

Visit to Papua New Guinea and India

My first official visits to Papua New Guinea and India will focus on trade, security, economic growth and education.

I will spend 7-9 April in Papua New Guinea and 9-12 April in New Delhi and Mumbai.

During my time in PNG, I will meet with Prime Minister Peter O'Neill and visit the Kokoda Track to commemorate the 75th Anniversary of the New Guinea Campaign in World War Two.

The visit is an opportunity to build upon our bilateral economic relationships in the Pacific, and will involve multiple business events, including a joint Australia-PNG Entrepreneur and Innovation Showcase.

I look forward to reflecting on our strong shared history, and cementing the special relationship with our neighbour.

In New Delhi, Prime Minister Narendra Modi and I will discuss the enormous opportunities for collaboration between Australia and India.

With converging political, economic and strategic interests, we will use the meeting to strengthen our relationship even further for the benefit of both nations.

India is the world's fastest growing major economy. Two-way trade exceeded \$19 billion in 2015-16 and there is scope for significant growth.

With the Minister for Education and Training, Senator the Hon Simon Birmingham, I will address a dinner to celebrate our partnership in education, recognising how Australian expertise in skills training can help India to meet its goal of training 400 million people by 2022.

In Mumbai, meetings with leading Indian CEOs and business people will focus on growing two-way trade and investment. Australian energy and resources are helping to power India's growth, while our collaboration on innovation and technology will open new business opportunities in the future.

Australia is home to a vibrant Indian community which makes a significant contribution to the fabric of our multicultural society. It provides a vital bridge between our two countries, and this visit will ensure that the ties between India and Australia become even stronger.

Joint doorstep with Mr John Alexander OAM MP, Member for Bennelong

JOHN ALEXANDER OAM MP, MEMBER FOR BENNELONG:

Welcome Prime Minister to Bennelong. Just shortly I'd like to say with the Prime Minister securing gas and with the Snowy Hydro 2.0 in place you're now the most powerful and reliable Prime Minister we've ever had and with these tax cuts the most generous, welcome to Bennelong.

7,000 businesses, more than 7000 businesses are going to benefit from the tax cuts, thank you very much.

PRIME MINISTER:

Thank you and right across Australia more than half of all Australian workers are employed by businesses from the very smallest up to businesses with turnovers up to \$50 million are going to benefit from these tax cuts.

We have now delivered all of the tax cuts that we promised to deliver in this term of Parliament and that's been achieved and it will benefit businesses large and medium, large and small. It will benefit this business because the owner will have more money to invest, he has more money to invest, his business will grow and he will have more employees. This is an engine of growth.

We have to recognise that if we want to remain a prosperous, high wage, generous, social welfare safety net, first world economy we've got to be competitive. That's absolutely critical. And it's a very competitive world out there and right around the world countries are reducing their company tax rates.

We were just discussing a moment ago in Britain it's down to 20 per cent, heading to 17 per cent. President Trump is talking about a 15 per cent tax rate. All of the countries in our region have got much lower rates so we have to be competitive.

Our ten-year Enterprise Tax Plan is going to make Australian businesses like this and hundreds of thousands of others competitive, enabling them to invest and to grow. That is the key.

Company tax is a tax on workers' wages. That's a fact. The higher company tax is, the fewer workers will be employed and the lower their wages will be. So this is a recipe for growth. It's a stimulus for growth. As are all of our policies.

And this is the big difference between our Government, our Government's national economic plan and Labor.

Labor does not have one policy they can point to which will stimulate

employment or investment. Not one. They don't even claim to have one so their recipe is no, which is short for nothing. They have nothing to offer in terms of ensuring Australians have strong businesses, strong investment and strong growth.

Before we go to questions, I want to say something about the ice seizure today that's been announced today.

Ice is a scourge which destroys families, it destroys communities, and we are committed to tackling this scourge at every level.

This is the second big drug bust in just a few weeks. Nearly a tonne of ice has been seized, around \$900 million worth of ice. This would have destroyed, gone to destroy, thousands and thousands of Australians' lives.

I want to thank the Australian Federal Police and the Victoria Police, yet again working with all of our security agencies, in achieving this enormous drug bust.

But of course we're also dealing with the consequences of ice addiction. We have over \$300 million invested in our ice action plan, which is working at the grass roots, at community levels around Australia ensuring that people who are suffering from ice dependency are able to get the help and the support they need to recover.

