

# Business Breakfast with Australia-PNG Business Council

## **PRIME MINISTER:**

Well thank you very much Geoff and Susil. It is great to be here with you and I just want to say that we've had really productive, warm, constructive, practical discussions with Prime Minister O'Neill and his colleagues. It's been a very effective visit. When old friends get together, you have the usual courtesies but you don't need to spend a lot of time on formality. So we've had a very, very practical set of meetings and I just have to say, guided by our outstanding High Commissioner who is here today with us, we've been able to get to the heart of a lot of the issues that you raised Geoff, so I want to thank you for that, for outlining them.

Now yesterday as you know I visited Isurava on the Kokoda track and also the Bomana War Cemetery to pay my respects to the Australians and Papua New Guineans who made the supreme sacrifice to halt the advance of the Japanese in the Second World War. That period in 1942 was truly, as Churchill described, the hinge of fate, so much depended on the courage, the endurance, the sacrifice, the mateship of those men and women who fought to stem the tide. But they succeeded, they triumphed, victory was theirs and we are enjoying the freedoms of today because of the sacrifices that were made three quarters of a century ago.

Now we were fighting side by side then, but since then we have continued to work side by side during these extraordinary times. A period of human history where the pace and scale of change is entirely without precedent.

Yesterday when I was with Lesieli Taviri from Origin Energy and a number of other outstanding Papua New Guinean entrepreneurs and innovators we saw how new technologies, the smart phone- ten years old – photovoltaic panels a bit older than that but nonetheless, it is only in relatively recent years that the cost of per watt has come down precipitously to the point that they are now, energy from solar is so affordable. But what we've seen, those two technologies powered so much of the innovation, the ability to bring power, telecommunications, lighting to remote locations, to remote villages all made possible by technology.

And PNG coupled with the imagination and the enterprise of its people, working with friends and partners from Australia are able to use these new technologies to overleap the technology of the past, overleap the systems that we have had in developed countries like Australia for so many years and strike out into new fields and achieve the outcomes we need in terms of amenity, economic progress, education, improved health services so much more quickly.

But today, this morning I want to talk about trade and economics above all. Now almost 5000 Australian businesses, companies, doing business here in

PNG. The two way trade relationship as you know is valued at \$5.8 billion. Australia is a very welcoming market for two of PNG's best agricultural products; coffee and cocoa. And I look forward to Queen Emma's chocolates making a big appearance in Australia before too long.

This morning we were glad to discover that there is still some fine coffee left in PNG despite the fact that you've exported the record volume of Niugini Arabica to the baristas and kitchens of Australia in 2016.

And as I know that we have a national addiction to chocolate so we're helping the cocoa farmers in Papua New Guinea maximise the export value of their crop with programs to improve the quality and consistency of exported beans. Your cocoa is now being used by some of our best and most beloved chocolatiers and of course as I said, Queen Emma I'm sure will be making a suitably royal appearance in Australia before too long.

We're also a very big investor in PNG. Our investment in Papua New Guinea of more than \$18 billion is more than Australia's total investment in Indonesia for example. And that says a lot about the level of commitment to PNG. It involves so many industries and sectors, particularly gold mining, oil and gas. It contributes to PNG's economic growth and employment, directly benefits the quality of life here. A great example of this as I noted a moment ago is Origin Energy's program to provide solar panels to homes through a lease-to-own program. Origin is also looking to the future by using block chain, the technology that underpins Bitcoin, to allow communities to reliably share their off-grid solar power and further spread its benefits.

Airborne Logistics Operations Manager Doug Allgood never planned to make small villages in the Kokoda track region a part of his business but when bad weather forced him into a remote area on the track, he discovered true village hospitality.

The relationships he built through this has led Airborne Logistics to use spare helicopter capacity to help 39 villages in the fertile region bring five tonnes of fruit and vegetables to market in Port Moresby each week. So the service helps unlock the economic potential of the region, bringing benefits to hundreds of families.

Our investments in infrastructure, health, education, promoting and empowering women and girls, law and justice, governance, through our development cooperation and partnerships with the private sector all are supporting the PNG Government to build strong foundations for economic growth. And this year as you know we've opened the Consulate-General in PNG's commercial capital, Lae, which reflects confidence in the opportunities now and into the future.

But despite great momentum over the past few years our merchandise trade with PNG has declined somewhat. This is partly due to the downturn in the commodities market and partly due to do with difficulties faced by businesses in accessing the PNG market, and this is the points that Geoff was referring to earlier.

It works both ways. PNG already has duty and quota-free access to the Australian market but more can be done to help your farmers meet biosecurity requirements and deliver high-quality products to Australian consumers. So I'm pleased that ministers at the recent Ministerial Forum agreed to establish a trade investment and economic working group to address market access issues and foster further cooperation.

Now both of our governments recognise that there are many things we need to do to improve the business environment for companies wanting to invest here. Globally significant corporations have been coming here for decades, attracted by PNG's wealth of natural resources. Large scale investments from companies such as ExxonMobil, Santos and Oil Search and I see Peter Botten is here with us this morning.

We've seen how transformative this has been. Foreign investment has contributed to PNG's infrastructure and skills development. It's also contributed to the doubling of employment in PNG's private sector in the past ten years. And the flow-on effects are significant too, opportunities for local suppliers, support for local communities and investments in education, health and the environment. New mega projects are already in the pipeline, if you'll excuse the pun, including expanding ExxonMobil's \$26 billion LNG project and developing new gas fields.

To make these a reality and to extend the benefits of investment to more Papua New Guineans we must continue to work together to ensure policy settings and practices attract, rather than deter investment.

Protectionism as we all know is the road to poverty. There is no question that in our region and for both Australia and PNG, free trade, open markets have brought continuing growth, improvement of living standards, rise in prosperity. As I've said before, but it's a fair point, protectionism is not a ladder to get you out of the low growth trap. It is a great big shovel to dig deeper and deeper. Open markets, free trade are keys to our prosperity in Australia, in PNG, in the region, around the world.

