

Interview with Alan Jones, 2GB

ALAN JONES:

Thank you for your time, very grateful. Now look, Scott Morrison several times last night said that we must live within our means and yet our total debt is rising by about \$5.3 million an hour. What seemed to get no attention at all last night was that on the very same day that he's brought the budget down he issued a direction to the Australian Office of Financial Management stipulating that the maximum face value of Commonwealth Government Securities that can be on issue, which is the debt ceiling is being lifted to \$600 billion. This is disguised in the papers with an acronym CGS securities – in fact it's not \$600 billion, it's \$649,000 million. People are saying to me I never thought I'd see the day when a Coalition Government would increase the debt ceiling \$600 billion – what do you say to that?

PRIME MINISTER:

Alan it is the consequence, the inevitable consequence of continuing to run deficits and we are doing everything we can to bring those deficits down and we are succeeding. As you can see we are heading to a surplus of \$7.4 billion in 20/21. A deficit but a much smaller deficit of several billion dollars the previous year –

ALAN JONES:

But if you were bringing the deficit down you wouldn't need to increase the debt ceiling. See I don't believe those figures – and I'm not having a shot at you.

PRIME MINISTER:

Well, no, Alan-

ALAN JONES:

I'm not having a shot at you here but I mean the Treasury have always been wrong in these estimates. I'm just looking at figures here from 2014-15. They said the deficit will be \$29.8 billion and it finished up at 37. They are very rubbery figures.

PRIME MINISTER:

Look, we live in an uncertain world, but I'd say this – over the years in different ways in business and so forth I've done plenty of projections and forecasts. The assumptions here are conservative-

ALAN JONES:

3 per cent growth?

PRIME MINISTER:

They're more conservative-

ALAN JONES:

When growth is now 1.75 per cent?

PRIME MINISTER:

They are more conservative than the Reserve Bank and the IMF – so they are relative. But can I just say something about debt – the critical figure to look at is net debt because obviously the Commonwealth, it has assets on the other side of the balance sheet so net debt is estimated in this year to be 19.5 per cent of GDP, \$355 billion. That is too high. That will rise into next year and then it will start to come down and that is because as we move back into surplus over this period – that's what we are doing-

ALAN JONES:

Can I just say to you simply, I mean you've been a businessman, you would not need to increase the debt ceiling to \$600 billion if you had debt under control. Now the trouble is that when Mr Rudd was Prime Minister – the Coalition belted him over the head – his debt ceiling was \$75 billion. Now the average annual increase in debt under Labor, average annual increase was \$36 billion a year. Under the Coalition it is \$60 billion a year. How do you stand up in the market place and say we are better economic managers than the other mob?

PRIME MINISTER:

But Alan – two things – firstly, as we know we have been running big deficits and we have made a lot of savings both in Tony's time and my time but we have not been able to get all of our savings through the Senate. That's plain. We can't be accused of not having a red hot go at it but we have to be realistic, we have to be responsible, we have to live within our means. Now as far as debt is concerned gross debt, that is the top line, it grows for several reasons. One – because of course you are running a deficit, you're running at a loss. Secondly because you're investing. And whether you're investing in, if you're investing in economic assets, whether it is physical assets like the NBN or whether it is in financial assets-

ALAN JONES:

The NBN. The NBN. You're losing money hand over fist!

PRIME MINISTER:

Well, the NBN is actually, look, I was a great critic of the way Labor went about it but as you know I sorted that mess out and we talked about it a lot and it is rolling out, it will be available to half of Australians by the middle of this year. That's actually a very big turnaround story – but it is not the theme of the budget from last night. So we should talk about this

very fair and responsible budget-

ALAN JONES:

(Laughter) Hang on. Out there they are worried sick about – they see you carting grandchildren around, those grandchildren can't articulate their concerns that the gross government debt when Tony Abbott became Prime Minister was \$274 billion. Since, under Abbott and Turnbull, over \$200 billion has been added to that debt. How can you say we are living, as Morrison says over and over again, we are living within our means? He said in the last budget speech last year, his words: "This is not a time to be splashing money around or increasing the tax burden on our economy for hardworking Australians and their families." And yet here we are on the day of the budget increasing the debt ceiling to \$649,000 million. It is worrying the tripe out of people!

