

Pacific Islands Forum in Samoa

This week the Prime Minister will travel to Apia, Samoa to meet with regional leaders at the annual Pacific Islands Forum.

The PIF is the only forum which gathers all Pacific leaders in one place. Strong regional cooperation with our neighbours is vital to our shared stability, security and prosperity.

Our increased engagement in the Pacific is a long-term commitment reliant on stronger partnerships to deliver economic growth and resilience, enhanced security cooperation and closer relationships between our people.

The Prime Minister is delivering on his commitment to 'step-up' Australia's engagement in the Pacific.

This important forum provides an opportunity to strengthen our partnerships with Pacific neighbours. The Prime Minister will announce a series of economic, security and people-to-people initiatives to deliver on Australia's commitment to the Pacific.

Hosted by Prime Minister Tuilaepa Lufesolai Sailele Malielegaoi, the forum will also be an opportunity for leaders to discuss ocean management, climate change, maritime security and fisheries, guided by the forum theme of Blue Pacific.

This will be the Prime Minister's first official visit to Samoa and will help to fortify our greater engagement across the Pacific region. He will be accompanied by Senator Fierravanti-Wells, the Minister for International Development and the Pacific.

Government launches Veterans' Employment Awards

The Australian Government continues to honour its promise to ensure that all Australian Defence Force (ADF) personnel are ready for the opportunities of post-service life.

Helping our former Defence personnel find meaningful post-service careers is one of the best ways we can honour their service and sacrifice.

Today we launch the inaugural Veterans' Employment Awards, which will celebrate Australian businesses that are employing veterans as well as veterans who are making a significant contribution to their workplace.

Any Australian business, large or small, that is a leader in veterans employment should nominate for the awards.

The awards, which contain nine categories, are part of the Prime Minister's Veterans Employment Program, that was launched last year to help recognise the talents of our veterans and to encourage the private sector to take advantage of that expertise.

An Industry Advisory Committee (IAC) on Veterans' Employment was formed earlier this year to increase employment opportunities for veterans in the private sector. They have been instrumental in developing the Veterans' Employment Awards.

IAC chair and Chief Executive Officer of Westpac's Consumer Bank George Frazis today updated the Government on the committee's progress developing strategies to improve the pathways for veterans from the Australian Defence Force into post-service employment.

Each year, around 5,200 people will leave the ADF and the Government's aim is to ensure our personnel can transition to civilian life effectively and smoothly.

Significant work has already been undertaken to improve veteran employment in the Australian Public Service (APS) with the development of a practical toolkit to support veterans to enter the APS that includes a guide aligning ADF ranks to APS classifications.

Since the Government added a "Defence Force Experience Desirable" flag on its jobactive website in September 2016 more than 1500 positions have been advertised as Defence desirable, connecting job seekers with employers.

Mr Frazis said: "As a former RAAF Officer, I am proud to share the progress of the Committee with the Prime Minister and Minister for Veterans' Affairs today.

"The Committee has made positive progress in achieving its aspiration to help veterans and their families gain meaningful employment during and after their service. It has established the foundation for its ongoing efforts to overcome barriers to employment for our veterans, those serving in the Reserves and their spouses.

"The Committee has found that businesses are very keen to employ veterans, and some already have specific programs in place to assist veterans. The challenge is ensuring that businesses interested in employing veterans are able to attract veterans and have programs in place that support veteran employees as they adjust to civilian workplaces.

"We encourage all organisations to recognise and take advantage of the talents and skills of our veterans, such as leadership, resilience, agility and the ability to operate in complex environments."

Nominations for the Veterans' Employment Awards are open until 22 December 2017 and can be submitted at www.veteranemployment.gov.au.

Remarks at the Prostate Cancer Foundation 2017 Big Aussie Barbie

PRIME MINISTER:

I want to congratulate the co-Chairs of Parliamentary Friends of Prostate Cancer, Warren Entsch and Jason Clare. I know this is very bipartisan. Bill Shorten will be here shortly, I gather.

I want to acknowledge Associate Professor Anthony Lowe, the CEO of the Prostate Cancer Foundation of Australia, Jim Hughes, the National Chairman who is not here as Steve was saying, but thank him for his work in his absence. And of course Jim Lloyd, our old friend and colleague, as Ambassador for the Prostate Cancer Foundation of Australia.

