

Tax cuts to boost jobs and wages

The government will deliver a tax cut for around 3.2 million small and medium Australian businesses, employing over 6.5 million workers.

Company tax is a tax on workers, a tax on jobs and a tax on wages.

Small and medium Australian businesses with turnovers of less than \$50 million a year will benefit.

This reform will deliver jobs and increase wages. It is an excellent outcome for Australian workers and their families.

Companies with a turnover of less than \$10 million will receive a reduction in their tax rate (to 27.5%) this financial year.

All types of businesses benefit from these changes, including 2.3 million unincorporated businesses.

This reform fully delivers in this term on a key election commitment. But the job is not over – we remain committed to delivering our full plan for economic growth and employment.

Earlier this week we passed the Diverted Profits Tax. By making sure multinational companies pay their fair share of tax, we can ensure the tax paid by small and medium enterprises is as low as possible.

Businesses and the people they employ are not the only beneficiaries of the package that passed the Senate this evening.

The Government will pursue additional measures to put downward pressure on energy prices, building on our existing policies.

Recognising that our energy reforms will take time to fully implement, we will provide a one-off payment of \$75 for single recipients and \$125 for couple recipients of the Aged Pension, the Disability Pension and the Parenting Payment.

The additional measures to tackle power prices include increasing gas supply, including a potential NT-SA pipeline, accelerating solar development, improving price transparency and a Productivity Commission inquiry to complement the ACCC review.

We thank the crossbench for its support. Unfortunately, once again, Labor let down businesses and the people they employ, voting against measures that will increase jobs and generate growth.

It is further evidence of the obvious: Bill Shorten has no plan for jobs and no plan to grow the economy.

Doorstop after visit to cyclone affected areas in North Queensland

PRIME MINISTER:

Nature flings its worst at Australians and it has certainly happened here in The Whitsunday region but it is bringing out the very best.

I want to ask first Brigadier Chris Field, who is the Commander of 3rd Brigade and the State Recovery Coordinator to talk about the work that he is leading with State Emergency Services, Police and 1,300 members of the Australian Defence Force. We're also here with the Opposition Leader Bill Shorten, the local Member George Christensen, the Mayor of The Whitsundays Andrew Willcox and the Liberal leader Tim Nicholls.

So, Brigadier?

BRIGADIER CHRISTOPHER FIELD, AM, CSC:

Thank you, Prime Minister. I'd firstly like to recognize the outstanding communities of North Queensland for the remarkable resilience in the face of this natural disaster. Also the state and local emergency services who are working nonstop and they're still on their feet doing great work for Queensland.

The Australian Defence Force is well postured with both maritime land and air assets supporting the local efforts and will continue to do so.

As the area becomes more accessible over the next few days, you will see more and more Australian Defence Force assets joining our state and local government partners.

PRIME MINISTER:

And Brigadier, the HMAS Melville is coming to provide water, fresh water and supplies to Daydream Island this morning?

BRIGADIER CHRISTOPHER FIELD:

Yes, Prime Minister, we're fortunate the HMAS Melville has been on task conducting port surveys but she is also going to support the Daydream Island people with emergency support and also to do evacuations if required.

PRIME MINISTER:

And Andrew, you need to get some electricians in here to get the power back on?

MAYOR ANDREW WILLCOX:

Exactly right.

PRIME MINISTER:

Yeah, the Brigadier is going to fly them in from Townsville.

MAYOR ANDREW WILLCOX:

Appreciate the assistance, but also I appreciate the Prime Minister and the Opposition Leader Mr Shorten coming up into our area. There's no politics in this, you're just helping us out and we appreciate very, very much what you're doing for us.

PRIME MINISTER:

Well the whole nation is united supporting you. Our Defence Forces, as I said, working with the police, the emergency services – we've met them, congratulated them, thanked them for their work. The resilience of the community is backed up by the whole nation.

And Bill, we're on a unity ticket here today aren't we?

LEADER OF THE OPPOSITION:

Yeah we are.

