

Interview with Chris Smith, 2GB

CHRIS SMITH:

I have the Prime Minister Malcolm Turnbull on the line, right now. Prime Minister thank you very much for your time.

PRIME MINISTER:

Good morning.

CHRIS SMITH:

Federal Education Minister Simon Birmingham has described your passing of Gonski 2.0 as an historic opportunity but boy oh boy, it came at a cost didn't it?

PRIME MINISTER:

Well yes, it was a long debate and it is a very substantial increase in funding for schools – an extra \$23.5 billion from the Commonwealth on schools over the next decade.

But Chris, this is a very historic achievement. This is real reform. For years, we've had school funding that has been inconsistent, it hasn't been transparent, it's been one deal, one special deal after another. Labor of course had 27 separate and sometimes secret deals with complete inconsistency.

What we've delivered now for the first time in the history of the Commonwealth is consistent, national, transparent, needs-based funding.

So if a school has the same needs, it gets the same level of funding whether it's in New South Wales or in Victoria, whether it's a Christian school, whether it's a Protestant Christian school or whether it's a Catholic school and of course the public schools are treated on the same basis all around the country as well.

CHRIS SMITH:

But you hadn't planned to spend an extra five thousand million dollars on this, had you?

PRIME MINISTER:

Well certainly it wasn't what we planned to do, Chris, but I have to work with the Parliament the Australian people elected and that means that sometimes we have to reach compromises.

CHRIS SMITH:

But every time we go to the crossbenchers, you're pulling out cheques for

billions of dollars out of your back pocket.

PRIME MINISTER:

Well not always but often that is what you need to do to get legislation passed. Chris, the alternative is that you don't get anything done.

I mean, you know, cast your mind back to the last Parliament, the Parliament before the election – the Senate, we struggled to get anything through the Senate. Since the election, when many people said, you know there were some people that said my Government was in office but not in power. They said: 'Oh look, you've got only one vote majority in the House, you're in a minority in the Senate, you won't get anything done.' Look at what we've achieved.

CHRIS SMITH:

Sure.

PRIME MINISTER:

And the way you do that is you've got to respect the Australian people. They've elected the senators that they did and we work with them.

CHRIS SMITH:

Okay, you've still lost the Catholics from all reports today. Would it have been better in hindsight to get them into the negotiation room before you got this together?

PRIME MINISTER:

I wouldn't accept that generalisation.

CHRIS SMITH:

Well that's what they say.

PRIME MINISTER:

Well, depends who you mean by 'they'. We've had strong support from Catholic principals, Catholic parents, around the country. The fact is that funding, money for the Catholic sector is growing. It is well over \$3 billion over the decade, over \$80 billion in total funding over the decade.

So it's a very substantial increase going to the Catholic sector as indeed it is to the government sector and of course, the independents.

But the important thing is and this is fundamental, you know, if you think about the values of Catholic education, fundamental to that is fairness. Catholic social justice speaks to fairness. And what we're doing here is ensuring that all schools, whatever their denomination or affiliation, are treated on the basis of needs. It's common sense, I mean the Government has got scarce resources – it should be allocating them on the basis of need and that's what we're doing.

CHRIS SMITH:

Can you give some guarantee though that we'll see the result, say, in 5 years' time? Because the history of this in the last 15 years, and we learned this from some international education studies that came through in December and January that despite the bucket-loads of money we've thrown into education over the past 15 years, our results just continually go down the gurgler.

PRIME MINISTER:

Well, Chris, thank you, hooray. You've raised the most important point and that's what Gonski 2.0 is really about. The real issue is we've now got the funding right – it's national, it's consistent, its needs based, its fair. What we now need to do is make sure that we get the educational 'bang' for the taxpayer buck. That our kids get to the top of the class where they should be.

CHRIS SMITH:

Please!

PRIME MINISTER:

Now Gonski, David Gonski is chairing a second panel which is going to look at precisely this question. This is what we should be debating. The funding wars should now be over. We should be focusing on what we do to make sure we get better teachers, teachers with better support, better qualifications, and we get better outcomes in our classrooms.