Warren Entsch of course is not known for being shy and he encourages all of the men here and around Australia to stop being shy about asking the doctor for a check-up. Don't run away in fear when you hear the snap of the rubber glove.

This is the time to recognise that there are 16,000 new cases of prostate cancer diagnosed every year. Sadly, 3,000 men die from it each year.

We can improve those statistics, which means more men will survive prostate cancer if more men get a check-up and that might be a physical check-up or it could be the blood test that is available upstairs in the Reps Alcove.

As Warren said: 'Nothing to be afraid of'.

We encourage everyone to have that test, if you haven't had that PSA test recently.

As Steve said, we recognise the fantastic work the prostate cancer nurses do and the care and support they provide both to patients and families. So we are, as Steve acknowledged, extending the funding for the 14 prostate cancer nurses we already fund, \$5.9 million over three years and we're doubling the funding over the next three years to increase the number of Commonwealth funded nurses to 28.

[Applause]

So they will be able to assist up to 8,000 men with prostate cancer over the next three years. So I want to encourage everybody, particularly the men, not to be frightened. The doctor won't hurt you, I promise. He won't hurt you and he might save your life. So fire up the barbie on this cold day and remember awareness, taking care of yourself, making sure you get that check-up, that could save your life.

Thanks very much and have a great day.

[ENDS]

Press Conference with the Hon. Josh Frydenberg MP, Minister for the Environment and Energy

PRIME MINISTER:

Good morning.

I'm here with the Energy Minister, Josh Frydenberg to talk about the Australian Energy Market Operator's report on the availability of dispatchable generation in the near-term and over the longer term.

This is a very important piece of work that we commissioned some time ago because it was clear that what has been happening in the Australian energy market is that dispatchable, high-emissions energy, coal-fired generation, coal-fired baseload generation, is being driven out by low-emissions renewables which are not dispatchable.

What I mean by dispatchable is it means energy is dispatchable if it can be delivered on demand. So, that could be hydro, it could be gas, it could be a battery, it could be coal, many others, but clearly solar and wind are not dispatchable sources of generation. They operate when the sun is shining or the wind is blowing.

This is a very, very important point and it is something that has been overlooked, and you may recall I drew attention to this fact in my speech at the Press Club in February this year, when I talked about the importance of storage. Because storage enables you to store the electricity generated by renewables and then, when the sun isn't shining or the wind isn't blowing, to deliver, to dispatch that electricity.

That's why Snowy Hydro 2.0 is such a game-changer, because it provides, it will provide, in its first stage 2,000 megawatts of dispatchable power that will be available on demand. It makes renewables reliable.

What you have seen is a colossal failure in the planning of our energy system.

The Labor Party's approach has been one driven by ideology and, I have to say, idiocy.

I mean, it really does beggar belief that you would – as they did in South

Australia – allow their electricity system to be dominated by wind power, see coal-fired power stations close and not put in any measures to back-up that wind power when the wind wasn't blowing. Hence as we know, they were relying on a very long extension cord to the Latrobe Valley.

So that is the context in which we approach this and asked the question of AEMO – what exactly is happening to dispatchable power? How big is the gap? Is there a gap? How big is it?

Josh will go into this in a bit more detail but the summary is there are short-term problems which AEMO is addressing. There will be a need for a strategic reserve. Again, Josh will address that. But in particular after 2022, which is when the Liddell power station in the Hunter Valley is scheduled to close, AEMO estimates there will be as much as a 1,000 megawatt gap in necessary baseload dispatchable generation.

Now, 2022 is a very critical date.

It's five years away, obviously. It's also a year or two prior to Snowy Hydro 2.0 coming on.

Obviously it's early days but the estimate we have from the Chief Executive of Snowy, Paul Broad, is that the project will take about six years to complete and that of course, will provide a lot of additional dispatchable power but it won't be ready in 2022.

Naturally, we need to be forewarned about this, so we have that clear advice from AEMO.