But, again, this drug is a scourge and we will be relentless and ruthless in finding the people that seek to bring this poison into our country and hitting them with the full force of the law.

JOURNALIST:

Prime Minister, given that the Reserve Bank Governor has now added his weight to calls to reform negative gearing, do you concede that not doing anything to reform negative gearing is just protecting the rich at the expense of future generations?

PRIME MINISTER:

Well, I've read what the Reserve Bank Governor said last night and he made the point – and he made the point four times – that the real problem we have with housing affordability, and that's particularly in this city, is supply, lack of supply that for too long supply of new dwellings have been constrained so demand had overtaken supply and you've got as a consequence a big increase in prices.

And he actually made the point that making changes at the prudential level, as the regulators have done, so limiting the amount of interest-only loans or indeed changing tax arrangements, can have an impact but they are a minor part of the solution.

The Reserve Bank Governor's speech has been much commented on, but based on the comments I've read, has not been read itself.

The speech needs to be read and he makes the point that we all do, that this is essentially one where we need to get more supply, more development, more dwellings being built so that supply meets demand.

JOURNALIST:

He says that tax arrangements have contributed to high property prices as well. And we've got APRA, which is reducing the level of interest-only loans [inaudible] 30 per cent. Should there be movement on both those fronts? Fewer interest only loans and also tax changes?

PRIME MINISTER:

Well APRA, we welcome the decision APRA has made, yes, certainly. That's their job. They're the prudential regulator and they've recognised the risk associated with too many interest only loans being made, particularly in the circumstances the Governor talked about and they've taken action, we welcome that.

JOURNALIST:

Prime Minister, your colleague John Alexander –

PRIME MINISTER:

Yes – my dear friend.

JOURNALIST:

Has obviously called for a debate on negative gearing, will you turn to him and say that's not going to happen?

PRIME MINISTER:

Well, there is a debate on all of these issues and John has made a very constructive and informed contribution to it but in terms of the housing affordability issue – and I say it's especially severe in Sydney, it is a big issue in Melbourne, lesser extent in Brisbane and some other parts of Australia prices are going south. And, again Governor Lowe made this point yesterday that we don't have a national housing market, there are a big difference between the different cities, so let's just focus on Sydney if I may for a moment. The key here has been for a long time, demand has exceeded supply and so what we are seeking to do with our cities plans, our City Deals that we're entering into with state and local governments which, as you know, we have a big one here in Sydney, the Western Sydney City deal, our focus is on working with state governments and local governments to ensure there is greater supply of housing.

We'll have more to say on all of this in the Budget and I don't want to pre-empt that.

But please do not be under any misapprehension. The key to dealing with the housing affordability issue is building more houses or building more

dwellings.

And I checked the Reserve Bank Governor's speech on the way here and he made that point not once, not twice, not three times but four times. So it is a very clear point to remember. We need more dwellings.

JOURNALIST:

John Alexander, do you agree John Alexander that just by more supply will solve the problem or do we also need to look at tax reform?

JOHN ALEXANDER MP:

I think when you consider what the regulators are doing that's a, we are working with the regulators. In this very region we have an incredible program of building. You see the cranes in the skies building more supply and if, as I have listened to both Wayne Byers and the Governor. They are very much taking appropriate action that works perfectly with what we're doing.

JOURNALIST:

It's not working, house prices are going up.

PRIME MINISTER:

Can I just make this point – John and I both recognise that this is a multifaceted issue, you know there are demand side issues, there are issues about regulation, there's the prudential issues such as APRA has taken a stand on recently to restrict the number of percentage of interest only loans but the fundamental point is that we have not been building enough dwellings and that is the, that's the key and that point has been made by the Reserve Bank again and again for as long as I've been interested in this issue which is getting on for well over 15 years, since I first started writing about it and researching it. It is a supply side issue overwhelmingly. All of the other factors are irrelevant. But at the end of the day if you've got a growing population, as you do in Sydney, and growing demand for housing and if you are not building enough dwellings to keep up with that demand then prices will go up.

JOURNALIST:

Bur Prime Minister, Mr Alexander has previously flagged maybe letting people access their superannuation. Do you think that's something Australians should be able to do to get into the housing market?

PRIME MINISTER:

Again, John makes a very valuable and original contribution to this and so many other issues including fast rail, John and I have a lot of, we both have

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JOHN ALEXANDER MP:

Which is essentially about supply.

PRIME MINISTER:

Yeah exactly, that's exactly right. I mean we both have an understanding of big interest in all of these urban issues.