PRIME MINISTER:

Well Alan, and it worries me too. That's why we've have to increase tax on the banks, as you know. And increase the Medicare levy from 2019 all part of our programme to bring the budget back into surplus. And when you bring it back into surplus and if you look at the table at 11-13 you can see there in 20/21 net debt starting to come down. And it will continue to come down as you run surpluses, it comes down every year.

ALAN JONES:

Prime Minister those figures are rubbery. I want to stick to the reality-

PRIME MINISTER:

They're not – Alan they're no more rubbery than any forecast, whether it's a forecast of the profitability of your radio station-

ALAN JONES:

No but I've told you how, why they're rubbery. In 2014/15 the Treasurer brought down the statement, Joe Hockey, that the deficit would be 29.8 billion, it finished up 37.9 billion. In 2013/14 Swan, still acting on the advice of the Treasury announced a deficit of 18 billion, it finished up at 43.7 billion.

My point to you is you've got to go out there in the public place and say we are better economic managers, well in Labor's last full year in power, net debt you mentioned we must talk about net debt, was ten per cent of GDP and interest payments were \$8.2 billion, ten per cent of GDP under the Abbott-Turnbull Governments the debt has soared to 18 per cent of GDP, not ten per cent, and the interest payments are not 8.2 billion but now 13 and a bit billion dollars.

PRIME MINISTER:

Yes, but Alan, you cannot turn the federal government around on a dime.

Now what happened was Labor baked in a lot of spending, they baked in a lot of spending which we had sought to pare back, we have had a lot of success actually but not enough. And that is why the deficits continue but we are getting them under control.

And you know you talk about forecast one year being this and then it being worse the next year. Here's the real deal, back in last year's budget we said the surplus in 20/21 would be several billion dollars, two billion dollars, as I recall in MYEFO just before Christmas we said it would be one, it's now going to be 7.4, why is that? Because we've taken the tough decisions – yes to cut costs but also to raise revenue. I mean at the end of the day-

ALAN JONES:

How much?

PRIME MINISTER:

And you know this, this proposition that about Liberal and Labor, you've worked as part of a Liberal Government you know the fundamental obligation we have is to make sure the economy is managed, the budget is balanced and we do that by both on the revenue and on the spending side.

ALAN JONES:

How much is that house at Point Piper worth, can we just put the rest of it on it? Cause I'll bet you, I'll bet you that house and I'll stick mine with it that you don't come into surplus in 20/21 as these figures say – I'll bet you. Because it can't be done.

Can I just come to this education thing? Last year-

PRIME MINISTER:

That's a big bet Alan.

ALAN JONES:

Yeah big bet. We'll both go broke at the same time.

PRIME MINISTER:

Well if we're talking with our old mate Kerry Packer, our late friend he would have doubled that. But neither of us are gamblers so we'll stay out of it.

ALAN JONES:

Now listen, I gave you a big wrap last year because you stood up at question time to the Labor Party in February it was, and you leant upon, across the despatch box, you pointed to Bill Shorten and you said "Spending" and you're angry "Spending more money doesn't necessarily get you better outcomes", this is about education, "we won't promise the money first and then seek to

negotiate the outcomes later” that’s what you said. And now you are tipping \$18.6 billion, which I might add you didn’t discuss with your party, but you’re dudding the Catholic Schools and Birmingham continues to not listen to the Catholics, and this has created an enormous political storm.

Yet there are research papers everywhere – I quoted this morning, Professor Eric Hanushek from US called *Production and Efficiency in Public Schools* – “there appears to be no strong or systematic relationship between school expenditure and student performance”. You said that last year now, hello, Gonski’s become the article of faith, some kind of religious relic, and now you are embracing – truly 18.6 billion, what are you doing?

PRIME MINISTER:

He’s very much alive I think it’s-

ALAN JONES:

But what are you doing? You said that last year in question time.