PRIME MINISTER:

Good on you, mate.

LEADER OF THE OPPOSITION:

I just want to add my words to the Prime Minister's – we congratulate the strength of the local community.

Australians should realise that the storm may have passed but the work has just begun.

And we were privileged to see residents, small business people – they know they've got a power of work to do but the rest of Australia should not underestimate the degree of difficulty they face. There's been a lot of rain. There's a lot of infrastructure down. The people are still cut off from different areas in this local region. Australians should get behind them. But what I'd also say to insurance companies is the storm may have passed but there's still obligations by insurance companies to people that have policies. And in coming weeks and days and months, all sides of politics will be vigilant to make sure that people's legitimate and bona fide claims aren't tied up in fine print and red print and legalese.

Again I just congratulate the community.

PRIME MINISTER:

Thank you.

JOURNALIST:

Prime Minister what can you tell the people of this region about what sort of federal assistance package will be in place?

PRIME MINISTER:

Right well all of the National Disaster Recovery Assistance is available. There's assistance available right now, for immediate needs. We'll be providing support for the reconstruction of local infrastructure. I've made an announcement today which will mean the council can get to work straight away, bringing on labour, using their own assets and they'll get the benefit of the federally supported funding. The formula will be 75 per cent with a natural disaster of this scale – 75 per cent federal, 25 per cent state. But we're making sure that those funds are going to flow and the council in particular can access it straight away.

So that's very important to you isn't it Andrew?

MAYOR ANDREW WILLCOX:

Exactly and thanks Prime Minister for fast-tracking that as well. We do appreciate it.

JOURNALIST:

Prime Minister what are the challenges like the lack of power and water? How concerned personally are you about rising anxiety and tension?

PRIME MINISTER:

Look, we understand the anxiety that people have, particularly when they're out of fresh water. That's why the ADF is getting fresh water out to the islands, and we have – how many helicopters do we have – 12 available right now. So they will be getting supplies out to remote communities, or communities that have been cut off.

George, a number of your communities here are going to be cut off for some days by road, aren't they?

GEORGE CHRISTENSEN, MEMBER FOR DAWSON:

Well, they are. You can't access Bowen, here, by road from the south or the north – same with Proserpine, same with Airlie Beach. Little communities up and down the rural northern coast from Mackay – like Midge Point, Seaforth, also cut off – so it is very, very difficult. And these people, yes, they probably are going to be frustrated as days pass by and they haven't got services like power and water and even telephones being connected, but I think that everyone does recognise that it is challenging times with the weather and you know, the Ergon workers, the Telstra workers, the SES volunteers and our emergency service personnel are doing as good a job as

they can in very, very trying circumstances, along with our ADF personnel that are assisting too.

PRIME MINISTER:

And we have the helicopters. We can move the emergency workers, the people from Ergon and Andrew were talking about the electricians to get the power back on. The roads are blocked – blocked for how long do you think?

BRIGADIER CHRISTOPHER FIELD:

Again, depending on the weather, we thought we were winning until we had that big storm last night and then we were back to actually square one. The weather report is that it is going to clear later on today. We are hoping that's the case. Once we have got access, we can fix it.

PRIME MINISTER:

Chris, we'll get those workers in quickly by helicopter, and so that they can get started. So we are getting that under way today.

JOURNALIST:

Prime Minister, what message will you take back to people in, say, New South Wales, Victoria, South Australia that obviously have no real understanding of what's gone on here? How will you describe this to them?

PRIME MINISTER:

Well, this is, as I said, an example of nature flinging her worst at Australians. The people of The Whitsunday region, the people of North Queensland, Far North Queensland are very familiar with cyclones. They are very resilient, but the whole nation gets behind them and supports them.

Our ADF is here. Our 1300 men and women of the ADF, servicemen and women, are working here now. This is the largest pre-deployment of the Australian Defence Force in advance of a natural disaster in our history.