Now of course the Budget is in May, it's about a month away and I'm not going to fuel Budget speculation, I think there will be more than enough as it is without that. But all of these issues boil down to making sure that there is more housing. One of things John is passionate about and I am too, is about mass transit and rail. And what does that do? Well distance is measured in minutes not kilometres. If you can get more people, bring more people closer together with good transport infrastructure and that's what we're seeking to do with all of our massive \$50 billion investment in infrastructure, road and rail – if you're able to do that then you increase the supply of housing. So it is a complex issue.

The Labor Party is very prone to say there's one silver bullet or one lever you can pull that is going to make the difference. It's not. Fundamentally, the mistake that has been made is that the consent authorities, essentially state and local governments, have not allowed enough supply to meet the demand and that has been particularly the problem here in Sydney where you've had strong population growth and again, I'm literally paraphrasing what the Reserve Bank Governor said yesterday, so I apologise to him for that but it's pretty clear that's what we need to do more of and that's what we're committed to.

That's why we're working in a manner unprecedented for federal governments, working in a collaborative way with state and local governments in our City Deals to ensure that everything we're doing, every investment we make, every piece of infrastructure we're involved in is adding to that amenity, adding to housing supply, enabling the Australians, new home owners, you know empty nesters that are selling and want to buy something else, right across the spectrum, everybody has the ability to afford a home.

JOURNALIST:

Mr Alexander – you've spoken about your daughter who was unable to afford a house because she was outbid by an investor. Are you comfortable with her depleting her super to buy a home?

JOHN ALEXANDER MP:

My partner's daughter?

JOURNALIST:

Your partner's daughter.

JOHN ALEXANDER MP:

It must be put in the context of a whole raft of policies. If you're going to

do something to empower the home buyer, you've got to somehow calm the market. It appears that there is evidence that both APRA and the Reserve Bank is concerned with calming the market, that it has been a volatile market driven by investors empowered by lower interest rates that move them from being negative gearers to being neutral, positive gearers. And that there has been a problem that has driven this latest wave of the price rises. We've had very high price rises, 74 per cent in the last three years. So if you are going to look at giving first home buyers a bonus, that will only create more heat. It has to be offset with something else. So they're the discussions that we've been having for a long time. The great man will tell you on Budget night what the next step is and I am looking forward to seeing that Budget.

JOURNALIST:

Is it simply politics though? Is negative gearing simply too political these days? Is that why you won't touch the issue?

PRIME MINISTER:

Again you come back to negative gearing. The vast majority of people who offset a net rental loss against their personal income are Australians on middle incomes who are teachers, policeman, business people. It is very much a, it is an investment that is overwhelmingly dominated by middle Australia. So let's just be very clear about that.

But, I get back to the fundamental point that the, and again it is the point that the Reserve Bank Governor made, as I said, four times – at least four times, it may have been more, I counted four – in his speech yesterday, you need to build more dwellings.

Now the state government is committed to this, Gladys Berejiklian's Government is very aware of this.

There is a long period of complacency under the Carr and Labor-Labor Governments. You remember when Bob Carr said: 'Sydney is full'. Now, if you have a deficit in supply of housing year after year after year, you can't fix it in one year. Okay? So this is a process that needs to develop it but basically you need more supply of housing.

And there are other issues, many other issues associated with it, but I just want to emphasise it's that supply side factor which is the biggest one.

There are markets in the world, London is a good example where the negative gearing arrangements we have in Australia are not available – haven't been available for a long time. Their housing prices are even less affordable than ours. Why is that? Because supply has not met demand.

You see parts of the United States where housing is much more affordable than others. Why is that? Because supply has been able to meet demand.

So it is very much, it is a problem that you face when zoning, and regulation and red tape, you don't let the construction of more dwellings to occur.

I'm sorry to repeat myself but it is, it is a very important point. And that is why our working together with the state and local governments is so critically important to ensure that supply is available.

JOURNALIST:

Are you concerned the gross national debt is growing so quickly? And what are you doing about it?

PRIME MINISTER:

In terms of the Federal Government's debt, obviously we are in accordance with our budget projections, confirmed in MYEFO, seeking to bring our deficit down, bringing the Budget back into balance by 2021. And then once you do that, of course then you start repaying debt and the economy will grow without adding to debt and debt will become a smaller percentage of GDP.