PRIME MINISTER:

Alan the headmaster of your old school – King’s School – Tim Hawkes welcomed this because it is fair-

ALAN JONES:

I know because he is going to get more money, he’s getting more money.

PRIME MINISTER:

Alan you know as well as I do –

ALAN JONES:

He’s getting more money.

PRIME MINISTER:

You know as well as I do –

ALAN JONES:

4,000 per person to 6,000.

PRIME MINISTER:

You know as well as I do, you are a former teacher, an old chalkie –

ALAN JONES:

That’s not –

PRIME MINISTER:

Now hang on, listen –

ALAN JONES:

Don't try and soften me up. You said to me, we won't promise the money –

PRIME MINISTER:

No I'm not, I'm telling the truth Alan. You know that the charisma of the teacher is the most important element.

ALAN JONES:

Of course. You're chucking money at it.

PRIME MINISTER:

Of course it is. So we need to have two things. You've got to have money, and you've got to have the system of values to ensure that you get quality education. We're delivering both. We're delivering it nationally. We're delivering it on a needs-based basis. As Tim Hawkes said from your old school, he said: "This is right, this is fair, this is just." We're doing that, we're delivering it. We will ensure that having done that and made that commitment to fair, needs-based funding – and every part of the school system is getting more money, including the Catholics, including the Catholics, everyone is getting more money – but we'll be also getting better results for our kids and grandkids.

ALAN JONES:

Okay, let me just make a couple of points because I'm not too sure you've been properly briefed on this either. They're going to get more money by 2027. No one is arguing about that.

PRIME MINISTER:

They're going to get more money every year.

ALAN JONES:

No they're not, they're getting about \$2.2 billion over the forward estimates. They're –

PRIME MINISTER:

Well that's more money Alan.

ALAN JONES:

But hang on, hang on, we'll be short of money that we were guaranteed. Therefore, we'll either have to stack up fees or, close the school down. But I think this whole thing –

PRIME MINISTER:

That's simply not – Alan, I've got to correct you there.

ALAN JONES:

The Catholics are saying this.

PRIME MINISTER:

They're getting more money. They're getting much more money than they would have got under the budget a few years ago. They're getting more money than they would have got under last year's budget, which they welcomed and said was fantastic. The important thing is that they are getting more money into their system. How they allocate it is a matter for them, right? But the way it works is it's needs-based, it's consistent and it's national. We should be funding non-government schools on the same basis whether they are Catholic, Protestant, or whatever. Surely.

ALAN JONES:

There's a question mark as to whether you should be subsidising inefficient governments in South Australia, Victoria and Queensland, for whom public education is their responsibility. They go broke and they waste money and taxpayers in Canberra then, are forced to tip in and make up the difference. But I just think the Gonski formula, Gonski has said, which I think is a completely false promise; funding arrangements, Gonski says, from the original report, should be aimed at achieving an internationally competitive high standard of schooling, where outcomes are not determined by socio-economic status. That's what he says; where outcomes are not determined by socio-economic status. We need a debate.

PRIME MINISTER:

Why would you argue with that?

ALAN JONES:

Well I am arguing with that.

PRIME MINISTER:

That is a very noble aspiration, surely.

ALAN JONES:

Well let me tell you, I will argue with it because there's any amount of evidence that children from professional families hear an average 2,000 words an hour. Children from working class families hear an average of 1,000 words an hour. This is research. Children on welfare hear 600 words an hour. So when these kids get to school, there's a wide disparity in their starting points. But Gonski says the funding is not determined by socio-economic status.

PRIME MINISTER:

No, no, Alan with great respect you've misunderstood what he's saying is – in fact, he's saying exactly what you said. What he's saying is, that where you've got kids from lower socio-economic groups, where they're not getting the same amount of education at home from their parents, that's where you need more resources in the schools. You know this as a school teacher. You know this Alan – you have been there. You have put in the extra effort with the kids from more challenged backgrounds. You know they need more effort. That's the point that David Gonski's making.