But you're absolutely right – we've been spending more, and getting worse results. Now that doesn't mean that more money means worse results. What it means is, we are not getting the value out of the investment that we are making.

CHRIS SMITH:

I wonder whether there's a link between what you've achieved with Gonski this week and what Pauline Hanson has raised. In that, it seems as if the experts are admitting that we're not teaching teachers to deal with kids with special needs, whether it's autism or disabilities or whatever. We're not teaching the teachers well enough. I wonder whether we can dedicate \$23.5 billion, some of it anyway, to getting the teachers taught better to deal with those situations?

PRIME MINISTER:

Look the whole objective Chris, of all of our disability policies, the National Disability Insurance Scheme, the substantial loadings that we pay to schools with kids with disabilities and of course, disabilities range from very severe to mild –

CHRIS SMITH:

Very broad.

PRIME MINISTER:

You can't generalise about it. But the whole object is to ensure that people with disabilities maximise their potential and lead a full and rewarding life, to the maximum of their potential, in the community. So that's why with kids who have disabilities – and there will be well over 400,000 receiving support loadings with respect of disabilities through the school system across the country as part of our new policy – what we want them to do is of course, is to participate in their schools, to get the support they need, so that they can then lead the fullest and most productive and most satisfying lives.

CHRIS SMITH:

But there are circumstances where some who have extreme disabilities can be disruptive in the classroom and that is another thing that needs to be, I guess, handled and it might best be handled outside of mainstream school.

PRIME MINISTER:

Well, Chris, look, I don't want to get into an argument about, sort of at a theoretical level – the object of everything we want to do with children or indeed adults with disabilities is to ensure that they are playing the maximum part they can to maximize their abilities and talents in the community and that is why you see kids with disabilities are doing well in schools because they are provided with some extra support and assistance where they need it and I think teachers are very alert to that.

I know there has been the suggestion that there should be some sort of segregation – we do not accept that, we reject that. Obviously you can't generalise about every case but as a principle what we want is children who have disabilities to be given the maximum opportunity to do their best in the community, in the mainstream, in the classroom.

CHRIS SMITH:

Okay – you've got a pay rise overnight.

PRIME MINISTER:

Yes, that's right.

CHRIS SMITH:

Yeah, and I would've thought we should be paying the prime minister \$1 million anyway so I have got no problem with what you're earning.

PRIME MINISTER:

Well, I'm not complaining.

CHRIS SMITH:

No, no – of course not. But I tell you what a lot of people out there who live in the real world are and they are saying: 'Well, hang on – we've got debt and deficit and it is nothing to be proud of. We're shaving the cream off super for some. Spending continues to grow. We've got a Medicare freeze. Power prices just about to explode. And in 17 months the pollies have got a 2 per cent pay increase and another 2 per cent pay increase.' David Leyonhjelm says it is badly timed. Would you agree?

PRIME MINISTER:

It's a decision by the Remuneration Tribunal and there is never a good time to increase the pay of politicians but the alternative to having an independent tribunal set the politicians pay is to have the politicians setting it themselves and no-one would want that.

So it is I believe a 2 per cent increase over 18 months. That's from the last time. But you know, it's the Remuneration Tribunal's decision and-

CHRIS SMITH:

Sure – you wonder whether they are in the real world when everyone is not having increase in wages. But anyway, one quick thing before we let you go – Neil Prakash, the Islamic State member is telling a Turkish court that he doesn't want to come back to Australia. Would you welcome that outcome?

PRIME MINISTER:

Well, we want him to come back here to face the music in an Australian court and then have a very, very long term of imprisonment for his crimes.

I mean, he is one of the worst, worst examples of terrorist financing and organisation. Because we do have an extradition treaty with Turkey, we have the prospect, the ability to bring him back to Australia to face the music. Can I just say to you Chris – as far as we are concerned we will track terrorists down wherever they are. And he is an Australian. He may have thought he was safe over there. He very narrowly escaped being killed. He is now in a Turkish jail and we are seeking to bring him back here to face the music in an Australian court.

CHRIS SMITH:

Okay – I appreciate your time this morning. Have yourself a good weekend.