The Bureau of Meteorology did a great job in identifying this low, recognising that it could develop into a cyclone, and that's why the planning was able to be put in place. And you've seen great leadership at the Local Government level, the state level, and at the federal level, working together.

So this is a very concentrated, team effort by all of our agencies, but above all, as the mayor and George understand best of all, as locals, the spirit of this community, the resilience of it.

Just talking to Michelle, you know, who was driving us around the town this morning – she has got a pumpkin farm that has been beaten up, she has got zucchinis that she says she was going to pick yesterday, so they are mush now.

So farmers right across this region will be hard-hit.

This area exports \$450 million of farm produce a year. It is a food bowl and it is going to be hard-hit and it will take some time to recover. And that's why we are here to show our support and our commitment.

As Bill said, this is a very bipartisan effort. We are all behind the people of The Whitsunday region, the people of North Queensland as they recover from this storm.

JOURNALIST:

Bill – it is a very short tour, but have you seen enough to actually get a good gauge?

LEADER OF THE OPPOSITION:

What I've seen is that the people here are going to have to work hard to get back on their feet, but what I've also seen is they will get back on their feet, and I agree with what Malcolm said.

And in the addition, what I would say to Australians, if you want to help in the medium to longer term – The Whitsunday region is a great place to holiday. They will tidy this up, they will be back on their feet and I think the best way the rest of Australians can help is perhaps when you are thinking about your next holiday – come to The Whitsunday region.

PRIME MINISTER:

Bill, that's a great message, and we are going to provide some additional support. I have been talking to the Minister for Trade and Tourism Steven Ciobo about that, because Bill is right, it is a really important point, the storm has gone, the clean-up will happen, and then it's back in business. And sometimes people forget that, and either don't make holiday plans or cancel them. So we want the tourists back.

The other thing I would say, and again we will all say this with one voice – if it's flooded, forget it. Don't walk in, swim in, drive in floodwaters. If it's flooded, forget it. Be safe. There is still plenty of risk out there.

This is the time to be safe, follow the advice of the authorities. They are looking after this situation, and when the floodwaters are down, and as the clean-up proceeds everything will get back to normal and the tourists will be back and we are urging them to come, aren't we Bill?

LEADER OF THE OPPOSITION:

A beautiful place to come for a holiday.

PRIME MINISTER:

Absolutely. That's it.

JOURNALIST:

Prime Minister, will you be able to get to Airlie Beach or have you seen over The Whitsunday islands and the damage there?

PRIME MINISTER:

We won't be getting to Airlie Beach today because we have got to get back to Parliament, but we are going to see some of the damage in the Proserpine area. But obviously this is a short visit. But I know Tim, you will be back up here –

TIM NICHOLLS, QUEENSLAND OPPOSITION LEADER:

Yes.

PRIME MINISTER:

Tim Nicholls will be back up here with his state colleagues, as well, inspecting the situation and of course providing our support and encouragement to the outstanding work of the emergency workers, the ADF and above all, such a brave and resilient community.

Thank you all very much.

[ENDS]

Remarks at Crisis Coordination Centre

PRIME MINISTER:

The priority will be to support the recovery. We have clearly, as Mark has just been saying, as the day progresses we will get an understanding of the damage from the storm.

We have put in place enormous preparation for this storm. This is one of the great advantages of all of the technology that you see around us, is to be able to anticipate these events. So there are well over a thousand emergency personnel and Defence personnel literally ready to go in today. They're working seamlessly with the state emergency services, the cooperation – again – is closer than it's ever been.

We've learned from one natural disaster after another to refine and improve the level of cooperation. The engagement of the Australian Defence Forces, in preparing for this, is the most elaborate and comprehensive it's ever been.

Nature has flung her worst at the people of North Queensland and it's now our job to make sure that every agency pulls together, and indeed the private

sector, particularly the banks and insurance companies pull together, to provide support for the people of North Queensland who have had a very tough day and night in this.