What are now doing, is ensuring that we put in place all of the options that we can examine to make sure that that 1,000 megawatt gap in dispatchable power is not realised.

It is very, very important to maintain dispatchable generation.

You can't run an electricity system just on solar panels and wind farms. You can't, because you've got to have back-up – whether it's gas, whether it's batteries, whether it's hydro, whether it's coal-fired baseload power – you've got to have that. You need all of the above. That's why I say our approach is governed by engineering and economics.

I'll just address the Liddell matter now.

We have had several discussions with the Chief Executive of AGL Andy Vesey, about the possibility of the Liddell power station continuing for a longer period – say up to five years – to provide more security to the system over that period.

AGL has said they want to get out, they want to close Liddell by 2022. They've said, certainly, that they want to get out of it but they have said they are prepared to discuss the sale of the power station to a responsible party. That is what we will be discussing further with Andy when we see him next week.

Again, generators, electricity companies, obviously prefer electricity prices to be high. That's when they make a lot of money.

Our perspective, our responsibility is to the Australian people, whether it's mums and dads, families, whether it's businesses, to ensure that electricity and all energy, is affordable and reliable.

You have to go about this in a business-like, pragmatic, well-informed way – engineering and economics.

Look at what Labor did with gas. That is a shocking story. At least they've confessed to it now. I'm not sure they'll be getting absolution in a hurry, but imagine that – allowing gas to be exported from the east coast of Australia, doing nothing to protect the domestic market despite very clear warnings that allowing that export to occur without any other measures, was going to put upward pressure on prices and put supply for the domestic market at risk.

If people want to know why they are paying a lot more for gas or why gas is scarce, it is because of that policy failure.

It would have been very straightforward to ring-fence enough supply for the domestic market but again, just like the South Australian Labor Party did with a combination of complacency and stupidity, they blundered into a situation where we have very high gas prices and I have had to take the very strong measures, as you know, foreshadowing restrictions to exports which I am pleased to say has had a downward effect on the price of gas.

That is our commitment – reliable and affordable energy.

It is a complex problem, there is no question about that, but everything we're doing in the near-term, the immediate term on retail prices where already thousands of Australians are paying less for electricity because they are getting a better deal thanks to our leadership.

Whether it is stopping the energy companies from gaming the system and appealing against the regulator's decision on what they can charge for poles and wires, that legislation is in the Parliament now and Josh is leading the charge on that.

Whether it's taking action on gas.

Whether it's building the biggest battery in the Southern Hemisphere with Snowy Hydro 2.0 on a longer-term.

Whether it's getting the information about what our dispatchable gap is likely to be and then making sure we take action right now – not waiting until 2021 – action right now to start to set in place the measures to ensure that gap doesn't occur.

So I'll hand over to Josh and then we'll take some questions.

THE HON. JOSH FRYDENBERG MP, MINISTER FOR ENERGY AND THE ENVIRONMENT:

Thank you, Prime Minister.

This AEMO report does confirm our concerns about the impact on price and reliability that comes from the accelerated closure of coal-fired power stations.

It's no surprise, indeed no coincidence that AEMO have indicated that their biggest concerns are for the states of Victoria and South Australia where Labor governments have overseen policies that have seen the closure of two big coal-fired power stations, Northern and Hazelwood.

The recommendations from AEMO in the short-term about having a strategic reserve to meet the supply shortfall and in the longer-term, to investigate and to consider changes to the market design to ensure that we have more dispatchable power available are very significant.

They also complement the work the government already has under way to stabilise the system.

The Prime Minister referred to the restrictions on the exports of gas.

Also, we have pursued through the COAG Energy Council following the Finkel Review a recommendation that from now on large-scale generators will have to give a minimum three years' notice before they can close.

As well as a recommendation adopted again by the Commonwealth, that wind and solar farms will require their own storage.

So this is action that is already under way which complements the work put forward today by AEMO.

Bill Shorten has a policy to accelerate the closure of coal-fired power stations. It was in his election platform last year.

This year, the Labor Party have joined with the Greens to support a motion in the Senate saying that coal has no future in Australia.

The message from this AEMO report is that coal and dispatchable power provided by other thermal generators like gas or indeed provided by hydro power is absolutely critical to the stability of our system and to ensuring a more affordable energy system.