But all of the warnings that the Reserve Bank Governor and that APRA have made about the rising levels of debt, particularly associated with housing are well made. That is their job. They are doing their job. The system is working and they're making changes. They're making adjustments to the prudential rules so that it will take, as John was saying, take some of the heat out of the market just at the right time.

JOURNALIST:

Prime Minister, can I just ask you about Bob Day?

PRIME MINISTER:

Okay.

JOURNALIST:

Will your ministers provide a full explanation as to how the Government entered into a lease arrangement which obviously led to his invalid –

PRIME MINISTER:

Well, firstly let me say the circumstances surrounding Mr Day's lease were brought to the attention of the Senate by the Government. That is the first thing. And the orders made by the High Court were the orders sought by the Government, by the Commonwealth.

In terms of the timeline, all of that was set out exhaustively by the Special Minister of State, Senator Ryan when he spoke about it in the Senate some time ago. All of the facts are out there. But the bottom line is when the circumstances surrounding Mr Day came to the attention of the Special Minister of State, they were properly investigated and then the matter was brought to the attention of the President of the Senate who referred it to the High Court, and the High Court has made the orders that the Commonwealth sought, so there would be a recount of the Senate vote in South Australia.

Thank you very much.

[ends]

Radio interview with Brian Carlton, 7AD

BRIAN CARLTON:

Prime Minister good morning

PRIME MINISTER:

Yeah great to be with you.

BRIAN CARLTON:

Now was this a hard deal, a hard agreement to reach? And to what extent were you sort of pressured into it with the threat of having to actually physically run the hospital if you'd not agreed to this deal?

PRIME MINISTER:

Oh look I think the most important thing is to celebrate the outcome. We were there, as you would have seen at the hospital, you can see how thrilled the community is and it's a wonderful hospital. You know, there are people there that have worked for 30, 40 years. Julie Duff, the Head of Nursing, working there for 42 years. When she started there as a 17-year-old she told me her mother was a registered nurse there, so long ago they were wearing veils then. And, you know, the sense of relief in the community that the funding is now secure, the hospital will be owned again by Tasmania which was obviously the right level of Government to own it and the funding is secured there for ten years.

There's a real sense of joy and relief, I was delighted to be able to go there and meet with them and see the great work they're doing. It's a great team, it's not the biggest hospital in Australia but, gee, it's got a big heart.

BRIAN CARLTON:

It certainly does punch above its weight more often than not Prime Minister, no doubt about that. Tell me, did you have any interest whatsoever in maintaining ownership of the hospital?

PRIME MINISTER:

Well Brian, look I think the important thing is our interest is in ensuring that Tasmanians and indeed all Australians have access to the finest public health, finest hospital care that can be provided. And so the outcome, my focus and that of the Health Minister Greg Hunt, was very much on what is the right outcome for Tasmanians and clearly it is part of the Tasmanian Government's public health system, it clearly should be able, it shouldn't be operating in a silo.

And we were talking to the Head of the Emergency Department there and she made exactly that point, that this will make it so much easier for them to work and collaborate with the other hospitals in the region you know the North-West Regional Hospital and of course Launceston General and so that collaboration between the, you know, the professional medical teams is going to be made a lot easier, so I think that's good.

BRIAN CARLTON:

Now Prime Minister how did you manage to find \$730 million in one hit in the current budget period and with the current considerations?

PRIME MINISTER:

Well we'll set all that out in the Budget. I'm getting lots of questions on the Budget Brian at the moment and all I can say is the Budget is in May. But all of that will be set out in the Budget.

BRIAN CARLTON:

Okay, but you're guaranteeing that it will be delivered in one tranche not over a period of years?

PRIME MINISTER:

Yes.

No, no it's being paid, it's being paid. This represents the funding that would have been provided over ten years paid in one you know lump sum now and of course that gives the state great flexibility, it gives them greater freedom and it means this hospital is Tasmania's. They've made an absolutely iron clad commitment to maintaining the hospital and its services but they've now got, it gives the state greater flexibility and autonomy in managing the financial side of it and that's good because it's a great state led by a great Premier in Will Hodgman.

BRIAN CARLTON:

I know your time is short Prime Minister, just a quick one if I may – there was a good deal of consternation in the State a week or so ago, in fact two weeks ago when the announcement was made by Christopher Pyne to establish what's being seen as a parallel college in the marine space to the one we already have here, the AMC in Launceston, that \$24 million if I'm not mistaken to establish a similar operation in Adelaide was looked at as – hang on, why are we doing that? We could create the defense hub here and spoke it

into Adelaide. We're already the hub, now we're becoming the spoke? A lot of people are a bit upset about that plan, pork barreling is a term that's been used.