There will be a lot of damage, as Mark has just been saying, particularly to older buildings, older homes in particular. A lot of damage done now to recover, to clean up, to restore power, to make power lines safe.

Above all the important message is to stay safe and follow the advice of the authorities. Mark and Michael, I think you can reinforce that. A lot of the injuries and damage to people is caused by taking risks particularly with flood waters after the storm has passed. If it's flooded, forget it. Don't walk through, drive through, let alone try to swim through flood waters. Extremely dangerous. As Mark was saying, there's a flood peak, which will peak in Mackay, you said. When will that be Mark? Next 24 hours.

Again, the people of North Queensland are very familiar with cyclones and extreme weather events like this. So they're well prepared. We're well prepared, supporting them. But above all, people have got to be safe, be very careful in taking the advice of local emergency authorities. That's the critical thing. The most important thing is ensuring safety of people and their families and avoiding that personal injury wherever we can.

[ENDS]

Interview with Chris Uhlmann ABC 24

CHRIS UHLMANN:

Prime Minister, what's the latest advice you have on the damage caused by this storm?

PRIME MINISTER:

Chris, first can I say that the people of North Queensland are in the prayers and thoughts of all Australians. They're experiencing a shocking cyclone, Tropical Cyclone Debbie, a Category Four downgraded to category three. But the people of Queensland are resilient and strong and we have put in place the biggest pre-deployment of the Australian Defence Force in advance of a natural disaster.

So we are working seamlessly with the Queensland emergency services. The Premier and I have been speaking, she's acknowledged the teamwork that's going on. We have Brigadier Chris Field who will be the Recovery Coordinator, Commander of Three Brigade in Townsville. So we're working very closely together to ensure the people of North Queensland are supported as they recover from this storm.

CHRIS UHLMANN:

Has there been any loss of life that you're aware of?

PRIME MINISTER:

We're aware of one fatality, a car accident caused by strong winds. But at this stage it's not possible to say how much damage has occurred. It's a very dangerous storm, a very strong storm as you know. There will be damage. But we won't be able to assess that until tomorrow.

CHRIS UHLMANN:

When you talk about the Defence Force, what kinds of things will the Defence Force do?

PRIME MINISTER:

They will provide engineers to restore infrastructure, roads. They'll provide helicopters to deliver relief. HMAS Choules will be coming up into the region, steaming up to the area where the cyclone has hit. It has the ability to provide – again -helicopter support and also landing craft that are able to get access to areas that have been cut off, whether it's in the Whitsundays or elsewhere are being cut off from communications because of the storm.

CHRIS UHLMANN:

The Brigadier that you mentioned has experience in disasters in Queensland?

PRIME MINISTER:

Yes, he has. Brigadier Field was the Chief of Operations in the recovery after the 2011 floods. So he was requested by the Queensland Premier and we're very pleased to make him available to do this job.

CHRIS UHLMANN:

Beyond what the Australian Defence Force is doing, the Government, the Commonwealth Government is also provided some emergency services personnel, experts in storm damage?

PRIME MINISTER:

Indeed, we are providing all of our services across the board. Emergency service, emergency management, Centrelink and we're also of course reaching out to insurance companies and banks, urging them to be compassionate, considerate and to support the people of North Queensland in the wake of this storm.

CHRIS UHLMANN:

That's very often the things people worry about; as they see their home being blown away around them, or see rivers of water running through it, how the

insurance companies will treat their claims. The difference between storm damage, as we know, is being debated ad nauseam.

PRIME MINISTER:

That's right. That's why the Treasurer and the Assistant Treasurer have been in touch with the banking and insurance sectors today, to ensure that they understand how important it is to the Government and indeed to all Australians, that the banks and insurance companies are seen to be very supportive and responsive, compassionate, considerate, flexible in making sure that claims are met. That businesses are supported. The ATO of course will be doing the same in terms of the way it deals with its clients. So right across the board, we are bringing everything, every wing of the national Government, our Government, working with the state Government, to support the people of North Queensland.