Now as critical as large projects are to the economy at the end of the resources construction building, and again, Geoff referred to this, diversification must be encouraged as part of a modern economy. And our resilience, our ability to avoid a hard landing following the wind down of the resources construction boom in Australia is a tribute to the enterprise and entrepreneurialism and the resilience and diversity, above all of the Australian economy.

Had it not been for the big free trade agreements that we secured and opening up access to what the full range of exports from Australia – the services, agricultural produce right across the board – had we not been able to do that we would not have had a successful a transition albeit with real difficulty and real pain in some parts of the country. But we would have had a very hard landing in my judgement, as many predicted we would I might add, after the downturn of the construction boom.

So a diverse economy, a resilient economy, an open economy is absolutely

critical to enable you to recover from that. Now this means to do this, striving for and embracing science and technology and innovation is the key to solving some of the most difficult problems and again we saw so much evidence of that at the showcase yesterday. Finding new ways to help both our agricultural industries prosper despite drought is just one example.

Now many of PNG's entrepreneurs have come through challenging times to grow successful businesses which have in return helped strengthen your economy. I met yesterday in addition to Lesieli and others, I met Shadrach Juangere who graduated from the Kumul Game Changers Program. Shadrach is currently employed with Telekom PNG but in his spare time works on start-ups to link PNG companies, enabling them to lower costs, lower supply costs and overcome barriers including payment issues and delivery problems that prevent Papua New Guineans shopping online.

I met a Port Moresby woman, Florence Kuyei, who is starting her own mapping and spatial analysis company, Dinade Spatial Services, after participating in the WECREATE Challenge business accelerator program.

And I spoke with representatives of the Bank of Papua New Guinea who are working on using block chain for a range of financial applications related to identity and again this is a very interesting example of where with the technology, mobile phones, block chain, will be able to deliver unique digital identities for customers which will be of application to enable secure transactions not just at the bank but with government and other parties. And the technology enables you being a developing country to go further than a developed country already has. It is truly liberating. This combination of this distributed nature of technology, whether it is energy generation, solar as we talked about, solar combined with batteries of course or the smart phone and hence the importance obviously of continuing to push out the frontier of wireless telecommunications. The potential of that is limited only by your imagination and I know that the greatest natural resource of any nation is the imagination and the enterprise of its people and unlocking that and coupling that with these technologies has enormous potential.

Now the centre of growth in the global economy as we know has moved to our region and both our nations will benefit from that and I'm leaving today from PNG to go to India, another extraordinary transformation. But of course also, part of another enormous opportunity for us in this part of the world.

PNG's future trade growth will not come solely from an enduring relationship with Australia naturally but from being able to supply the rapidly growing middle-class in the markets of the Asia-Pacific. When you consider that PNG has enormous untapped potential, or yet to be tapped potential in agriculture and fisheries, the markets demanding your products extend across all of the Pacific and Asia.

The bilateral relationship also has a strong role to play in enabling us both to take advantage of those opportunities. Our collaboration can help drive further growth in key sectors, resources and energy we touched on, innovation and market reach. The tourism sector is a good example. The Australian

adventure eco-touring company Intrepid Travel has already booked out the majority of its trips around Rabaul, Matupit Island, Duke of York Island and Kokopo with include the 'Rabaul Mask Festival and the Baining Fire Dance'. Cruise tourism contributed \$5.7 million to the PNG economy in 2015, of which 43 per cent benefits local people directly. People like Maxine Nadile, whose business Egwalau Tours provides tailor made itineraries for cruise passengers. Maxine has also grown her business by working with local people to offer tours of villages which previously had no exposure to tourism but now host up to 180 people per tour. Now that's a sector with enormous potential.

It's not hard to picture a buzzing network of hotels and resorts in beautiful, accessible locations, staffed by Papua New Guineans, or cruise ships docked in harbours with visitors taking in the amazing scenery on guided tours. We are ideal partners to help make this happen.

And of course next year PNG has a unique chance to showcase this magnificent country, its products and its businesses as you host APEC 2018. I encourage all of you to engage in the APEC Business Advisory Council in the lead up to 2018 so you can capitalise on the opportunity. It's a chance to impress and influence not only the region but the world. Hosting the forum demonstrates PNG's commitment to the regional economic cooperation needed to grow our economy.

Now that I've met some exciting entrepreneurs and seen how technology is transforming how business is done here I am even more confident for the future of Papua New Guinea and its people.

Prime Minister O'Neill and I have agreed we need to speak with one voice on the imperative of defending free trade and open markets. We both know as I've said, this is the road to prosperity. With the energy and mineral markets we both export in high demand. From our large neighbours in Asia, big markets in the Asia-Pacific, we can't let protectionism take hold.

Free trade means jobs, economic growth and sustainable economies. We've proven this together. So I want to thank you all for your commitment to supporting the growth of our contemporary economic partnership. I want to thank you for your commitment to seeing business between Australia and PNG flourish. We are proud to collaborate with you and be your strategic and economic partner. I'm delighted to have been able to come here over this weekend and I thank you particularly for coming to breakfast here on Sunday morning, that's a sign of your commitment to the enduring partnership between Australia and PNG and I know that what we are witnessing today is a new and prosperous chapter in the history of the relationship, the partnership between our two great nations. Thank you very much.

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# Joint Press Conference with the Hon. Peter O'Neill CMG MP, Prime Minister of Papua New Guinea

## **PRIME MINISTER OF PAPUA NEW GUINEA:**

Thank you very much for joining us here this afternoon. And firstly let me extend our appreciation to the Prime of Australia, Malcolm Turnbull, for his first official visit in his capacity as Prime Minister to Papua New Guinea on this occasion. I hope you have a pleasant stay here and of course we look forward to many more discussions over the course of today and tomorrow.

But also let me take this opportunity to extend our sympathies to many of the victims of recent Cyclone Debbie in Australia especially our neighbours in Far North Queensland. Papua New Guinea understands the suffering that they are going through. We have similar experiences here by many cyclones that we continue experience in our country.