PRIME MINISTER:

Thank you, same to you.

[ENDS]

Press Conference with The Hon. Josh Frydenberg MP, Minister for the Environment and Energy and Senator The Hon. Matt Canavan, Minister for Resources and Northern Australia

PRIME MINISTER:

Good afternoon, I am joined by the Minister for the Environment and Energy and the Minister for Resources.

We are taking immediate action to put downward pressure on power prices and ensure reliable and secure energy for all Australians.

I'm announcing today that we will be implementing our gas regulation that affects exports.

I'll ask the Minister to describe that in more detail in a moment, but as you know, one of the factors that is driving electricity and energy prices right now is the high price of gas which has risen very rapidly in large part because of a shortage of gas in the domestic east coast market.

This is a consequence of mistakes that were made by federal Labor and indeed state governments years ago. We are addressing that. So the minister will properly advise, after consultation, once he determines there is a shortage of supply in the domestic market, we'll be able to impose restrictions on exports on gas from the east coast sufficient to enable the market, the domestic market to be properly supplied.

Now the other measure that we are taking that will have a very near term impact on prices for the benefit of consumers is the abolition of the Limited Merits Review.

As you know the network transmission companies, transmission and distribution companies, have the prices they can charge set by the Australian Energy Regulator. Now unlike other utilities like telecoms, like water, for example, they are able to have a merits review to the Australian Competition Tribunal, which they have regularly taken advantage of and have generally been successful to the tune, I think, in recent years Josh of about \$6.5 billion additional cost to consumers. So to protect consumers and to ensure consistency with other similar utility sectors we will be taking steps to legislate to abolish the Limited Merits Review.

Now, the other matter that I want to raise is a more near term but not an

immediate issue. We know that we are going to see, over the next years, the next 5-10 years, the retirement of large base load coal-fired generators. These are old plants that are expected to retire. Now, we need to ensure we do not have the same shocks both to price and to security that arose from the closure of, for example, the Northern Power Station in South Australia and the Hazelwood Power Station in Victoria.

So what we are doing is asking, we will be asking the Australian Energy Market Operator, AEMO, to identify the existing and potential loss of continuous dispatchable base load generation, talk to suppliers, energy suppliers and customers, particularly large scale emissions intensive industrial users about what they need to do to secure future investment and examine how much continuous power is needed in the short-term to stabilise our power prices.

On the back of that identified need, we'll be asking AEMO how best to ensure the new continuous dispatchable power is provided, optimising affordability and security for consumers, and I stress that. The object is to make sure that affordability and security are protected.

And that advice from AEMO will include what, if any, support, including support from governments, is needed if new investment is to be secured.

This is consistent with one of the recommendations in the chief scientist's review and it underlines the way my Government is taking the lead, dynamically, all the time, to ensure that we protect, the affordability and the reliability and security of energy for all Australians.

Now I'll ask Matt to talk about gas and then Josh to talk about LMR.

MINISTER FOR RESOURCES AND NORTHERN AUSTRALIA:

Well thank you, PM. As you have described, today we are announcing that we will be implementing a framework to provide us the power to licence gas exports. This is a significant action on behalf the Commonwealth but is a significant action in response to a significant problem.

At the moment, we have 65,000 Australians that work in industries that have gas input costs of 15 per cent or more in their businesses. These are large businesses like Incitec Pivot in Brisbane, like Uncle Toby's in regional Victoria and like Gouge Dry Cleaners as well. All of these types of businesses, from small to large, rely on having access to gas at affordable price and electricity at affordable price to provide these thousands of jobs.

So we are acting to protect those jobs because gas for these businesses is a staple. It is the bread and milk of their businesses and they can't substitute away from it – they need to have that in place.

It is unsustainable for our country to be the world's largest exporter, but to be paying some of the worlds largest prices for gas. That will erode support for a gas industry in this country if it is maintained and that is why we're taking action to be able to bring more gas on to the domestic

market to help lower prices down to a more reflective international level.

We have done this after significant consultation with the gas industry and other stakeholders and from the 1st July when these regulations come into place, there will be more consultation before any shortfall is identified and before gas export controls would apply from the 1st of January next year.