PRIME MINISTER:

Well I was actually just speaking to Christopher Pyne about this as I have done on several occasions. The big naval ship building program that we have and the bigger ships will be built in Osborne in South Australia.

It is an enormous boost for the Maritime College in Tasmania, an absolutely enormous boost because it's going to provide the demand for thousands of skilled workers in all of the areas of naval architecture and every trade and profession associated with that, and of course it's also going to require a lot more seafarers as well.

This is a very big opportunity, the technical college which is a trade technical college that will be set up at Osborne was designed to be there where the work is being done. So clearly you're going to have your trades training done in parallel with the construction but of course a lot of the work, a lot of the trainees, the students will be doing training in Launceston and indeed elsewhere in Australia. This is a huge national enterprise.

This ship building, naval ship building exercise is the biggest commitment to naval ship building in our peace time history.

You know for six years the Labor Party didn't commission one Australian ship from one Australian yard.

So what we're doing now is making this massive commitment. We need it to give our Navy the capability to keep us safe. But it is also providing the commitment to the advanced manufacturing, the skills, the long term manufacturing industry base that we need to secure our future.

And Tasmania and the Maritime College is going to play an enormous part in that. Believe me, this is a, this should, what's happening in Osborne should be seen as an opportunity, as a real opportunity for greater demand and greater growth from the Maritime College in Tasmania.

BRIAN CARLTON:

PM it was just a sense that the AMC here, the Maritime College could be the hub rather than the spoke.

Look I know your time is very short, one quick thing, very disturbing story – what are your briefings telling you about, intelligence briefings, about what's occurred in Syria in the past 24 hours? We're getting messages of a gas attack. The finger is already being pointed at the Assad regime. What are your intelligence briefings telling you this morning?

PRIME MINISTER:

Well, let me just say this, this attack we absolutely condemn this horrendous attack. The, if the Assad regime has used chemical weapons as is being alleged, that constitutes a war crime. It constitutes a shocking war crime.

The Assad regime should abide by the laws of armed conflict and there should be and will be I've no doubt, a full investigation into the circumstances of what appears to, well what has been, appears to be, a horrendous use of chemical weapons which we condemn.

BRIAN CARLTON:

It's an interesting thing for the Syrians to do just when it was becoming the realpolitik of the regime that would have to stay in Damascus until at least the ISIS situation and the rebel situation is sorted out then we deal with them. It just doesn't make any logical sense for Assad to go on a chemical rampage, and 48 hours after that sort of determination has been made.

PRIME MINISTER:

Yeah, well again I can say that we absolutely condemn the use of chemical weapons. The Assad regime must end their production and the use of chemical weapons immediately. We co-sponsored a resolution of the UN General Assembly establishing an independent mechanism for collecting evidence on crimes of this kind committed in Syria and we absolutely support the measures to ensure that those responsible for this use of chemical weapons are held accountable.

Now the United States, well, as I said, I won't go any further than that. But this certainly has been condemned by Governments around the world. The United States has concluded that the attack was made by the Assad regime and both the President and the US Secretary of State have condemned these attacks in the same terms that I am condemning them now.

BRIAN CARLTON:

Will there be any kind of stronger response?

PRIME MINISTER:

Well that is the next step. There are already sanctions in relation to Syria and we'll be talking with our allies in this conflict to determine what the next step of response and sanctions can be.

BRIAN CARLTON:

Appreciate your time this morning Prime Minister, thank you.

PRIME MINISTER:

Thank you so much.

BRIAN CARLTON:

And appreciate also the deal, the \$730 million deal for the Mersey Hospital. That is absolutely a good outcome no doubt about that.

[ENDS]

Doorstop at the Mersey Community Hospital

PRIME MINISTER:

It is a beautiful here in Latrobe and it is great to be here at the Mersey. A hospital that is at the heart of this community.

It has been part of the community for so many years and generations. Julie Duff, the head of nursing, acting General Manager, while Eric has got broader responsibilities – Julie's worked here for 42 years and you came here to work with your mum – isn't that right?

JULIE DUFF, ACTING-GENERAL MANAGER, MERSEY COMMUNITY HOSPITAL:

Yeah, that's correct.

PRIME MINISTER:

This is a treasured part of such a strong community, beloved part of the community.

There has been a lot of uncertainty over the future of the hospital for a long time. We have brought all of that to an end.