Today, Prime Minister Turnbull and I discussed many issues that affect our two countries. The bilateral relationship between our two countries is very strong and continues to strengthen each year. We have discussed a number of issues including of course the Manus Resettlement Processing Centre, the ongoing work that is going on at that Centre in order for us to have a closer, in accordance with the Supreme Court decision that was handed down by the Supreme Court of Papua New Guinea.

Work is progressing quite well, the processing of the refugees is going on quite well and we appreciate the continued support of the Australian Government in managing that facility. Of course we spoke about ongoing trade and investment issues between our two countries. Australia is by far the largest investor in Papua New Guinea and as such we understand the role that they play in continuing to strengthen the investment confidence that Papua New Guinea continues to enjoy.

Our economy has been doing quite well over the last 15 years except of course for the commodity prices affecting our revenues over the last couple of years. Other than that the economy continues to grow well above global standards and I think that will continue to encourage more and more investment from Australia and businesses that are doing business in Papua New Guinea.

We also extend our appreciation to the Australian Government especially the DFAT support on many programs that they have in the country; in education, in health, supporting our defence, law and justice sector and many infrastructure that they continue to help us build in many of these sectors.

And again we spoke about APEC which Papua New Guinea will be hosting in 2018 and Australian Government's support in providing security so that our leaders

who are going to come and visit us on that occasion feel safe and comfortable. Papua New Guinea is a safe destination and I know that all the leaders will enjoy their stay here with us.

A range of meetings relating to APEC has already taken place in our country. Of course close to 200 meetings will be conducted in PNG before the Leaders' meeting in November 2018. Those policy discussions are going very well and again we appreciate the support of the 21 economies who are actively participating in these discussions.

Papua New Guinea is going to an elections in a few days time, a few weeks time, which will be on April 20th. Australian Government is supporting us in the logistics and capacity building within the Electoral Commission. They will be also participating as international observers in our election process throughout many parts of our country. Our aim is to try and deliver a free and fair elections according the people's will. Secondly the support that has been extended to us by the Australian Government is going towards achieving that goal.

So once again Prime Minister, thank you very much for visiting Papua New Guinea on this occasion. I hope you have a pleasant stay and we'll look forward to seeing you again here in 2018.

**PRIME MINISTER:**

Thank you very much Prime Minister and thank you so much for the very warm welcome and the very, very generous hospitality that we've received. You started your remarks Prime Minister by expressing your sympathy for the victims of the cyclone and floods in Australia, in North Queensland and indeed right through Queensland and into northern New South Wales and I thank you for that.

The solidarity between the people of Australia and the people of Papua New Guinea was evident today at Isurava and Bomana. We see 75 years ago people of Papua New Guinea, Australians fought side by side to keep Australia free, to defend Australia from invasion, to defend Papua New Guinea from the invasion of the Japanese Imperial Army. Those bonds that were built then are enduring and they have grown into a very deep relationship. We are fundamentally connected by the breadth of our common interests. Our economic relationship which you spoke about Prime Minister brings huge benefits to both countries. Our bilateral merchandise trade was worth \$5.8 billion in last year, more than 5000 Australian companies do business in PNG. We have more than \$18 million Australian investment in PNG, this is indeed greater than, considerably greater than our investment in Indonesia. So it gives an indication of the scale and the depth of the relationship with PNG and I look forward in the course of the day as we were discussing Prime Minister and tomorrow, meeting with and discussing the economic relationship with PNG business leaders, entrepreneurs, Australian business leaders working here in PNG. It's a very, very powerful and growing economic partnership. We also work very closely on security and ensuring stability in our region. We talked about our extensive dispense and police cooperation on border security combatting the scourge of people smuggling.

We are both committed to free trade and open markets and of course PNG's hosting of APEC in 2018 is going to be a very important opportunity to promote continuing regional economic integration for the benefit of the whole region. We've discussed the cooperation that we are pursuing to ensure the success of the event. We've also talked about the importance of protecting the security of the maritime resources of PNG and we're going to do more in that regard to cooperate and support PNG to protect its vitally important fisheries from illegal fishing.

I want to thank you Prime Minister for your Government's continued cooperation in this vitally important fight against people smuggling and we will continue to work together to close the Regional Processing Centre by the end of the year and I want to thank you Prime Minister for Papua New Guinea's significant progress on the resettlement of refugees from Manus.

So Mr Prime Minister we first met I recall at the NRL Grand Final in Sydney back in 2015 and I know that that game too, that code has a special place in the ties between our countries. So I'm looking forward as I know you are to the Prime Minister's XIII Game to be held in Port Moresby later this year. Rugby League is another special bond between Australia and PNG.

So I want to thank you Prime Minister for your commitment to the strong and strengthening relationship between our two countries and I'm confident that building on the foundations of solidarity, solidarity in the face of overwhelming odds that we were reminded of this morning in those solemn places of memory and history. I'm certain that building on those our relationship will grow even stronger in the years ahead. Thank you Prime Minister for welcoming us to PNG.

**JOURNALIST:**

Mr O'Neill, could I ask your federal budget is under considerable pressure at the moment from the commodity crisis. Is there more that Australia can do to help PNG with that?

And secondly, are you seeing any positive signs for the resettlement of refugees from Manus as a result of the United States' agreement with Australia?

**PRIME MINISTER OF PAPUA NEW GUINEA:**

Well certainly your first question [inaudible] resource dependent economy all around the world. We had our share of some challenges. That meant a huge reduction in our revenue [inaudible] and of course we had to readjust our budget to ensure that we fit to the revenues of course that we were experienced in the last two years. What is the Government that we picked our funding priority you still welcome; health, education, infrastructure, law and order, the budget was never, we simply cut only non-priority areas, projects that needed to be deferred has been deferred.

And your question about what are the Australian Government should continue to assist support budget. Australian Government is already doing enough to the



federal support that they give in that involvement in funding through DFAT. And that is now supporting many of the priorities of Government as well; health, in health, education, law and order and justice, so I think we're doing as much as we can.