It is significant action but it shows the commitment of this government to bring downward pressure on energy prices to protect jobs and help households pay their bills.

PRIME MINISTER:

Thank you, Josh?

MINISTER FOR THE ENVIRONMENT AND ENERGY:

Thank you, Prime Minister and Minister Canavan.

The network costs, the poles and wires make up nearly 50 per cent of the household bill. And to date, as the Prime Minister said, consumers have paid an extra \$6.5 billion in electricity costs because of the Limited Merits Review process.

We firmly believe that the Australian Energy Regulator is the best-equipped body to make their decision and we will be increasing the finance, the support for the Australian Energy Regulator by an additional \$67 million over the next four years.

By abolishing the Limited Merits Review process, we believe that that will put downward pressure on electricity prices.

We tried to get COAG agreement to this but various states have a vested interest in that they own some of the poles and wires.

Finally, the Prime Minister talked about the need to enhance the stability and the security of the electricity system.

Dr Finkel made 50 separate recommendations.

The clean energy target, as you know, will be further considered by the government and more analysis will be undertaken.

But the other recommendations that will enhance the reliability of the system, increased governance, require wind and solar to provide battery storage and the like, they will be advanced now through the COAG Energy Council with the support of the Commonwealth.

PRIME MINISTER:

Just hang on, thank you very much for your enthusiasm. I want to make some observations about the citizenship changes, our proposed citizenship changes.

The Labor Party today has rejected them.

The Labor Party does not value Australian citizenship enough to say, as we do, that it must be more than simply the outcome of an administrative tick and flick form-filling process.

Australian citizen – the title, the role of Australian citizen, is the most important in our democracy.

Surely, we care enough about our democracy, about that citizenship, to say that it should be given, granted to people who make a commitment to our nation and share our values.

Labor's objection – they object! They say that citizens, would-be citizens shouldn't have to speak English. Well, it's perfectly obvious. If you are going to get on and succeed and do your best in Australia, you need to have English. You're doing people a favour by making it a requirement.

They object to our requirement, our proposed requirement that you should be resident in Australia, as a permanent resident for four years. That is a lesser period than most other comparable countries.

Labor is not valuing Australian citizenship. They are disrespecting Australian citizenship by failing to recognise that integration, citizenship, the harmony and the mutual respect that comes from shared political values that unite us, that requires a respect for citizenship, it requires us to honour that institution and that's what our changes do.

JOURNALIST:

When you talk about talking plain English, can you tell us today whether anything you've announced today will stop electricity prices rising by 20 per cent on July 1 and gas rising by 17 per cent?

PRIME MINISTER:

Well, the impact on the gas supply obviously can have a short-term impact. In fact, the foreshadowing of this regulation has already resulted in wholesale prices and of course, how they translate into retail prices or prices for industrial users is another thing but on the wholesale market, on the spot market, you have seen prices come down.

Now, you know, it is early days.

But there is no question, I mean you have got to hand it to the Labor Party – I mean what they did back in 2012, around that period, in licensing the export of so much gas without a moment's thought to the impact on the domestic market, it is breath taking, the recklessness that they showed.

Now, Australian businesses and households are paying the price and what we're doing is taking strong action, decisive action, to address it. But clearly, it's action we'd rather not have to take.

JOURNALIST:

So the answer is no? You can't stop electricity prices rising by 20 per cent from July 1 because the political heat will then really start rising wont it?

PRIME MINISTER:

Well we recognise that electricity prices and energy prices generally, are absolutely a top priority issue for all Australian families and businesses. We absolutely understand that.

That's why we're taking strong action. In fact, unprecedentedly strong action, to address it and we are dealing with the consequence of complacency and recklessness over years past.

We are getting on with it.

JOURNALIST:

Prime Minister doesn't this introduce sovereign risk for gas producers and will gas producers have to break contracts and if so, isn't there some liability on Government for them doing do so?

PRIME MINISTER:

Well, I don't accept the proposition that you're putting. Our first duty – and it is consistent with our legal obligations – our first duty is to protect our people, our businesses, our households.