ALAN JONES:

Okay. Look we're running out of time but now look. One final comment, do you understand out there that they're saying: 'How the hell can you be fighting debt when you're raising the debt ceiling to 649,000 –

PRIME MINISTER:

Alan we're raising it in the short term until we bring the debt, deficit back.

ALAN JONES:

Okay, well–

PRIME MINISTER:

But can I make one point Alan–

ALAN JONES:

I have to cut you off, no I've got to go to the news.

(Laughter)

PRIME MINISTER:

Alright well you go to the news, we'll talk all the investments in nation building infrastructure next time.

ALAN JONES:

We will. Next time, good on you.

PRIME MINISTER:

Good on you.

[ENDS]

Interview with Michael Rowland, ABC News Breakfast

MICHAEL ROWLAND:

The task now is to sell the budget. I am pleased to say, I am joined by the chief salesman. The Prime Minister of Australia, Malcolm Turnbull, good morning and welcome to Breakfast.

PRIME MINISTER:

Good morning, good to be with you.

MICHAEL ROWLAND:

Let's start with the banks. They are absolutely ropable about this new tax. Do you fear this is the mining tax 2.0?

PRIME MINISTER:

The banks are the most profitable banks in the world, \$32 billion in profits. They benefit from the implicit support of the government, that is a major benefit that they have. It's only fair that they pay this levy to help bring the budget back into balance. Levies like this are common right around the world. This is a very conventional approach and it is one that will secure that additional money, \$6 billion over the next four years. That will assist us in bringing the budget back into balance and ensuring that our children and grandchildren are not burdened with a mountain of debt.

We will, on the projections in the budget, as you know we will have \$7.4 billion of surplus by 20/21. That's a big improvement on what was forecast in last year's budget.

MICHAEL ROWLAND:

Lots of veiled threats, in fact of not-so-veiled threats of this being passed on to customers through higher mortgage rates. How can you stop the banks doing that?

PRIME MINISTER:

Well, the ACCC will be keeping a very close eye on that, and of course we're enhancing competition in the banking sector. The levy only affects the big banks so there are other banks and financial institutions that are competing with them. Of course, fintech, you know, financial technology, is enabling more competition. So competition is a big factor.

You have to remember that the banks are hugely profitable. They do not need to pass this on. They will still be very profitable. They will still be the most profitable banks in the world.

MICHAEL ROWLAND:

Some commentary around this morning that this is payback by the government for the banker's association appointing former Labor Premier Anna Bligh as the chief executive?

PRIME MINISTER:

Well that is commentary. The fact is that we need to bring the budget back into balance. That is a fundamental responsibility. This budget is fair, Michael, it is fair at every level. We are bringing it back into balance so we don't burden our children and grandchildren with a mountain of debt. That's fair. We are fully funding the National Disability Insurance Scheme. That is fair. Now, Labor couldn't do that. We haven't been able to secure the savings through the Senate to fund it through savings, so we are increasing the Medicare Levy from 2019, to ensure the Disability Insurance Scheme is fully funded.

We are guaranteeing Medicare, restoring indexation, creating a Medicare guarantee fund and we are ensuring that schools funding conforms with David Gonski's recommendations. Labor never did that.

Schools funding will be national, consistent, needs-based, transparent and fair.

So this is a very fair budget, it's a responsible budget and it is of course, driving a massive investment in infrastructure. \$75 billion in road and rail alone.

MICHAEL ROWLAND:

The Treasurer spoke at length last night about how families have been doing it tough, having to make sacrifices, many Australians have not had a wage rise for many years. How then is this half a per cent increase in tax, the Medicare levy, going to go down? It might be for a very good reason, the National Disability Insurance Scheme but ...

PRIME MINISTER:

Could there be a better reason? Could there be a better reason than ensuring that people with disabilities get the support..

MICHAEL ROWLAND:

I get that, but it will hurt a lot of families' bottom line.

PRIME MINISTER:

It will be an additional tax, there's no doubt about that, on families by 2019, but the reality is, that we have to fund the Disability Insurance Scheme. All of us are beneficiaries or potential beneficiaries of it. All of us know people who need support with disabilities, kids with disabilities, families struggling with that. This is a great national enterprise and we

need to fund it responsibly and give that assurance to Australians that their Government is standing behind them, guaranteeing those essential services.