CHRIS UHLMANN:

So what is your message to the people of North Queensland tonight, who are still living through a terrifying ordeal?

PRIME MINISTER:

Stay safe. Stay indoors. Follow the advice of the emergency authorities. Follow their advice. Don't attempt to go through floodwaters. If it's flooded, forget it. Stay safe, keep an eye out for your neighbors and your friends. Make sure above all that you follow the advice of the authorities.

All too often, as we know, people get into trouble in the wake of a storm, by getting into floodwaters, by taking risks that they shouldn't. This is a time to listen very carefully to the authorities. They have your best interests at heart. They understand the situation. Follow their advice and you'll be safe.

CHRIS UHLMANN:

Prime Minister, thank you.

[ENDS]

[Joint Press Conference with the Treasurer, The Hon. Scott Morrison MP and Minister for the Environment and](#)

Energy, The Hon. Josh Frydenberg MP

PRIME MINISTER:

Today, we're here with the Treasurer and the Minister for Energy to announce a new initiative to address the problem of rising electricity prices.

Electricity prices for Australian households doubled during the six years of the Labor government. They came down, of course, with the abolition of the carbon tax following the election of the Coalition in 2013 but we are now seeing further upward pressure on electricity prices.

There have been a number of reports, notably by the Grattan Institute, which have indicated that there is excessive profit margins being made by retailers in the electricity market.

We need to get to the bottom of this. We need to get to the bottom of this in a way that protects Australian families and Australian businesses. Electricity is absolutely an essential service. All Australian families depend on it and of course all Australian jobs do too.

So, we are tasking the consumer watchdog, the ACCC to investigate this thoroughly.

As the Treasurer will describe, they have full investigative powers to request information. They and they alone can get to the bottom of this and they will do so promptly. They will report with an interim report in six months and then complete the report by 30 June next year.

This is a very important step. We have consulted with the Chief Scientist, Dr Finkel, who of course is conducting a review of energy policy in relation to the electricity market, but this is going to address the very real problem of rising electricity prices which are putting a lot of pressure on Australian families.

We are taking action here and at every other level available to us. We have hauled in the gas producers and ensured we have a commitment that gas is available for peaking power. We are tackling the problem of planning. We are delivering on the energy storage with Snowy Hydro 2.0 and other initiatives that will ensure that we have the backup to deal with the changing and evolving energy market.

It is a vital priority for my Government. I am here with these two Ministers, the Treasurer and the Minister for Energy to say further about it, Scott.

TREASURER:

Thank you Prime Minister.

This morning I commissioned the ACCC to undertake an inquiry into retail electricity supply in this country. As the Prime Minister says, it fits into

the broader strategy in action which is being undertaken by the Government, whether it the gas industry or more broadly with infrastructure issues like the Snowy Mach 2 project. The Government is working right across the spectrum, keeping the tension in the cord that is necessary to deliver more secure, more affordable, and more sustainable energy and in particular, electricity for Australian businesses and Australian households.

This inquiry will provide better information on what is actually driving electricity prices, retail prices.

The ACCC does have the powers and the skills that are necessary to go to the heart of these questions.

And we saw this worked out with the ACCC's inquiry into the east-coast gas supply. Now you know that as a result of that inquiry the Prime Minister and the Minister have been able to take very direct action which is actually forcing a change in not just the environment when it comes to how gas is going to come onto the market but I think will lead to very real actions that will give householders and businesses greater levels of certainty and security.

This is the first such inquiry that the ACCC has actually undertaken into these measures. It will prize open the books, that its job, to prize open the books of the electricity retailers.

Beyond that it will look at existing cost structures and margins. It will review these against the contracts offered to consumers and businesses.

As the Prime Minister said it will report back with an interim report in six months. It will report on the 30th of June of next year and it will inform most importantly the further action that is needed.

Thank you Prime Minister.

PRIME MINISTER:

Thank you. Josh.