So Bill Shorten has to answer the question – how will his 45 per cent reckless emissions reduction target ensure sufficient dispatchable power in the system going forward?

JOURNALIST:

On Liddell, you said last night you didn't see the government as a likely owner of it should it be sold but is it realistic to expect the government will have to facilitate the sale with some sort of financial incentive to whoever buys it? Are you prepared to help pay for a refit for example or tax incentives?

PRIME MINISTER:

I think it's too early to speculate about that, Phil. I mean we will be asking AEMO – in fact, AEMO is planning, at our request, to undertake a review of the state of the coal-fired fleet.

As Alan Finkel observed yesterday, I think, extending the life of some existing coal-fired generators and indeed, getting them to operate more efficiently – and there are plenty of options to do that, in fact, AGL is working on that process with its other Hunter Valley power station, Bayswater – these are all relatively cost-effective options.

We've got to look at measures that can achieve greater affordability and stability in the system in the here and now.

It's early days with Liddell, but the thing we can't afford to do is to ignore the realities of the market, which is what Labor has done in the past, wilfully. They've ignored it, reckless and idiotic though it may be, that's what they did, they created this mess.

What we need to do now in a hard-headed, practical way is identify the options for ensuring we don't have a gap in dispatchable energy and clearly extending the life of existing power stations is an option and Liddell is one of those. We look forward to discussing it further.

JOURNALIST:

Why can you not use a Clean Energy Target to do the work that's required here which is to set the incentives to get 1,000 megawatts of capacity by 2022? What's wrong with using a clean energy target to do that?

PRIME MINISTER:

Well, the challenge that you've got, David, is actually, if you're saying building new dispatchable capacity by 2022, that would be a very big stretch. See, that's five years away. So when people talk about new generation capacity, unless you are talking about wind and solar – and solar, there is a lot more generation coming into the market, wind and solar, and that's good, we need more generation, right – but we also need to ensure that we have got that dispatchability.

Now that can be provided by batteries, but they've got limited capacity. It can be provided on a large scale by pumped hydro, but that takes years to build.

You are talking about 23 – more, actually, 30 plus kilometres of tunnels in Snowy Hydro 2.0. That is not an insignificant civil engineering project. So all of those things take time.

I think a lot of the debate or discussion about energy policy is not well informed in terms of the time frame of what it takes to put things in place. So that's why I say, our focus is on engineering and economics and getting the expert advice is critical to that.

JOURNALIST:

Given that 1,000 megawatt gap in dispatchable power that's been identified here, is Liddell the only option or is there a plan B? What are some of the other options to cover? And also can I ask you, why wasn't there any of this federal intervention before Hazelwood shut down?

PRIME MINISTER:

Well, a couple of points there – firstly, in terms of Liddell, keeping it going for a longer period, for five years say, up to five years, is clearly an option. But that's got to be fully examined and that's why we are discussing it with the owners. That is one option. No doubt there are others.

As far as Hazelwood is concerned, that really was not an option that was presented to us at the time. ENGIE, the French owners were absolutely committed to closing it. They gave very short notice of it. My understanding – and Josh may be able to add to this – my understanding was that maintenance was neglected in the sense it was run down in advance of closure and that's why it was closed.

But of course, the consequence of that has been higher electricity prices which has benefitted all generators, including ENGIE and of course AGL. I mean, burning coal to make electricity has never been more profitable than it is at the moment.

JOURNALIST:

Prime Minister AGL considers Liddell to be a major liability worth multimillions of dollars. Who would make up the shortfall? Would the government help pay to dismantle it after any extended period of life?

PRIME MINISTER:

Well again, you are getting way ahead, we are getting way ahead of ourselves here. We will have further discussions with AGL about it. Obviously AGL's plan, their current plan is to close it and dismantle it and do whatever remediation that is required as a consequence. Enabling it to run for some years longer, particularly if that gets us over a gap, that could be very valuable.

It's my responsibility as Prime Minister to look after the Australian people. Andy Vesey and other CEOs they've got to look after their shareholders.

Our responsibility is to look after the Australian people. What they need is to have affordable and reliable electricity and so we look at all options.