We also have [inaudible] challenges that the Australian economy is facing and we will continue to work together to ensure that our economies continue to flow.

But despite those challenges that we [inaudible] again. The Papua New Guinea economy continues to grow above global stimulus. Both [inaudible] that particular problem.

**JOURNALIST:**

On Manus? Manus Island?

**PRIME MINISTER OF PAPUA NEW GUINEA:**

On the issue of the resettlement of course we will be guided by Australia Government on their arrangements with the United States and we can resettle many of the refugees to a third country like United State in the future we welcome.

**JOURNALIST:**

Mr Turnbull, you said significant progress has been made on Manus. Were you referring exclusively to the US deal because here as I understand only about 15 men from Manus have been resettled at Papua New Guinea. There's a big question coming from inside the Papua New Guinea Government about what's going to happen to those men who don't go to the US with resettlement here hasn't seemed to work.

**PRIME MINISTER:**

Well it's clearly worked with a number of cases. The Prime Minister and I talked about that earlier, but we are as you know there is a program of resettlement, a process of assessment for the purpose of resettlement in the United States underway. We look forward to the conclusion of that work by the United States authorities.

**JOURNALIST:**

How many cases have worked here Prime Minister? How many cases have worked in Papua New Guinea?

**PRIME MINISTER:**

Well the Prime Minister would be better able to nominate a number but we talked about the number of successful cases here.

**PRIME MINISTER OF PAPUA NEW GUINEA:**

There are some refugees already been resettled on PNG. Many of our local businesses have already put up their hands to try and take on as many professionals who are able to work in PNG but as you know many of the refugees are not willing to settle in PNG. We cannot force people in a resettlement exercise when they are not able to accept our offer. But if a third country is willing to accept their resettlement we are quite happy to participate [inaudible].

**JOURNALIST:**

Can I just clarify you'll only [inaudible] take by United States [inaudible]?

**PRIME MINISTER OF PAPUA NEW GUINEA:**

We will continue to manage the joint [inaudible] over the course of close negotiations.

**JOURNALIST:**

When you announced the deal with the United States Mr Turnbull you said that the United Nations High Commission for Refugees would help administer the deal. They have said quite emphatically that integration and resettlement for these people is not possible in Papua New Guinea despite [inaudible] attempts in that regard. So what, your Department has said that you are negotiating with many other third countries. So what is the plan for those who aren't taken to the United States?

**PRIME MINISTER:**

Well let's take it one step at a time. We have succeeded and I thank the Prime Minister for his cooperation in doing this. We have succeeded in stopping the scourge of people smuggling which as we all know, we all recall tragically under the Labor Government resulted in 50,000 boat arrivals, 1200 deaths at sea which we know.

Now we've succeeded in stopping those people smugglers and that has been a great humanitarian achievement. We are working to solutions, enduring solutions of people who have been detained here and Nauru. Working with third countries, most notably of course the United States to that regard. We'll take this process one step at a time.

**JOURNALIST:**

Is Nauru a possible destination for those who don't go to the United States?

**PRIME MINISTER:**

We'll take this process one step at a time.

**JOURNALIST:**

[inaudible]

**PRIME MINISTER:**

As the Prime Minister has acknowledged, Australia's aid to New Guinea is very substantial. PNG is the largest recipient of Australian aid – very much so as you know – it's a very substantial amount, over half a billion dollars a year. It's supporting health, education, empowerment of women and girls, infrastructure a whole series of programs throughout the country. We talked about the new hospital under way, so we've worked very closely in partnership with the Government on PNG and the Prime Minister which enables us to ensure that we get the best outcomes for the aid for which the Prime Minister has acknowledged is substantial and understands the commitment of the Australian people to support the development of PNG, our closest neighbour.

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## [Press Conference with the Minister for Defence and Chief of the Defence Force](#)

**PRIME MINISTER:** As you know, on the 4th of April, the Syrian regime of Bashar al-Assad committed a shocking war crime against the people of Syria with a chemical attack at Khan Sheikoun in Idlib Province.

More than 70 people were killed in horrific circumstances. Civilians, women, children, babies.

It was a crime that called out for a swift response.

Today, the United States has responded, launching 59 cruise missiles from two US Navy Destroyers against the Al-Shayrat airfield south-west of Homs from which the chemical attack was conducted.

The effect of the American response has been to reduce the ability of the Syrian Government to deliver chemical weapons in the shocking manner in which they did a few days ago.

The United States advised us as a Coalition partner shortly prior to the attack.

As the Minister will describe, the United States Secretary of Defense, Jim Mattis, phoned her earlier this morning.

We have discussed the matter, naturally, with the CDF and with our National Security Committee colleagues and we can say that the Australian Government strongly supports the swift and just response of the United States.

This was a calibrated, proportionate and targeted response.

It sends a strong message to the Assad regime, and as I said, has been struck at the very airfield from which the chemical attack was delivered.

Australia was not involved in the strike but we remain fully committed as a Coalition partner to our ongoing military operations in Iraq and Syria.

We have been consistent in our condemnation of the use of chemical weapons in Syria and elsewhere.

The use of these weapons under any circumstance is illegal and abhorrent. It is a violation of international law. It is a war crime and it is a blatant contravention of basic principles of humanity.

These crimes against humanity, shocking and horrific even in the context of the Syrian conflict zone, cannot be committed with impunity and the perpetrators must be held to account. We have called on the Security Council to address this matter as soon as possible.

Regrettably, as we have seen, the Security Council is once again at an impasse due to the position of the Assad regime supporter, Russia.

We remain fully committed, as I said, to our ongoing operations in Iraq and Syria against Daesh. We are in close discussions with our allies on the next steps.

This is a vitally important signal, a vitally important message, that we will not tolerate, the world will not tolerate the use of these chemical weapons.

The retribution has been proportionate and it has been swift.

We support the United States in that swift action. We hope and pray we will see the end of the use of chemical weapons in Syria. I will now ask the Minister to add to my remarks.