We cannot, as Matt said a moment ago, you can't seriously suggest that we, a nation that is about to become the largest exporter of LNG in the world, would have a shortage of gas in its east coast domestic market. We clearly have to address that.

JOURNALIST:

Prime Minister, on the issue of dispatchable power, the Minerals Council has been putting to your MP's that rather than a clean energy target, that the Government should consider a reverse auction system where technology, neutral energy providers would bid into the market in order to solve the dispatchable power problem. So should we take from what you've said today, that this is the Government's first clear step away from the clean energy target as the central recommendation?

PRIME MINISTER:

Well, you shouldn't analyse – I wouldn't analyse it in that way if I were you.

But let me put it this way to you, Katharine, we are seeing a real change, dramatic change in the nature of the energy market, the national electricity market and we all understand that, more variable sources of energy, more distributed.

We've seen big shocks already from the retirement of large you know,

synchronous generators, power stations, coal-fired power stations. We need to ensure that we don't get those shocks in the future.

One of the mechanisms that AEMO could recommend to us, to governments, and it is consistent with practice in most – many other jurisdictions, including the United States and the UK and Germany and others, is indeed a reverse auction.

But of course, it would have to be technology neutral so that you would be saying and this is why AEMO's role is very important. They've got to define what the size of the problem is likely to be. What the short fall, what the need for dispatchable power, base load power is likely to be. What the short fall is likely to be in the event of these older plants closing and then say, how are we going to fill that gap?

Our view is that you can't just sit back, cross your fingers and hope that everything will turn out okay. We believe that in this market, that there needs to be stronger involvement from Government, stronger leadership, because you need – we need to be absolutely certain, particularly over the next decade or so, as this transition starts to unfold.

We've got to be very certain that we've got affordability and security covered and that's why, as you would have heard me say earlier you've got to do this in a way that optimises and you know focuses on consumer affordability and security of supply.

JOURNALIST:

Prime Minister when you talk about the need for a stronger involvement from the Government in the market, if, under what you've announced today, the market operator comes back and says – we need you to build a coal-fired power station, or we need a purchase agreement from the Government for a coal-fired power station. How far are you prepared to go?

PRIME MINISTER:

Well we'd certainly consider that. Well, the Federal Government is in the process of buying or seeking to buy 100 per cent of the shares in Snowy Hydro -we own about 30 per cent at the moment. And that, of course, is a very large generator of hydro and it also owns gas, it owns solar, it has diesel. So it is you know, a all technologies generator, it doesn't own a coal-fired plant, although I know that they've looked at acquiring them in the past.

So the Federal Government is already a shareholder in an electricity company and seeking to be a larger shareholder and, of course, we are committed to Snowy Hydro 2.0, which is going to add 2,000 megawatts of renewable power and storage to the National Electricity Market.

Again, what we believe with the approach has got to be all of the above, it has to be all of the above. It has to be technology neutral, as an all-sources approach. But the important thing is to focus on the outcome and the outcome is affordable and reliable energy. That is the key. The means – there are different ways of getting there. And obviously, you've got to optimise for affordability and security.

JOURNALIST:

Prime Minister the Mineral Council's proposal talks about replacing the capacity of both Hazelwood and Liddell which is going to close in 2022 I think –

PRIME MINISTER:

Yeah that's forecast, yes.

JOURNALIST:

So we're talking about a short-term measure here. Do you honestly think there is any other technology other than (inaudible) sufficiently advanced to provide continually dispatchable power in you know that short-term time frame?

PRIME MINISTER:

Well, the answer is yes. The answer is there are, absolutely. I mean gas is one obvious example.

The issue with gas is obviously the cost. Hydro is obviously an example. But you need to have – the question is, do you have sufficient of it and you can also obviously have a combination.

So you've got to be genuinely – and we are – technologically neutral in this because our focus is on customers, on consumers, on getting the best deal for them whether they're a home, families, or whether they're businesses.

Now, in terms of a building of a new coal-fired power station, that is not something that can be done in a few years, by the way. So that is a long-term commitment. But as you know, I've said in the past that I think that as Australia is the largest sea-borne exporter of coal, it would be good if we had a state-of-the-art clean coal power station in Australia.