JOURNALIST:

You've said that electricity companies are putting their profits and want to keep the prices high so they can make more profit. Do you think it is irresponsible of AGL to be, in your view, effectively threatening our energy stability and pushing power prices high, just to deliver more profits?

PRIME MINISTER:

Well, you have sought to put lots of words into my mouth there Sharri, let me say this: the responsibilities are different, okay?

Our responsibility is to the Australian people and we are committed to doing everything we can to ensure that energy is affordable and reliable.

Many of the problems we face at the moment have taken a long time to create, they can't be solved overnight.

PRIME MINISTER:

Many of the problems we face at the moment have taken a long time to create. They can't be solved overnight.

The failure to provide storage to support renewables is, when you think about it, an enormous oversight.

Now, as far as I'm aware, I'm certainly the first Prime Minister, perhaps the first head of government to focus on that as a key priority. But even something as important as Snowy Hydro 2.0 – and by the way, that can be scaled up to a much larger plant, much larger capacity, it could be scaled up to 8,000 megawatts in due course, so there is a lot of water there that you can move up and down between the two reservoirs – but it all takes time. And so the critical thing is to make sure that you are taking action in the near-term, in the medium term and in the long-term but all of it is well informed.

But, you're right to make the point, I make no observation other than to say that the principal beneficiaries of the recent, well, the only beneficiaries, frankly, of the recent increases in electricity prices have been of course the electricity companies.

JOURNALIST:

The AEMO report is very clear in saying that building new coal-fired power plants was not an economically viable prospect. Can you now rule out your government offering any form of financial support?

PRIME MINISTER:

The old rule-in, rule-out question! You're better than that, James! You're better than that.

(Laughter)

JOURNALIST:

You're not going to answer the question Prime Minister?

PRIME MINISTER:

That is not what they said, by the way.

JOURNALIST:

It's very clear. Page 80 of the report, PM.

PRIME MINISTER:

No, it is not what they said. It is not what they said.

But what they have said, and I agree with them, is that clearly you can get a more near-term assistance by extending the life of the existing coal-fired power stations.

The cheapest, that is to say short-run marginal costs, are coal-fired power generation is from an existing plant. A new one will firstly take a long time to build and, of course, have to wear all of the capital costs of its construction.

Now I would welcome an advanced high-efficiency, low-emission coal-fired power station built in Australia. I would. I think with a big coal exporter, it'd be great, just from a marketing point of view if nothing else. And I might say I have been saying that for nearly 10 years so I'm very consistent about it.

But the challenges we face are much nearer-term than that. I mean you could not get a new 2,000 megawatt coal-fired power station built in five years even if you knew where you wanted to put it, even if you had all your planning approvals ready.

So you can see we have got to take action in the near-term, the medium-term, the long-term, and we are doing all of that.

JOURNALIST:

Prime Minister, will the government consider, this summer we are facing blackouts and the possibility of load shedding, would the Federal Government considering offering subsidies or incentives to households and businesses to turn the power off during peak times?

MINISTER FOR THE ENVIRONMENT AND ENERGY:

Well, AEMO is actually working on both new generation for this peak summer and, as you indicate, demand-side response.

And through ARENA, the government is working with the states of Victoria, South Australia and New South Wales in ensuring 160 megawatts of demand-side response, and indeed it could be more.

AEMO made clear in this report that they are looking for 1,000 megawatts of additional generation or demand-side response in the lead-up to this summer.

They are doing everything possible to ensure that the maintenance schedules of the generators are working in order to meet peak demand this summer, that there is access to fuel so that the generators can continue to supply. And,

as the Prime Minister alluded to, his discussions with the gas companies have actually, in respect, ensured that there are commitments from them that there will be sufficient gas for the domestic market.

So lots of work is being done.

JOURNALIST:

Prime Minister, before you rush off, can I ask about your phone call with Donald Trump this morning? What was discussed and how was it?

PRIME MINISTER:

Thank you very much. It was a very good call, very warm discussion, very constructive.

Naturally, we focused on the threat posed by North Korea. We are absolutely of the one mind in condemning this reckless conduct.