**MINISTER FOR DEFENCE:** Thank you very much, Prime Minister.

Ladies and gentlemen, as the Prime Minister said, I spoke with Secretary of Defense James Mattis this morning before I left New Zealand, where with the CDF I was attending the South Pacific Defence Ministers' meeting, and he advised me of the United States' intention to carry out this operation. Australia, as the Prime Minister has said, absolutely condemns and deplores the horrific attack on citizens in Idlib earlier this week.

The United States' targeted strike today, which the Australian Government supports, was designed to limit the regime's ability to conduct further chemical weapon attacks against its own people. The highly targeted strike was intended to prevent and deter a recurrence of this event. It is important that the regime understand there are consequences for their actions, and that has been demonstrated today.

I can confirm, as the Prime Minister indicated, that Australian assets were not involved in this morning's operation. As you know, Australia's Air Task Group is confined to operations in eastern Syria, including in the vicinity

of Raqqa, where we continue to target Daesh. Australia has also taken appropriate measures in light of this operation to review our force protection arrangements in the Middle East.

Thanks, Prime Minister.

**PRIME MINISTER:** Thank you. All of us, as the President of the United States said a little while ago, all of us are joined in prayer for those who are the victims of that shocking attack and to their families and to those who have been injured, for their swift recovery.

Now I want to touch on another matter more closer to home.

Shockingly you will have seen reports that two juvenile males, a 15-year-old and 16-year-old male are in custody following the alleged murder of a 29-year-old man in Queanbeyan overnight.

Our condolences go to the family of the victim. We send our prayers and best wishes to the two other victims of that evening, two other people who were assaulted by the two youths in the course of these events last night.

The police will be making a statement about it earlier but I can say that the circumstances have raised sufficient concern, as I have discussed with the Commissioner of the AFP, Andrew Colvin, raised sufficient concern to warrant the involvement of the joint counter-terrorism team. The police as I say will have more to say about it but the involvement in this crime of two males, two youths, teenagers is a shocking matter and one that underlines many of the concerns we have raised in this field.

Any questions?

**JOURNALIST:** Is the Coalition at war with the Assad regime or is this a one off response to a one off event?

**PRIME MINISTER:** This is a proportionate response by the United States and as the United States have said it is not designed to overthrow the Assad regime, it is a proportionate and calibrated response designed to of course to prevent that airfield being used to deliver chemical weapons again. As you can imagine 59 missiles is a very substantial attack on that airfield but we are not at war with the Assad regime and the United States have made it clear that they are not seeking to overthrow the Assad regime.

**JOURNALIST:** The Foreign Minister said yesterday that Assad must be part of the solution, do you support that given that he could go on trial for crimes against humanity?

**PRIME MINISTER:** The political solution in Syria is a complex one. The events of the last few days I think raise very real questions as to whether there can be any role for Mr Assad in any solution or settlement. This chemical attack was as I said a horrific crime, shocking even in the context of that brutal war.

**JOURNALIST:** President Trump has asked for all civilised nations to join him.

Would the Australian government be willing to be a part of strikes against the Assad regime or any of their allies?

**PRIME MINISTER:** Well President Trump has asked for all civilised nations to join him in seeking to bring peace to Syria and end the conflict and we have been engaged in dialogue and obviously in operations although as Marise said in the eastern part of the country for some time.

There is no question that this shocking conflict in Syria is crying out itself for a resolution and we certainly will continue to work with our allies and our partners to see a resolution to this shocking war.

**JOURNALIST:** Has the US asked for more, any more military support due to this action today? Outside of what we're already doing?

**PRIME MINISTER:** No, they have not.

**JOURNALIST:** Prime Minister, the Syrian Government has high quality surface to air missiles. Does this US strike put Australian pilots at risk?

**PRIME MINISTER:** Again, as Marise noted, we have taken all of that into account in terms of our own force protection.

**JOURNALIST:** Is there any theories on whether the United States is planning further similar strikes on other military targets over the next week?

**PRIME MINISTER:** This was a single strike designed to reduce the ability of the Syrian regime to deliver more chemical weapons attacks from that airfield and of course to send the strongest possible signal that this conduct will not be tolerated.

**JOURNALIST:** Are you saying that it doesn't represent mission creep?

**PRIME MINISTER:** I am saying what I just said.

**JOURNALIST:** Is there any fear of retaliation from Russia at this point that could increase tensions?

**PRIME MINISTER:** It is a very complex area with many actors. I can say that the role, the Russian Government has a real responsibility here to ensure that its client, the Assad regime, complies with international law, complies with the rules of war and does not use chemical weapons.

The fact is that there is a solemn obligation on Russia too to play its part in bringing this conflict to an end.

**JOURNALIST:** You spoke of the impasse in the security council. Yesterday Nikki Haley said it's time for states to act alone. Are you concerned about states taking unilateral action and what the consequences of that would be?

**PRIME MINISTER:** The United States action was, as they have said, as the Pentagon spokesperson has said already, it was designed as an intervention, a humanitarian intervention in order to prevent that airfield being used again

as it was to deliver chemical weapons in what was, as I said, a horrific crime against international law, against the rules of war, against humanity itself. Shocking and horrific, even by the standards of this brutal war.

President Trump is right, we need to bring all nations together, all civilised nations together to bring this conflict to an end but that requires all of the players, all of the players, including Russia, to bring this conflict to an end.

We have a role to play, and Marise has described it in the eastern part of the country in our effort to defend Iraq against Daesh or ISIL. That is the role we have been playing.

The whole world is crying out for a settlement in Syria and this is a time now when the United States have shown that they will not tolerate these crimes, when the United States has shown its full force in response to this shocking chemical attack, surely now is the time when the nations of the world and the great powers engaged in the Syrian conflict zone can come together and bring this war to an end.

Thank you very much.

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## [Radio interview with Neil Mitchell,](#) [3AW](#)

**NEIL MITCHELL:**

The Prime Minister, Mr Turnbull, good morning.