MINISTER FOR THE ENVIRONMENT AND ENERGY:

Thanks Prime Minister and thanks Treasurer. Retail prices can make up to 25 per cent of the household bill and as the Prime Minister has said, there are very high profit margins enjoyed by those retailers.

In fact, the Grattan Institute points out that it could be up to three times what a comparable retailer in the UK might be earning or indeed more than double of what of you'd see from other retailers in the food sector, the motor vehicle and the fuel sectors.

And we know that customers do benefit from moving suppliers to get the best possible rate. But 50 per cent of customers and households have not changed suppliers over the last five years.

We are told by the Grattan Institute, the Australian energy regulator and others, that households would save hundreds of millions of dollars if they had more information available to them in order to choose the best possible deal.

And that is what this is about, to empower consumers, to ensure that the opaque level of information that we know exists becomes a lot more transparent and with that transparency, consumers can get a better deal on their electricity bill.

PRIME MINISTER:

Thank you. Now, before we go to questions, I want to say something about Tropical Cyclone Debbie.

I spoke to the Premier of Queensland this morning and discussed the situation, updating each other with developments.

The Federal Government, including the Australian Defence Force and the Queensland Government, are working very closely together, as you would expect.

The Premier acknowledged her appreciation for the very close engagement by our Government, the Federal Government, and in particular, the ADF, who are prepositioning assets already to assist in the response.

Now, the Tropical Cyclone Debbie is expected to intensify into a severe Category 4 before making landfall between Townsville and Proserpine on Tuesday morning.

Evacuation orders are already in place for parts of the Burdekin Shire Council and the Whitsunday Regional Council.

Now, for those in the path of Tropical Cyclone Debbie, please take care and stay safe.

If you've received an official evacuation order, you and your family must leave home immediately. Seek shelter with friends or family who are inland or on higher ground. If you decide to shelter at home, make sure you are prepared, have your emergency kit ready and listen to the radio for cyclone updates. Check on your neighbours and vulnerable friends and family – help them get to an evacuation centre.

The Bureau of Meteorology is forecasting storm surges and heavy rain in coming days.

Do not drive through floodwater. Remember, if it's flooded, forget it. Stay safe.

JOURNALIST:

Prime Minister on energy, today's announcement, as you said, is preceded by your summit with the gas bosses and threatening with export controls. We've

seen a Government deciding to invest for the first time in a long time in a power station, with the Snowy. Is that, are those measures plus what you're announcing today, a recognition of the market system privatisation has failed in energy over the last 20 years, and its time now for the state to intervene?

PRIME MINISTER:

I don't think you should be jumping to conclusions. The electricity market is evolving, it's changing very rapidly – it is being disrupted by technology. The generation is becoming more distributed and more variable.

Demand is also becoming more variable. Again, that is being driven in part by technology, because of so much solar, so much rooftop solar – whether it is small scale or large scale.

All of that requires a response. There are elements of the national electricity market that are plainly not working adequately. Some of them at a very technical level. You know, how are we ensuring that we get the frequency of services that we need to keep the network running? A very obvious area of neglect has been the failure to plan for the storage that is required, and the backup that is required to support variable sources of energy – wind and solar most notably.

And again that was the big failure of Jay Weatherill in South Australia – being proud of all that variable wind power, but then doing nothing to back it up except for the long extension cord to the Latrobe Valley.

At the same time, you've seen state governments, and again notably Victoria here, who at the same time as they have been allowing big baseload generators like Hazelwood to close, and pushing for very high renewable targets – in other words promoting more variability in their generation sector – they have been doing nothing on storage. And even more incredibly, they have been actually taking steps to stop the exploitation and development of gas, which is the one fuel that is the transitional fuel that can provide the backup peaking power.

So there have been a lot of failures in the way the energy market has been, and with the way state governments in particular have responded to these changes, but we are taking the lead. We are taking action. We've got the Finkel review under way. We've got the big commitment to storage as a high priority, Snowy Hydro is the biggest but there are a lot of other projects underway as well. And, of course, now we are acting to ensure that customers are protected through the ACCC action and as Josh noted, we have brought the gas producers in and ensured they're committed to providing gas to peaking power.