But that's not to say that the Federal Government should be building it or would be building it. It is the focus. Our job is to focus on ensuring that Australians' energy is secure and it's reliable and, of course, we meet our emissions reduction obligations.

JOURNALIST:

Prime Minister what parts of your package you're announcing today will require Parliament's approval in terms of both regulation and legislation?

PRIME MINISTER:

Yes, do you want to – well perhaps, you can talk about that.

MINISTER FOR RESOURCES AND NORTHERN AUSTRALIA:

The legislative instrument and the gas export controls will be a disallowable instrument. But at this stage, we welcome support from other political

parties. I think the reasons we are putting at place are clear to most of the Parliament and I've been in discussions with all of those, the crossbenchers and the Labor Party about these measures and they appear well supported.

PRIME MINISTER:

Can I just deal with Josh on LMR?

MINISTER FOR THE ENVIRONMENT AND ENERGY:

Yes, it would require legislation so it's a moment of truth for the Labor Party. Are they prepared to cut household bills given that networks make up to 50 per cent. I point out that the Labor governments in Victoria and South Australia joined with the Commonwealth at the end of last year to abolish the Limited Merits Review. So I would expect that Bill Shorten would support this measure.

JOURNALIST:

Prime Minister, the New South Wales government objected to removing the merits appeal process [inaudible] and what does the modelling show about just how much these changes will bring household bills down this year?

MINISTER FOR THE ENVIRONMENT AND ENERGY:

Well it's nearly 50 per cent of the bill and \$6.5 billion of additional costs are being borne by consumers by the direct action of this Limited Merits Review process. We tried at the end of last year through the COAG process to fully abolish the Limited Merits Review and both Queensland and New South Wales refused to go along with that. So I will be speaking to my counterparts there.

PRIME MINISTER:

Okay I will take two more and then I'll wrap up – Mark?

JOURNALIST:

Prime Minister have you got a deal to offer the Catholic sector on schools funding?

PRIME MINISTER:

Well, there's lots of talk. Lots of people are making proposals. But as you know, with these Senate negotiations, nothing is concluded until it's concluded.

JOURNALIST:

Prime Minister this is the latest in a series of big interventions in the marketplace. As you say you're buying a power producer, you're telling companies now how they can price and from what I think you're saying when

they can close How does that fit in with the Liberal ideology of the free markets?

PRIME MINISTER:

Well what it fits in with is ensuring that Australians have affordable reliable energy, that's what we've got to do. Every market is different. I mean if you look at the energy markets in the United States, electricity markets in the United States, there are actually much more government involvement and regulation than there are here and that's the home of free enterprise.

So ultimately our job as the Federal Government – and of course, this is a shared responsibility with state governments – so our job, collectively, is to ensure that Australians have the most affordable, the most reliable energy that we can, we can deliver and that of course, that we meet our emissions reduction commitments. We will have to wrap up. But I just want to make a couple of concluding remarks.

As you can see, we're taking steps which have an immediate impact. The measures about dealing with gas have an immediate impact on the gas market. Now going to your question, how long that takes to feed in to somebody's domestic gas bill, time will tell. But it will have at the wholesale level – which of course is from where all of the prices come from – it has an immediate impact.

It will have an immediate impact in terms of the cost of electricity generation at the wholesale level. But it is immediate action. What Josh is doing with abolishing the Limited Merits Review also has a near-term action. The next LMR in 2019/20 so that's a few years off.

Looking forward, further down the track, you can see our initiatives with Snowy Hydro. That project will take some years to complete, but again, that is planning ahead. Also, what we've discussed about ensuring that we work with AEMO to make sure that we don't have a gap in baseload power, a shock to the system, as we had with the loss of Hazelwood and Northern, that again is a more longer term, a more medium term initiative.

But you can see that we are focused on this issue rigorously in the short-term, in the near-term in the medium-term and the long-term. We are approaching the energy challenge as I have said again and again based on economics and engineering.

We are going to do all we can to ensure that Australians have affordable energy, that it is secure and reliable and that we meet our emissions reductions commitments.