We discussed the importance of the full enforcement of the current sanctions regime and the importance of additional sanctions which of course are under consideration at the moment, being imposed in the future.

We also, while we both recognise that China is not responsible for North Korea's conduct. As I have said many times, North Korea is not to China what East Germany was to the Soviet Union. Nonetheless, China does have the greatest leverage by far and we both continue to encourage China to bring more economic pressure to bear on North Korea to bring this regime to its senses.

We also discussed the important battle that is being waged against ISIL around the world but in particular now in our region, in the Philippines, and, of course, as you know, both Australia and the United States are providing assistance to the Philippines Government in that struggle to clear that ISIL insurgency out of Marwari.

We also, of course, discussed the recent terrible floods and hurricane damage in the United States and I extended to the President, as I have done previously, Australia's sympathy and, of course, we reflected on our common experience in dealing with disasters, natural disasters, of this kind.

As you know, there is another hurricane currently bearing down on Florida which is also a massive storm system. But we both have experience in dealing with that and we agreed we should continue to compare our practices of building up resilience and mitigation and disaster relief.

JOURNALIST:

Did the President give you any indication of what steps he might take against North Korea, any pre-emptive steps?

PRIME MINISTER:

A lot of our conversation I can't go into, as you know. It was a half-hour conversation, so I've just given you a few headlines.

But it is the clear focus of the President and of my government, as well, and of the Government of Japan – I spoke with Prime Minister Abe last week, I spoke with Indonesia's President Widodo yesterday. Everybody wants to get this dangerous situation resolved, bring this reckless, dangerous, provocative regime to its senses without conflict.

A conflict would be catastrophic – everyone understands that. The best avenue to achieve that, that we can see, is continued enforcement of strong economic sanctions, and, of course, the country with the biggest lever in that regard is China.

JOURNALIST:

Just back on energy, Prime Minister, a strategic reserve will not come cheap. Will that cost, will the cost of it be borne by the consumers? Will it result in higher energy prices for Australian families?

MINISTER FOR THE ENVIRONMENT AND ENERGY:

Well AEMO has indicated the cost could be in the vicinity of around \$50 million. So, actually, in the scheme of the national electricity market, that is a small amount to pay for the reliability of our system.

This is an important recommendation from AEMO. There are many precedents throughout the world, including Belgium and Texas, for strategic reserves. It makes absolute sense here and it is consistent with the Finkel recommendation.

PRIME MINISTER:

Can I just add one last point, because this is the last question, but I'll now give the last answer.

Affordability is absolutely critical. What we've seen in the electricity market – it has become much more volatile. Demand has become more volatile, more peaky, and of course so has supply, because of the introduction of so much in the way of renewable generation.

That is why Snowy Hydro is so important, because it will enable – it's going to be a very, very big battery, it's a big game-changer, and it will provide a stability, and reduce volatility, and therefore reduce some of those very high price spikes that have been costing consumers dearly.

So you can see, whether we're dealing with electricity prices right now, in retail prices. Whether we're dealing with what the companies can get for their poles and wires and ensuring they don't game the system. Whether we're dealing with gas, whether we're looking at the dispatchability gap this summer and, indeed, in 2022. Or whether we're looking at the long-term – everything we are doing is focused on affordability and reliability.

That's what we're seeking to deliver for Australian families and Australian businesses.

It's what's been overlooked for a long time, but no longer.

The energy policy of the Australian Government is driven by engineering and economics. That's our focus. And the outcome will be more affordable and more reliable energy for all Australians.

Thanks a lot.

[ENDS]

Remarks at the Medicines Australia PharmAus17 Innovative Medicines Showcase

PRIME MINISTER:

Thank you very much Wes.

You're right; we've all got a passionate interest in health. So many of my parliamentary colleagues are here tonight. The Honourable Greg Hunt, Minister for Health, Bill Shorten, the Leader of the Opposition and it's good to also be joined by Milton Catelin, the Chief Executive of Medicines Australia. And of course, so many members of the industry.

It is a real pleasure to be here to thank the industry that contributes so much to the health and wealth of our nation.

Australian medical research and development is the envy of the world. As the displays tonight show, our pharmaceutical sector is a big part of the reason why.