**PRIME MINISTER:**

Good morning.

**NEIL MITCHELL:**

If we go to Syria in a moment, which is clearly a massive international significant event – couple of domestic issues first – is the Federal Government looking at helping finance an airport rail link for Melbourne?

**PRIME MINISTER:**

As you know I am a big supporter of rail and it is very important to have more rail, particularly in our big cities as they become more densely settled. And we are talking to colleagues about our infrastructure priorities but, Neil, the budget is only a month away, so I don't want to be drawn on any specific projects. But there is no question that, as you know, I mean, the Napthine government took steps towards a rail line to Tullamarine and it

has always been something that has been seen as an omission in Melbourne is not to have a rail line out to the airport and obviously linking all those areas in between.

**NEIL MITCHELL:**

Okay. I have heard that your minister has been talking to our minister, so to speak. Is that correct?

**PRIME MINISTER:**

As he should. This is Darren Chester you're talking about, the Transport Minister.

**NEIL MITCHELL:**

Yes, that's right.

**PRIME MINISTER:**

He was out, just last week he was out on the North East line. He is always talking about the benefits of better rail services to cities and to regions together with Paul Fletcher, the Urban Infrastructure Minister, and whether it is in Victoria or elsewhere in the country.

**NEIL MITCHELL:**

I had a Canadian planning expert, who I was talking to last week who was in town from Vancouver. He said a city without a train to the airport is not a civilized city. Do you agree?

**PRIME MINISTER:**

Melbourne doesn't have a train to the airport, and Melbourne is one of the civilized cities in the world.

(Laughter)

So I'd have to say I completely disagree with him. Having said that, a train line to the airport is a very good thing to have.

**NEIL MITCHELL:**

I am told that it couldn't be done until the Metro Tunnel is built anyway, which is 2026. So we are looking long-term aren't we, if it happens?

**PRIME MINISTER:**

Well, Neil, again that's an engineering matter that I can't comment on but I think there is no doubt that as our cities become bigger and more densely settled, you need to have more mass transit. You need to have more rail, both heavy metro rail and light rail, trams, et cetera. Melbourne has got the biggest tram network in the world. It is one of its great blessings. I mean, those of us who live in Sydney regret the fact that our tram system, which



actually at one point was bigger than Melbourne's, was torn up.

**NEIL MITCHELL:**

Also Prime Minister, tax, you're taking after the black economy – tradies doing deals for cash essentially – but not taking on family trusts. And the tax office figures today say billions of dollars are being dodged by wealthier Australians through these family trusts. Why target the tradies and not the trusts?

**PRIME MINISTER:**

Neil, its important, let me firstly say, I don't have a family trust, right.

**NEIL MITCHELL:**

Have you ever had one?

**PRIME MINISTER:**

No, never. No I haven't had a family trust. I have always had a very conservative approach to taxation matters.

**NEIL MITCHELL:**

Why is that? Do you think they're immoral?

**PRIME MINISTER:**

No, no – it's just that I just haven't done so.

But trusts are a very legitimate form of business structure. They are very widely used in small businesses, in family businesses, particularly with farms.

Now, we expect everyone to pay their fair share of tax. Regularly this criticism of family trusts, or trusts come up but it is a very long established and legitimate form of business structure.

**NEIL MITCHELL:**

We've got 643,000 people using them. We're told it is dodging, or minimizing tax to the effect of billions of dollars. It's not illegal, you're quite right. Why go after the black economy and the tradies and let that go on?

**PRIME MINISTER:**

People are not entitled to take a self-help approach to tax minimization. Whether it is the black economy and doing deals in cash and not declaring the income, or not paying GST, that is not acceptable any more than big multinationals using elaborate structures to avoid tax.

You've got to remember it is our Government which introduced the toughest laws on multinational tax avoidance – I might say the Labor Party voted

against them.

**NEIL MITCHELL:**

Yep.

**PRIME MINISTER:**

Which is hard to believe, but they did. And we've introduced them, they're part of the law. And the diverted profits tax regime which is going through the Parliament now, that is going to impose a very heavy premium tax on people, on big companies that seek to ship profits offshore.

**NEIL MITCHELL:**

But what about the family trusts? Will you change them or not? Will you go after them or not?

**PRIME MINISTER:**

Can I say to you, Neil – I don't want to go into what's in the budget but there are no plans to deal, to make any of the sweeping changes people are talking about, often speculate about with the respect to family trusts, there are no plans in that regard. There haven't been. I haven't seen any other than those occasionally mentioned in the media.

I want to emphasise that family trusts are used, trusts are used particularly by small businesses and family businesses and particularly by farmers where you've got a number of family members participating in the business and it is an efficient means of managing a family business.

**NEIL MITCHELL:**

Okay. We'll take a quick call, if you don't mind? Ian – go ahead Ian.

**IAN – CALLER:**

Mr Prime Minister, when the GST was brought in the plan was as I recall very well that sales taxes, stamp duties, payroll taxes and things like that were to be eliminated. How come that hasn't been addressed as yet?

**PRIME MINISTER:**

There were a number of taxes, state taxes that were eliminated but stamp duty was not one of them. Stamp duty is a very big source of revenue for states and it wasn't one of the ones scheduled, stamp duty on property for example, it wasn't one of the ones scheduled to be eliminated.

**NEIL MITCHELL:**

Okay.

**PRIME MINISTER:**

But you have got a number of state taxes, you're right to raise the issue, that are very inefficient and in the sense that any tax on a transaction obviously discourages transactions and if you discourage transactions that slows economic activity.

**NEIL MITCHELL:**

So you don't like stamp duty on real estate?

**PRIME MINISTER:**

Well stamp duty, every economist Neil would tell you that stamp duty, whether it is on any transaction – and let's talk about real estate – is a brake on economic activity. And that is why it is regarded as a tax that has one of the what is called the highest deadweight loss of any taxes. But the problem of course is finding the alternative source of revenue, because it is a very big source of revenue for states.