I am here with the Mayor and with Senator Duniam and we are delighted to announce that we have committed, we are paying \$730 million to the Tasmanian Government to secure the future of this hospital, the funding for this hospital for the next decade.

It will return formally to the ownership of the Tasmanian Government which is where it should be so that it can work seamlessly as part of Tasmania's One Health System, its public hospital system which of course we are providing substantial support for – \$2 billion over the next five years, increasing by 10 per cent over that period.

So this is an example of the commitment we have to strong public health, right across Australia but especially here, here in Latrobe today – assuring the future, the security of the Mersey Hospital.

It means so much to this community and we are delighted to be here to announce this.

The Premier is sorry he can't be standing with me today but as you know Parliament is sitting and his duties require him to be in Hobart. But Will and I have spoken a lot about this as we have reached this agreement in recent times. I have spoken with him this morning and he'll be making this announcement in due course in Hobart today.

So it is a wonderful day for the Mersey. You can see how pleased the community are, how pleased the staff are. 470 staff – is that right?

ERIC DANIELS, GROUP DIRECTOR OF OPERATIONS NORTH/NORTH-WEST HEALTH SERVICES:

That's about right sir.

PRIME MINISTER:

470 staff. It is a great day. Julie do you want to say something about the importance of the hospital to you?

JULIE DUFF:

I think the most important part from my perspective is that certainly it means a lot for the community. And the community has stepped forward on many occasions, it has endured many, many changes. We are a large population, I believe, in this area and certainly expanding as recent stats will prove, certainly, the Latrobe district is expanding. So it is essential the hospital does stay here. We have a 24/7 emergency department and having seen this hospital grow, expand and refurbishment completed over the years, I can only say that personally I am very grateful for the funding. I plan on being around for some of those ten years.

(Laughs)

And I am sure the community will be celebrating on this day.

PRIME MINISTER:

Thank you so much.

JULIE DUFF:

And thank you.

PRIME MINISTER:

Thank you for your extraordinary services – and two generations!

JULIE DUFF:

Yes, absolutely.

(Laughs)

Thank you.

PRIME MINISTER:

It's wonderful. Such love and such commitment to the community. Thank you.

Jono, did you want to say a few words?

SENATOR DUNIAM:

Thanks PM, yeah look thank you very much Malcolm for coming down to Tasmania and for reaching this agreement with the Tasmania Government. As you've seen inside the importance of this facility to this community cannot be underestimated. So the commitment you've made on behalf of the Australian Government to this community and to this hospital is just great and we thank you for coming down and for doing what you've done for Tasmania, so thank you very much.

PRIME MINISTER:

Very good. Your worship? The Acting Mayor –

RICK ROCKLIFF, ACTING MAYOR, LATROBE COUNCIL:

Look I think it is the best piece of news we've had in this area for a long, long time and I'm very positive about it. I think it will give people confidence to invest in other businesses that associate with the hospitals and with people coming from other parts of the state here for selective surgery – they'll stay in the town, coffee shops, overnight accommodation and things like that and I think it is just a wonderful step forward. I'd like to congratulate you.

PRIME MINISTER:

That's great. Thank you. Now you're the Director of the North and North West of Tasmania? So tell us about this. How important this is for you?

ERIC DANIELS:

Fantastic – thank you Prime Minister, we really are very pleased. I can now go to the supermarket and meet with local members of the community and now be able to say that we've got assured funding for ten years. They'll be very happy about having some stability and as you know the critical part of the Mersey as part of the Tasmanian health system. The sort of services that the Mersey provides will be a significant benefit to this community and elsewhere, so thank you very much – we really appreciate it.

PRIME MINISTER:

Thank you. Do we have some questions?

JOURNALIST:

Why does Northern Tasmania need three public hospitals an hour apart to service the population the size of a couple of Melbourne or Sydney suburbs?

PRIME MINISTER:

Well these hospitals provide a vital service to the community. You've just heard from the head of nursing and the commitment that they have made, the support from the community is absolutely critical. So this is a vital part of supporting the public health of Tasmanians.

JOURNALIST:

Isn't three public hospitals in this area excessive?

PRIME MINISTER:

I don't think anyone has ever, I have never heard anyone make that suggestion before.

JOURNALIST:

Our State Government has already turned back some services here by getting rid of birthing. Do you think giving it back to the State Government is in the best interest of the community?