Vaccines and drugs produced by Medicines Australia members save so many Australian lives each year. And they change the lives for the better of countless more.

But it's the stories behind the statistics that really demonstrate how access to a vaccine or newly listed medication can change lives.

On Metastatic Breast Cancer Awareness Day last year, I told the House the story of a woman named Karyn, from Yass—not far from here.

Karyn is a single parent, with three children, including a daughter with an intellectual disability. In 2010, she was diagnosed with breast cancer and by

2012, the cancer had spread.

Back then, medicines used to treat HER2-positive metastatic breast cancer—Perjeta and Kadcyla—cost patients more than \$82,000 a year.

But the Federal Government has since then listed both of those drugs on the PBS, meaning Karyn, and many others like her, have a much better quality of life, they can get on with their careers, get back to being with their families, and being mothers, daughters, carers and friends.

No one can describe it better than Karyn herself, who said: “To say that Kadcyla turned my life around is a major understatement. For the first time in years, I was well enough to do more. I was able to catch up on my daughter’s medical stuff that I’d struggled to be on top of. I could actually go out with the family and have some quality of life again. The fact that it is available to me, just an average mum, wanting to hang in there for her kids, is truly a complete blessing.”

This kind of blessing would not have happened without the industry’s commitment to excellence, to saving lives.

It is also the result of all of us working together.

The Strategic Agreement we signed with Medicines Australia this year is one of many new health agreements we entered into at the Budget.

I know that your sector has been seeking policy certainty and pricing stability for a long time.

Our new Agreement delivers both and it strikes the right balance for consumers and for patients too.

The savings it generates are being reinvested in the system, with new and amended listings to the PBS to improve access to medicines for the people who need them most.

A great example of that is Entresto, now available for a fraction of the cost for patients with chronic heart failure.

For the more than 60,000 Australians who would have paid around \$2,000 a year for these medicines, today, the concession price is just \$6.30.

In May I met a patient who explained how this drug had changed his life – with his heart failing and breathless, he struggled to walk even short distances. But now he can walk from the city to the Sydney Cricket Ground to watch the mighty Swans, a distance of several kilometres, as you know. And I hope he makes the journey this weekend to see the Swans beat the Bombers.

That really is life changing medicine.

Australia’s Pharmaceutical Benefits Scheme is one of the foundations of our universal health care system.

But as we all know, it takes at least a decade and an average of \$2.5 billion to bring a new medicine from its conception in a laboratory to treatment for a patient.

It is often said that the second pill might cost 10c, but the first pill costs \$1 billion.

A successful listing on the PBS is the final step in a long process of research and development, and my Government is working hard to make Australia a great place to invest in for your industry.

So it was encouraging to hear AstraZeneca announce recently that it will spend \$100 million to expand its manufacturing plant in Sydney, to help meet rising demands for asthma medicine, particularly in China.

We want to see more of this type of confidence in Australian skills and in Australian innovation.

A big part of that is maintaining an intellectual property system that supports R&D, and shaping the R&D tax settings required to maintain a competitive commercial environment.

Australian researchers are among the best in the world – we are naturally innovative and ingenious, but we have not done well at commercialising our research.

Our National Innovation and Science Agenda has singled out the medicines sector as a key area for growth, and, as part of our Biomedical Translation Fund, \$500 million of new capital is being funnelled into the commercialisation of Australian-born innovation.

We are investing more than \$65 million from the first round of disbursements from the Medical Research Future Fund to support more research, deliver new medical breakthroughs and enhance patient care.

This includes \$33 million for clinical trials that will build on Australia's world-class research strengths, ensuring we remain a preferred destination for research.

Pharmaceuticals make up Australia's largest manufacturing export, to the tune of almost \$4 billion a year.

Add to that investments of more than \$1 billion a year in Australian R&D, running hundreds of clinical trials, and the fact that your member companies support 15,000 Australian jobs—indirectly, of course many thousands more.

Tonight is a celebration of this enormous contribution that you're making.

And it is a celebration of the fact that your investments, your commitment, and your collaborative spirit deliver something that will always remain priceless: and that's hope.

Thank you very much. Have a great evening.

[ENDS]