**NEIL MITCHELL:**

Prime Minister, before we leave the tax issue, I just don't think it is a good look, you know, that you go after the black economy, and it is mostly tradies and say we'll get you for that. Now admittedly what they're doing is illegal and what the, if you like, the top end of town is doing is legal. But there is billions of dollars being avoided.

**PRIME MINISTER:**

So you assert.

**NEIL MITCHELL:**

Well this is from the tax department and it is repeated in the report in the Fairfax papers today.

**PRIME MINISTER:**

I just emphasise that trusts have been a part of the –

**NEIL MITCHELL:**

But are they legitimate? Are they legitimate?

**PRIME MINISTER:**

Of course they're legitimate. Of course they're legitimate Neil – they're legal.

**NEIL MITCHELL:**

So the tradies not, but they are?

**PRIME MINISTER:**

Neil, the legitimacy is a question of, you know, if you talk about legitimacy, it is question of whether you are complying with the law.

**NEIL MITCHELL:**

It is legal, I agree. Yes.

**PRIME MINISTER:**

And the fact is that we need to ensure that everybody pays their fair share of tax and that is true, whether it is tradie as you describe, or whether it is someone on a high personal income, or whether it is a multinational corporation.

No government has done more to stamp out multinational tax avoidance. As you've seen we are exceeding our expectations in clawing back money that has been avoided in the corporate area.

**NEIL MITCHELL:**

If you don't mind, Syria. How did you feel when you saw that film of the civilians, children, the chemical attack, I mean you're a father and a grandfather? It hurt didn't it?

**PRIME MINISTER:**

Well, it is horrifying. We condemn it utterly. This is a war crime of the worst sort. It is inhuman, and it has been universally condemned.

**NEIL MITCHELL:**

The US wants to set up a coalition to act on Syria. Have we been asked to take part?

**PRIME MINISTER:**

Well we have been in close touch with our American allies on this, and I can't go into any more detail than that other than to say that I've spoken only a little while ago with the Defence Minister and the Chief of the Defence Force. We are in close touch with our American allies in that theatre.

**NEIL MITCHELL:**

Would you consider being involved in Syria?

**PRIME MINISTER:**

Well we already are involved in Syria in terms of making airstrikes in Syria as part of the anti-Daesh coalition, the anti-ISIL coalition.

**NEIL MITCHELL:**

Would you consider being increasingly involved in Syria after this?

**PRIME MINISTER:**

Well Neil I don't want to go, I don't want to perhaps you know speculate any further about that. You know where we stand, we have condemned this attack utterly, it cries out for a strong response and we are in close, very close touch as we always are, constant, close and constant communication with our allies and in particular the United States.

**NEIL MITCHELL:**

Is there any doubt that the Syrian leadership is behind it?

**PRIME MINISTER:**

There does not appear to be any doubt – well I know they assert that they're not – but the American assessment which is shared by America and her allies is that this was an action by government forces, by Assad Government forces, yes.

**NEIL MITCHELL:**

What is Russia's role in this?

**PRIME MINISTER:**

Well that is yet to be determined, Russia obviously is the principal foreign sponsor of the Assad regime.

**NEIL MITCHELL:**

Well Russia has got a responsibility to act hasn't it?

**PRIME MINISTER:**

They do, absolutely.

**NEIL MITCHELL:**

Have they acted appropriately yet?

**PRIME MINISTER:**

No, no. Look this issue is a profound war crime, it confronts our humanity, it cries out for a strong response.

**NEIL MITCHELL:**

It's hard not to shed a tear looking at that, wasn't it?

**PRIME MINISTER:**

It's heartbreaking. Every, look, you said as a parent and a grandparent, I mean everybody, everybody weeps when you see this sort of inhumanity, this cruelty. It is a shocking war crime.

**NEIL MITCHELL:**

Prime Minister, still internationalist. It's not unusual for there to be travel warnings around Turkey for Anzac Day – there seems to be a more serious warning, a more intense warning this time. Have you seen detail of the threat at Gallipoli?

**PRIME MINISTER:**

Well I'm – I, Neil let me just, I want to be very careful about how we address this. The level of advice for Turkey overall remains that travelers should exercise a high degree of caution. For Ankara, the Capital, and Istanbul, the largest city, the advice is that travelers should reconsider your need to travel.

Now we are also advising as you know that there is information to suggest that terrorists may seek to target Anzac Day commemorations on the Gallipoli Peninsula and so we have updated the DFAT travel advice.

But Turkey is a high risk location at the moment. There have been a number of terrorist attacks there as we all know including attacks targeting tourists.

Now, so there is a risk of attempted terrorist attacks on the Gallipoli Peninsula. The security, you know the levels of security will be very high there, of course, by the Turkish authorities, but it's very important to remember that the level of security risk in Istanbul and Ankara and in particularly Istanbul, I mean most Australians going to the Gallipoli commemoration would travel via Istanbul and the risk there is very high. A risk against – of attacks against tourists and foreigners generally.

**NEIL MITCHELL:**

Are we still sending Ministerial representation or not?

**PRIME MINISTER:**

Australia will be represented at a high level but I won't go into any more detail than that.

**NEIL MITCHELL:**

For security reasons?

**PRIME MINISTER:**

Well I just said – we'll make it an announcements closer to the date, Neil.

**NEIL MITCHELL:**

Now back to something a little bit more basic and in some ways less important. Tony Abbott was dumped, reason given 30 negative polls. You've had ten in a row. Is your job on the line if you don't turn them around?

**PRIME MINISTER:**

Well Neil the answer is that we work hard every day to deliver for the Australian people and I know, look –

**NEIL MITCHELL:**

Well so did he though, so did he.

**PRIME MINISTER:**

Well Neil, I'm not Neil, I understand the interest in this, I just want to say this that my Government firstly we won the election, an important point not to overlook. We won the election in a year in which incumbency was not, was under siege all right around the world, you could say that.

**NEIL MITCHELL:**

Yep.