MICHAEL ROWLAND:

Welfare recipients, the Greens up in arms about this move to drug test, to randomly drug test welfare recipients. Why is the government doing that?

PRIME MINISTER:

I am so disappointed people are critical of that. Really, what is more important in the welfare area than getting people back into a job? I mean the best form of welfare is a job.

Now, if people are on welfare and they have got an addiction problem, then that needs to be identified and helped. It needs to be helped. They need to get off the addiction so they can get back into the workforce. This is helping people.

I am really disappointed by the criticism of that. I would have thought more people would be saying "Why haven't you been doing more of it years ago".

MICHAEL ROWLAND:

It does set a bad precedent doesn't it? Starting with welfare recipients, where does random drug testing end?

PRIME MINISTER:

There's plenty of random drug testing. If you're involved operating heavy machinery and so forth, you'll find a lot businesses, companies have to do that. This is a very big issue. There is a big correlation between substance abuse and unemployment. Because of course, if people are on drugs or if you've got a serious alcohol and drugs problem, of course they're not able to work, therefore they become welfare dependent. So what we want to do is get people off welfare, into employment. This is one of the many ways that we seek to do that.

MICHAEL ROWLAND:

Now you got rid of \$13.5 billion of savings from the – truly from the Coalition's perspective – "horror Budget" of 2014. Is this budget, does it represent the repudiation, final repudiation of Tony Abbott's prime ministership?

PRIME MINISTER:

Look, this has got nothing to do with personalities. Well, it's got everything to do with 24 million personalities; 24 million Australians, assuring their future, assuring their essential services and assuring them that the budget is coming back into balance, that they won't be burdened with the debt for future generations. This is critically responsible, investing in the infrastructure that again, will ensure that future generations have the

jobs and the opportunity and the business and investment, that they need.

MICHAEL ROWLAND:

Finally, the surplus, \$7 billion in 2021.

PRIME MINISTER:

\$7. 4.

MICHAEL ROWLAND:

Who's counting?

(Laughter)

Well, you are, certainly.

PRIME MINISTER:

I am, clearly.

MICHAEL ROWLAND:

It's just a projection, it's not a promise. Governments have made various promises about surpluses that never materialised, why should Australians believe you?

PRIME MINISTER:

They should accept it as a very responsible and reasonable projection. The assumptions, the economic assumptions are conservative, whether it's on commodities or GDP growth, they're actually more conservative than the Reserve Bank or the IMF. So look, we do live in an uncertain world Michael, but this is a very responsible, very reasonable forecast. The ratings agencies have confirmed that. Moodys came out last night and reaffirmed the AAA rating.

So in an uncertain world, this is a very responsible budget and the forecasts and projections are very reasonable and conservative.

MICHAEL ROWLAND:

Prime Minister thank you very much for joining News Breakfast.

PRIME MINISTER:

Great to be with you.

[ENDS]

Emmanuel Macron elected French President

The Australian Government congratulates Emmanuel Macron on his election as the President of the Republic of France.

Australia enjoys a strong relationship with France, underpinned by common values and a shared vision for a secure and more prosperous future. Our people-to-people links continue to grow and Australia's 100,000-strong French community makes a vibrant contribution to our nation.

Our security and defence partnership was forged on the battlefields of World War I and has been the cornerstone of our relationship for a century. Australia's Future Submarine Program continues this partnership.

We signed a Joint Statement of Enhanced Strategic Partnership during Foreign Minister Ayrault's visit to Australia in March, enhancing cooperation between our two countries on a range of global challenges including terrorism, transnational, serious and organised crime, proliferation, and climate change.

Australia and France also have a substantial trade and investment relationship, with two-way trade valued at \$8.7 billion in 2015-16. Over 500 French companies operate in Australia, employing an estimated 60,000 people.