PRIME MINISTER:

Well the State Government manages the public health system of Tasmania. Our role right across Australia is to provide support which is activity based funding as you know. The funding for Tasmania over the next five years is growing, around 10 per cent, it will be \$2 billion over the next five years. So we are partners in delivering first class public health and hospital services for Tasmanians here.

JOURNALIST:

The Federal Government took over the Mersey to stop the state government at the time downgrading. This Liberal Government is basically doing what that failed state Labor government tried to do. So how does you handing it back to the state protect it against more cuts?

PRIME MINISTER:

Well the State Government has made it very clear that they are committed to the future of the Mersey. They've invested in it. The management of the, well perhaps Eric could answer this better – but the manager, we were just talking, I don't know whether you were with us inside the hospital, but we were talking with the head of emergency about how the three hospitals in this area, North-West, Launceston and Mersey public hospitals work together as they should. You've got the ability to video conference with other hospitals in Tasmania. You've got the ability to share the expertise. That's pulling it all together. That's the One Health Strategy isn't Eric?

ERIC DANIELS:

Correct, that's part of the white paper implementation, as you know.

And the services at the Mersey, there are still a significant level of services at the Mersey associated with birthing but not the actual birthing because the clinical leadership of obstetrics and gynecology determined that they needed to have all of their resources for the actual birthing part in one area. That is critical for the recruitment of obstetric and maternity staff but the Mersey is still providing an extended midwifery care service, significant anti-natal services and midwifery group practice.

So there is still a lot of involvement in the birthing process.

JOURNALIST:

We're told that women are having babies in ambulances because they can't, the capacity isn't there in Launceston or Bernie to cope.

ERIC DANIELS:

Well we have investigated that and provided a response previously and there's no evidence that supports that. We actually had a meeting with the contracted provider earlier in the week and when the State Health Minister was visiting and there was no evidence. We're happy to investigate any consolidated reports of that but anecdotally yes, but we've not get any evidence that supports that.

JOURNALIST:

Prime Minister the Mersey is the only hospital in Australia that's federally funded, the fact that you're handing it back to the State Government in ten years, is that a recognition of the fact that the federal-funded model doesn't work?

PRIME MINISTER:

You're right. It was a special case. Actually all public hospitals receive federal funding but the Mersey was a unique case where the Commonwealth Government acquired it, as you know, in 2007 and it has provided for the funding for the cost of running the hospital ever since.

In fact, over \$500 million has been provided over that time.

So what this does is bring forward in one payment the funding that would have been provided over 10 years so that it gives Tasmania the funding, the flexibility and, of course, that's matched with their commitment to maintain the hospital here in Mersey and continue to provide these outstanding services.

JOURNALIST:

So the federally funded model is not an option anymore?

PRIME MINISTER:

Well I say all hospitals, all public hospitals receive federal funding. So

they all do under the activity-based funding model. The federal funding is seen, is represented right across the state.

I mean here in Tasmania, leaving aside Mersey, putting it to one side, the rest of the public hospital system over the next five years will receive over \$2 billion of federal funding.

But, yes, federal ownership of a public hospital, that was one case here in Mersey and now it is returning to the ownership of the state where, I think where it properly should be and I think most people recognise that that's the best place for it to be.

JOURNALIST:

How long have you been in negotiations with the government for over this deal?

PRIME MINISTER:

Negotiations have continued for some months so there's been discussions between health ministers and discussions between the Premier and myself. But the agreement, this agreement was reached recently.

I thought it was important, given the anxiety, the uncertainty it produced in the community it was important to announce it as soon as possible and to announce it here at the Mersey, here in Latrobe because this is the community the hospital serves and this is the community who have been concerned and are now relieved by knowing that the future of the hospital is secure.

JOURNALIST:

Prime Minister, do you believe the state government will be able to fund this after the ten years?

PRIME MINISTER:

Well, after the ten years, the federal funding formula that applies to every other hospital will continue so the answer to that is yes.

JOURNALIST:

Are you considering changes to capital gains tax to help increase housing supply?

PRIME MINISTER:

Look, thank you. The budget is in May. We don't have long to wait.

JOURNALIST:

Is the Government considering a proposal to allow Australians to access their super to save for a house deposit?

PRIME MINISTER:

Again, thank you for your inquiry. As we get closer to the Budget, there's more speculation and as we get closer to the Budget the best thing for me to do is to say wait until the Budget.

JOURNALIST:

Jacqui Lambie was on breakfast television this morning saying the Liberal Party is divisive and that you're gone. What's your response to that?