**PRIME MINISTER:**

Secondly, we have delivered all of our tax cuts that we promised in this term of government. We have delivered the big industrial reforms that caused the double dissolution election. We're getting our program through the parliament and we're delivering.

Now one of the important things to focus on is what is the government actually doing for you the citizen and for you the voter.

**NEIL MITCHELL:**

Well that's true but also its fair to say, what is the metric? Is it still a metric if you have 30 bad polls you're gone?

**PRIME MINISTER:**

Neil, there is no such metric. That was a –

**NEIL MITCHELL:**

There was when Tony Abbott was in.

**PRIME MINISTER:**

No, when I challenged Tony Abbott I referred to the fact that he had lost 30 Newspolls in a row, or the government had lost 30 Newspolls in a row. That was not the only basis of my mounting that challenge. I made a number of other points. I don't want to go through it all, it's part of political history but that was not and I'd encourage you if you want to read or replay what I said. And I was discreet, as discreet as I could be in the circumstances. That was an observation I made and I know people delight – I mean, here's the reality Neil –

**NEIL MITCHELL:**

Yes.

**PRIME MINISTER:**

Nowadays the media, particularly the world of social media, everywhere around the world are fixated on conflict. I don't just mean conflict in terms of war I mean conflict in terms of political conflict and that's what drives the clickbait, that's what drives the political discourse increasingly in the media. Paul Kelly has written a lot about this very thoughtfully in *The Australian* and what I've got to focus on, I'll leave the commentators to deal with that, I've got to focus on delivering. You have to concede that we are delivering again and again.

**NEIL MITCHELL:**

But you've got to concede you've had 10 bad polls in a row.

**PRIME MINISTER:**

Sure!

**NEIL MITCHELL:**

You don't want that.

**PRIME MINISTER:**

Well of course I don't Neil, but can I say to you the poll, the election, is more than two years away. The election is due to be held in the middle of 2019, we are now in April 2017. So there is a lot of water to go under the bridge and the critical thing is to keep on delivering.

You see there is a sort of a parallel universe. You get in the media, the focus is on politics. For the public, the voters, what they're saying is what is the government doing for me? What is the government doing to support my business? To secure my job? To give my kids a great education, to ensure that I have got a public health system that looks after me when I'm crook. That's what they're focused on. Is there going to be railway, a new road, is a new roundabout going to be built? They are looking at outcomes and my job is to deliver outcomes and that is what I have been doing.

**NEIL MITCHELL:**

Okay, if I may just another internal matter, your internal report on the election performance is about to be released. Tony Nutt has resigned as director. It's been leaked to *The Australian*. You're criticised, Tony Nutt is criticised. Who wears the blame?

**PRIME MINISTER:**

Well in terms of the election campaign, the outcome of the election campaign, the leader takes full responsibility, total responsibility.



**NEIL MITCHELL:**

Do you agree it was a disaster?

**PRIME MINISTER:**

Well –

**NEIL MITCHELL:**

I mean, the senate is a mess, you've got one seat.

**PRIME MINISTER:**

Neil, yes, we won the election, right? I mean some of this commentary overlooks the fact that we won the election. Some of it overlooks the fact that we are in government and I know that people, it's easy to throw your hands up in the air and say oh it's terrible, the Senate, you haven't got more seats in the Senate – we were never going to win a majority in the Senate!

**NEIL MITCHELL:**

Oh yeah but you didn't expect this mess in the Senate surely?

**PRIME MINISTER:**

You describe it as a mess and yet I am able, with my colleagues, with my Senate team and my leadership group, we are able to get legislation through the Senate. In fact, we are getting more through the Senate in this parliament where we have fewer seats in the House and fewer seats in the Senate than we did in the last parliament.

**NEIL MITCHELL:**

Tony Abbott told me yesterday, Tony Nutt, the man who, and the public don't know him but he's the ex-director who's quit, is not to blame for what happened. Is that right?

**PRIME MINISTER:**

Well I'm not suggesting that he is to blame at all. Tony Nutt as I said when he announced his retirement is one of the greatest political professionals of our time.

**NEIL MITCHELL:**

You do wear it personally do you? You say if there were mistakes it was your fault?

**PRIME MINISTER:**

Look, firstly obviously lots of decisions are taken in an election campaign by lots of people, number one. But the buck stops with the boss. So I am

responsible for the election campaign. I'm responsible for the conduct of it. I'm responsible for the victory.

Remember we won.

This is the thing that keeps on being overlooked and you see again this is the parallel universe stuff. We won the election. We were returned to government in a very difficult environment. We were outspent by Labor three, four times to one, by Labor unions and GetUp! So we had a big challenge there in terms of beating, taking on that weight of money.

Remember there is a very cynical saying in the advertising business, it's very cynical but it says 'weight beats truth' and you saw that with Labor. That 'Mediscare' was an outrageous lie, we all know that but they piled millions of dollars behind it and it had a very big impact. We won the election and we are delivering.

**NEIL MITCHELL:**

Okay, I thank you very much for your time.

**PRIME MINISTER:**

Thanks a lot Neil.

**[ENDS]**

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## [Remarks at the bilateral meeting with His Excellency the Honourable Baron Waqa, President of the Republic of Nauru](#)

**PRIME MINISTER:**

Mr President welcome, it's great to see you again.

We had a great discussion at the Pacific Islands forum and congratulations on being the chair for the next Pacific Islands forum. We look forward to meeting with all of our neighbours in the Pacific in Nauru.

I hope you are having a good visit, I know Australia for you and your team is familiar territory but we really welcome you here.

I want to thank you for the great cooperation that Nauru shows in working together with us to combat this scourge of people smuggling.

Your efforts, your collaboration is so appreciated.

We have got a lot of other things to discuss – on development, growing the economies of the Pacific and of course in dealing with the big environmental challenges you face as well.

So welcome Mr President, it's great to have you here in Sydney and in Australia.

**PRESIDENT OF NAURU:**

It's great to be here. We know who our friends are and we always try to work alongside them with this fight against people smuggling and I think the program is working very well.

**[ENDS]**