The Australian Government looks forward to working with President-elect Macron to further bolster French-Australian relations. We thank outgoing President Francois Hollande for his commitment to enhancing the already close ties between our countries including through his 2014 visit to Australia, the first by a sitting French President.

Doorstop with the Minister for Justice, the Hon. Michael Keenan MP and Commissioner of the Australian Federal Police, Andrew Colvin APM OAM

PRIME MINISTER:

Good morning. It's great to be here with the Minister for Justice and the Commissioner of the Australian Federal Police, Andrew Colvin to announce the largest increase in funding for the AFP's domestic operations, in more than a

decade. \$321 million over the next four years. What that is going to do, is to enable the AFP to engage another 300 specialists in surveillance, in intelligence, in forensics – using the types of technology that we've just seen displayed a moment ago.

The AFP stands in the frontline keeping us safe, that is the first duty of every government. My government has committed more resources than ever to keeping Australians safe, in the ADF the AFP in all of our intelligence and security forces. Now the threat is becoming more complex, more challenging.

Trans-national crime, terrorism, drug trafficking, the AFP has intercepted several, more than one tonne shipments of drugs very recently. You've seen the extraordinary success that they've been able to achieve. But our enemies, those who seek to do us harm, these criminals whether they are terrorists or drug traffickers or people smugglers and of course all of those crimes and many others are linked. They are becoming more sophisticated and so our resources, our technologies need to match them.

That is why we are making this historic investment. The men and women of the Australian Federal Police keep us safe and we thank them for the work that they do. They secure Australia they protect us from threats, at home and abroad.

I'll ask the Minister for Justice now to say a little more about this historic investment but believe me, this is keeping Australian's safe. We are committed to the security of all Australians and we're putting the resources that the men and women of the AFP need, in their hands to do their job. Minister.

MINISTER FOR JUSTICE:

Well, thank you, Prime Minister, Commissioner. This is a great day for the Australian Federal Police and it underscores this government's commitment to keeping our country safe. We face increasingly sophisticated threats, both on the national security front and from organised criminals, particularly criminals that peddle in the drug trade. We need to have a police force that is able to deal with those threats.

This \$320 million investment buys the AFP that extra capability; extra forensic experts, and behind us, we see a world-leading forensics laboratory that we opened earlier on this year. Extra technical capability. Extra specialist response teams like the guys that you see here behind me. This is a game-changer for the Australian Federal Police. It underscores our commitment to making sure that they have what they need to keep Australians safe from the sophistication of the criminal and national security threats that we currently face.

ANDREW COLVIN – COMMISSIONER OF THE AUSTRALIAN FEDERAL POLICE:

Good morning everybody, and welcome to the AFP Majura facility. Can I firstly just obviously welcome the Prime Minister and the Minister. It's wonderful that we have had the Prime Minister here twice in a fairly short period of

time and I think that underscores the importance placed on the work of the Australian Federal Police.

I want to quickly take this opportunity, because the Prime Minister and Minister have already said what needs to be said, but I want to thank the Government for the support they've shown for the AFP and the confidence they continue to have in the work that we do. I know the men and women of the AFP certainly understand that confidence and appreciate the support that we get both from government and from the community.

As you've already heard this morning, we know crime is changing. It's changing at an incredible rate, particularly for the work of the Australian Federal Police. My front-line officers, those in uniform, those investigators around the country and internationally, need to know that they have the most modern, capable police force behind them to help them in terms of the investigations and the critical work they do. Be it in organised crime, be it in terrorism, be it in cyber-crime. We deal with some of the most complex protracted investigations that this country has and we need to know we have the capabilities to support those front-line officers and that is exactly what this announcement today is about.

It's about ensuring the future of the AFP is reliant on those specialist capabilities, our forensic capabilities, our technical capabilities, our specialist core capabilities that support front-line police.

So this is a very welcomed injection into the AFP. I think it's a wonderful, wonderful statement about the support for the organisation, but also a wonderful opportunity for the AFP to make sure that we can deliver the AFP of the future; a ten-year commitment to look at the future of the organisation, to make sure we can deliver on our vision to make sure that we can support the community in the critical work that we do, particularly around terrorism and organised crime.

