if they are all going to come to an end on a drop dead date, then that raises the very real prospect that our economy goes through a second shock. I mean, you need to have these things occur in a graduated way so that the private sector has an opportunity to come back into the economy. And that's really the point that we're making there, that there is a real danger in relation to Jobkeeper of saying, you know, it all ends on a particular date. But our fundamental point in relation to Jobkeeper is that, it is a very important measure- and we were the ones who were originally calling for a wage subsidy and we've supported it. But it could be much better targeted. I mean you've got workers at DNATA, for example, who are a catering company- thousands of employees around Australia- a catering company for the aviation industry, who are obviously in a situation where there's no aviation and they're not working. Because of the ownership of their company, they're being denied Jobkeeper. And on the other hand you've got kids, who are doing a couple of shifts and have been doing that for a year or two which means they get the full whack. You know, our view is that those things aren't fair and that there could be a much better targeted way in which Jobkeeper would be applied.

TRIOLI: Good to talk to you this morning, Richard Marles. Thanks so much for your time.

MARLES: Thanks, Virginia.

ENDS

Authorised by Paul Erickson, ALP, Canberra.