Thanks so much.

[ENDS]

Securing our Energy Future

The Turnbull Government is taking immediate action to put downward pressure on power prices and ensure reliable energy for all Australians.

Every decision we make in the energy sector is designed to ease pressure on household bills and make businesses more competitive.

Today, the Turnbull Government agreed to:

- Finalise tough new regulations in the gas sector to give Australian customers priority access to gas supply before it is exported. This will commence on July 1.
- Strengthen the Australian Energy Regulator by providing it with an additional \$67.4 million to stop energy network companies gaming the system and overturning rulings in the courts.
- Ask AEMO how to ensure that new continuous dispatchable power is provided, including what support is needed to promote new investment.

This decisive action puts the needs of Australian families and businesses first. Our priority is to ensure all Australians have access to reliable and affordable energy supplies.

The finalisation of our tough gas regulations will increase supply to the domestic market, putting downward pressure on gas prices which have risen because of supply shortfalls.

We simply cannot allow Australians to pay more for Australian gas than competitors overseas do.

Restrictions will be placed on gas exporters when there are shortages in the domestic market.

The Turnbull Government will also take immediate action to address escalating electricity prices.

We will stop big electricity companies from running to the courts to try to overturn the Australian Energy Regulator's decisions. Companies have made 52 appeals and the courts have ruled against consumers 31 times. This will end.

To back this, we will strengthen the Regulator by providing it with an additional \$67.4 million to ensure it is fully equipped to address behaviour in the market that is pushing up electricity prices.

Baseload power anchors our electricity system. Continuous generation underpins our household and economic security. With a significant amount of baseload generation being phased out over the next 15 years, we need to ensure we are prepared and have enough power to meet future needs.

We will ask the responsible market body, the Australian Energy Market Operator, to:

- identify the existing and potential loss of continuous, dispatchable (baseload) generation;
- talk to suppliers and customers, particularly large-scale emissions intensive industrial users, about what they need to secure future investment; and
- examine how much continuous power is needed in the short term to stabilise power prices

On the back of the identified need, we will ask AEMO how best to ensure the new continuous dispatchable power is provided, optimising affordability and security for consumers, including what if any support, including support from Governments if new investment is needed.

At an emergency COAG Energy Council meeting last year, following South Australia's state-wide blackout, the Chief Scientist was tasked with developing a long term blueprint for the future security of the national electricity market.

The Chief Scientist's report was provided to COAG on 9 June. We are continuing to examine his report with the care it deserves.

The Commonwealth will progress the recommendations of the Chief Scientist, through the COAG Energy Council, which focus on enhanced security, stability, transparency and governance of the energy system and will continue further to consider and analyse the Clean Energy Target.

Governor-General to Attend Funeral of President of Vanuatu

His Excellency, General the Honourable Sir Peter Cosgrove AK MC (Retd), Governor-General of the Commonwealth of Australia, has agreed to represent Australia at the funeral service of the President of Vanuatu.

The Governor-General will depart Australia tomorrow afternoon. The funeral will be held in Port Vila on Wednesday.

His Excellency Womtelo Reverend Baldwin Lonsdale served the people of Vanuatu with dignity and humility.

He will be remembered as a servant of the nation of Vanuatu, a statesman who was much-loved by his people, and respected as a just and honourable President.

On behalf of all Australians, we offer his family and the Government and people of Vanuatu our sincere condolences.

Helmut Kohl

On behalf of the Government and the people of Australia I convey my condolences on the death of former German Chancellor Helmut Kohl.

In Dr Kohl's 16 years as Chancellor of Germany he was central in shaping not only the Germany we see today, but modern Europe.

Chancellor Kohl, in overseeing reunification, laid the foundations for a strong and united Germany.

He was the driving force behind the adoption of a common European currency and cemented Germany's partnership with France.

Chancellor Kohl never wavered in his commitment to his democratic principles and ideals and will forever be remembered for his leading role in promoting global peace and prosperity.

Chancellor Kohl was also a good friend to Australia and was committed to the partnership between Australia and Germany which continues to go from strength to strength.