So again to the Government, to the Prime Minister and the Minister, thank you very much.

JOURNALIST:

Prime Minister, with this injection into the AFP and other security forces that are reported today, why not simply scrap the efficiency dividends for these types of agencies as opposed to giving them these seemingly one-off funding boosts?

PRIME MINISTER:

Well this is a very substantial commitment. As you know our commitment to the AFP and to national security – international, domestic, every aspect of it – is increasing all the time. So we will always ensure that those men and women who stand in the front-line to keep us safe in the AFP, in the ADF, in our security and intelligence services, have the resources they need. Financial resources and of course, legislative resources as well.

JOURNALIST:

Prime Minister where is the money coming from? There has been some talk that it is coming from foreign aid measures?

PRIME MINISTER:

Look, yes I've read all of that. The Budget is tomorrow and I can assure you this is all fully funded.

JOURNALIST:

But the funding boost for ASIS would come from the foreign affairs budget, because that is where it sits, logically?

PRIME MINISTER:

Well, we will always continue to provide the resources that our intelligence services, including ASIS of course, our security services – ADF, AFP, all of them – all of those men and women who keep us safe, will always have our support. Financial, legislative, in every respect.

JOURNALIST:

Prime Minister, is there a comment from you and perhaps the Commissioner as well on the latest image from Khaled Sharrouf?

PRIME MINISTER:

The despicable conduct of Khaled Sharrouf in using his child to promote the barbaric terrorist activities of the organisation of which he is part, is almost beyond belief. But that is the depths of barbarity, of cruelty, of savagery, that ISIL or Daesh, have sunk to.

That is why we are committed, with our allies, to destroy ISIL in the field. They must be eliminated, destroyed in the field in the Middle East where the men and women of the ADF are working with our allies, as I discussed with President Trump only a few days ago. We destroy them in the field, we combat them everywhere, at home and around the world. But it underlines how important it is, how vital it is, that ISIL and everything it stands for is eliminated.

JOURNALIST:

Commissioner?

ANDREW COLVIN – COMMISSIONER OF THE AUSTRALIAN FEDERAL POLICE:

Prime Minister I think you said it very well. I mean, I don't think the Australian community, well, they'll be shocked and offended, but largely to security agencies, this is more of the same. We've seen it before and we will probably see it again. I think it says a lot more about Khaled Sharrouf than it does about his children.

However, we're all working very closely with our partners overseas and of

course the ultimate aim is to prosecute Khaled Sharrouf, and that's our objective.

JOURNALIST:

Prime Minister, the children, would you like to see them brought back to Australia? We know that there's not just that child, there's many over there with their parents. Can they be resettled in Australia? Do you want to see them back here?

PRIME MINISTER:

Well, all of the children that are being exploited in this way – if they are Australian citizens, of course – would be able to return to Australia, but under the closest possible supervision and observation. I can assure you that we will leave no stone unturned in protecting Australians from those people who return from that conflict zone, whether they are adults or whether they are children. If they are adults, they will obviously be prosecuted to the full extent of the law. If they are children, they will nonetheless also be given the closest attention. I can assure you of this.

My job as your Prime Minister is to keep Australians safe. Now, we have the resources to do so. We have the men and women that we've just met of the AFP and the ADF and our intelligence and security services. But we will be utterly resolute in keeping Australians safe. That applies to anyone who returns from the conflict zone, whether they are an adult or a child.

JOURNALIST:

Prime Minister, Anthony Pratt's announced a \$2 billion investment in American manufacturing. What's your Government going to do other than tax cuts to create jobs, in particular in manufacturing?

PRIME MINISTER:

Well, we are absolutely committed to supporting the Australian manufacturing sector, and I was with Anthony Pratt of course, when he made that commitment on the Intrepid in New York.