PRIME MINISTER:

Thanks for the headline.

JOURNALIST:

Will you give us an update on the drug bust in Melbourne?

PRIME MINISTER:

Yes, thank you. Look, this was nearly a tonne of ice so this is a great credit to our Border Protection and our police in confiscating this enormous shipment and this follows hard on the heels of a previous interception of nearly three quarters of a tonne of ice.

Now, our response to ice is ruthless interception of trafficking, of smuggling, of dealing. We are working domestically and internationally to catch these merchants of death, these people who traffic in ice, to catch them and intercept their deadly cargoes and we're successful in doing that.

At the same time, we're working with compassion with the community and with people who have become subject to ice addiction to help them.

So our ice program right across the country is working with front-line services to ensure, in line with Ken Lay's recommendations and his task force that they get the support they need.

Ice is a scourge, it destroys lives, it destroys families and communities. So whether it is at the border and dealing with the traffickers and the criminals that peddle this poison or whether it is dealing with the victims, we are focused on that and working hand in glove with the states and territories to ensure that we provide the support that victims of ice addiction receive so they can recover. And also, as I said, we will be ruthless in our efforts to stop the smuggling and the trafficking of this drug and it's been a great credit to the police and our security services with this interception today.

I know the Minister, Michael Keenan, will have more to say about it in the course of the day.

JOURNALIST:

Was the funding here at the Mersey today contingent on the state government taking it back in ten years? Was it a case of you don't get the money unless

you take it back?

PRIME MINISTER:

Well part of the arrangement is that the state is taking back the ownership of the hospital which I think is, clearly this is a public hospital in Tasmania, and the right owner for it is clearly the state government of Tasmania.

JOURNALIST:

Just one more from Canberra, what do you make of the RBA Governor's warning the Australian economy could be at risk due to the combination of low wage growth and rising property debt?

PRIME MINISTER:

Well, I've read the Governor's speech. I've noticed some of the commentary appears to have been based on reports of the speech rather than reading the speech.

Look, it is a timely warning. There is always a concern about, you know when property prices rise too quickly and this is particularly an issue in Sydney and in Melbourne.

The prudential controls that the regulators are requiring the banks to impose to limit the amount of interest-only loans for investors is timely again and I think the Governor's speech should be heeded very carefully, but it is always a, it is, you know, this is the role of the central bank, to monitor these movements in prices and ensure that there is some restraint and you can see that the restraint or the restriction in the amount of interest-only loans made to investors is a very timely one.

JOURNALIST:

Should young people be able to use their superannuation savings to help them buy their first house?

PRIME MINISTER:

Well thank you. This is an issue that's been debated for a long time and I know there's a lot of speculation about that. But I think all of these matters that are being debated in the context of the Budget, I'll await, and encourage everyone to wait for the Budget. Okay –

JOURNALIST:

Prime Minister, the Hobart City Council voted this week to examine moving its Australia Day celebrations. Do you have any thoughts on that at all?

PRIME MINISTER:

Australia Day should remain exactly where it is on January 26. It's Australia

Day and it is our national day and I don't think, with all due respects to the council, I think that the vast majority of Australians expect our national day to remain exactly where it is.

Thank you all very much.

[ENDS]

[Suspected Chemical Weapons Attack in Syria](#)

The Australian Government condemns in the strongest possible terms the chemical weapons attack against civilians, including children, at Khan Sheikhoun in Idlib Province, Syria on 4 April 2017.

The use of chemical weapons is illegal and abhorrent.

While the full facts are still to be determined, if the Assad regime is responsible for this attack those who approved and deployed these weapons must be held accountable.

The use of chemical weapons is in violation of international law, including the Chemical Weapons Convention and UNSCR 2118. These abuses cannot continue to be committed with impunity.

We welcome and support the United Nations' efforts to verify the details of this latest attack. There also needs to be an independent, international investigation into the incident.

Russia and Iran, as countries engaged in the Syrian conflict, should use their influence to pressure the Assad regime to cease illegal, chemical attacks against its own people. We call on Russia and Iran to take genuine steps to enforce a ceasefire in Syria.

The UN Security Council needs to address this situation as soon as possible. We call on the Council to take action in response to this attack.

The continuing deaths of civilians in the Syrian conflict is deplorable. Australia is addressing the conflict in Syria through our military and humanitarian efforts, and through our autonomous sanctions.

We call on all parties to reduce the violence and engage in UN-brokered efforts to find a political solution to this terrible conflict.