One of the reasons that you're seeing increased investment in manufacturing in the United States is because of the prospect of lower taxes which President Trump has promised, and also the fact that they have affordable energy. That's why I took decisive action to ensure that there was affordable and adequate supplies of gas on the east coast of Australia, only a few days ago. So it is vitally important that Australian industry has all of the incentives to continue to invest. That's why we have our Enterprise Tax Plan, to remain competitive. Even more important now in the light of President Trump's announcement, and that's why it's vitally important that Australian businesses, industries and households have access to secure and affordable supplies of energy and, in particular, gas.

JOURNALIST:

Just on the French election. Were you relieved that a centrist, globalist, Emmanuel Macron is now in the Élysée?

PRIME MINISTER:

I've congratulated President-elect Macron and I sent him a text and I got a response back thanking me for the congratulations and looking forward to working together.

We have a lot going on with France at the moment. We have the huge submarine deal and many other projects. Of course the shared history, you know 100 years ago, the soldiers of France and the soldiers of Australia were fighting side-by-side to defend France, to keep France free, and indeed to defend Australia. We have been side-by-side in freedom's cause for over a century. We are side-by-side in freedom's cause in the Middle East today. So we have great work to do to make the ties between France and Australia, stronger still.

JOURNALIST:

Just back to – I know, “all will be revealed tomorrow night”, but can you give us a taste or sense of the narrative or theme of this Budget?

PRIME MINISTER:

This Budget will be committed to fairness, opportunity and security, ensuring that Australians are given the opportunity to get ahead, the economic growth that enables them to get ahead, to get a better job, a better-paying job, to start a business, grow a business, to realise their dreams. We'll also deliver the security and the assurance, national security, we've been talking about this morning, but also the security about essential services and essential government services – education and health. But above all, this Budget will be a thoroughly fair Budget. It is a commitment to fairness, Australians understand that. We are the nation of a fair go, it's in our DNA and our Budget will reflect that.

JOURNALIST:

Just confirming PM that there will there be a Productivity Commission inquiry that will look at the financial sector and that will also include looking at whether to separate the banks, retail and financial advice arms?

PRIME MINISTER:

Look, I won't reveal any more of the Budget today, but I encourage you, I'm sure you will all be paying close attention tomorrow night.

Can I just say, finally too, also congratulations to Sydney FC. A great win, a great game, well played by Melbourne, but good to see Sydney FC win. As I said to Danny Vukovic this morning, how great it was to see little Harley run on to the field.

Thanks very much.

[ENDS]

Boosting National Security: \$321 Million Investment in the AFP

The Turnbull Government will invest an additional \$321.4 million to bolster the capability of the Australian Federal Police (AFP) and strengthen the protection of all Australians.

This represents the largest single funding boost for the AFP's domestic policing capabilities in a decade, reflecting this Government's unwavering commitment to the AFP and keeping Australians safe.

The funding will provide for an additional 100 intelligence experts, over 100 tactical response and covert surveillance operators, and almost 100 forensic specialists to advance our fight against crime and terrorism.

The 2017-18 Federal Budget funding, to be delivered over four years, will equip the AFP with new capabilities and greater flexibility to respond rapidly to emerging crimes today, and into the future.

The additional experts will fast-track investigations and lock-up criminals sooner, targeting areas of priority including terrorism, criminal gangs, drugs, organised crime, cybercrime, fraud and anti-corruption.

This will make the AFP a more responsive and robust organisation, with expert skills and world-leading technology at its core. Key elements of the increased funding will comprise:

- Specialist Response Capabilities: Police negotiators, tactical response officers, bomb response technicians and canine resources specialising in drug, cash and explosive detection.
- Covert Physical and Technical Capabilities: Physical surveillance teams, covert online investigators, undercover operation members and police technical teams.
- Forensics and Intelligence Capabilities: Digital forensics, crime scene investigators, firearms and armoury specialists, biometric experts, forensic intelligence analysts, and operational intelligence professionals.

This is the first step in the AFP's 10-year plan to deliver a new vision for the organisation, which will define and map its long-term priorities and ensure it has the tools, skills, training and capabilities needed to protect Australians.

The Turnbull Government is committed to ensuring the AFP continues to have

every resource and capability necessary to protect our nation and our way of life.