JOURNALIST:

All those things you've just described costs money. So frequency control ancillary services, something that is coming naturally now with coal-fired generation will have to be paid for separately to the wind power. The storage

you're talking about will have to be paid for separately to the wind power. And the fuel sources you've been talking about and gas being the transmission, a transition fuel is more expensive than coal. So no matter what you do with the ACCC, the cost to the electricity system will continue to rise, won't it?

PRIME MINISTER:

The cost of generation is a large part but generally it's in the order of 40 per cent, I think as a general percentage of the cost of your electricity bill. So a large part of your electricity bill is in transmission and distribution – poles and wires.

Now, for example, in New South Wales and Queensland, there was a very big investment in poles and wires. It's been criticised as having been 'gold plating', overinvestment in order to get the regulated return and make a profit.

In Victoria, there was less so, but nonetheless, as the Grattan Institute pointed out, the Victorian retail prices have been rising as well. And that's one of the reasons why we need to have this ACCC inquiry.

But yes, it is a changing market. But in terms of gas, you mentioned gas – the reason why gas prices are so high, is because there is more demand than there is supply and the reason there is not enough supply is because state governments, notably Victoria, have effectively put a ban on the development of very substantial gas resources in that state.

JOURNALIST:

Prime Minister you've made a series of announcements in the last couple of weeks to tackle rising power prices. You've successfully passed a child care package that will put a bit more money in people's pockets last week. And yet voters are marking you down. You're trailing in all published polls, some of them very badly. Why are Australians, do you think, marking you down?

And secondly if I may, why did your Government table an extradition treaty with China a month ago? And what's your message to the crossbench, to Labor, to the Greens who look set to disallow it on Wednesday this week?

PRIME MINISTER:

Well I'd just say the extradition treaty, of course, was entered into many years ago. It needs to be ratified. We are urging the Opposition and the crossbenchers to support the ratification. There are very considerable protections in the treaty and it is an important part of our cooperation with China on law enforcement.

I just note today a very large, yet another very large drug bust – well over \$100 million of methamphetamine which has been intercepted which had it not been for that cooperation, would have been on the streets in Australia destroying Australian lives. So that cooperation is very important.

JOURNALIST:

Prime Minister, you've said that a number of different responses are required to the energy situation that Australia faces. You're tasking the ACCC to do an inquiry [inaudible] in relation to electricity prices. Are you prepared to say at this point whether price regulation is an option?

PRIME MINISTER:

I heard the Treasurer asked about this, this morning and the inference of the question was the electricity market is not regulated – there is a lot of regulation in the electricity market already through the national electricity law, for one, and of course, other regulation affects it as well. So we are expecting to see recommendations to changes in regulation from the Finkel Review, to deal with some of the issues Chris Uhlmann raised and also to see, you'll no doubt see recommendations from this ACCC review and we will obviously take them all on board and consider them very carefully.

I note, I might say, just that Mr Shorten has today welcomed the announcement of the inquiry.

TREASURER:

He has.

PRIME MINISTER:

And he has urged us to commit now to accept every recommendation made by the ACCC. Of course he has a habit of doing this. I remember when he set up the Fair Work Commission Inquiry into penalty rates, he made a commitment to support every recommendation it made too. But then, and indeed, he kept doing it, he kept renewing that commitment.

MINISTER FOR THE ENVIRONMENT AND ENERGY:

Forgot his promise.

PRIME MINISTER:

Yes, but no matter how often he reviewed it, when it came to the crunch, he then did a backflip. You see, I don't think we can rely can on his support – do you Treasurer?

TREASURER:

No I don't.

PRIME MINISTER:

No we don't think we can back that one in.

TREASURER:

Nor can the Australian people.

PRIME MINISTER:

Nor can the Australian people, he is not to be trusted.

JOURNALIST:

Prime Minister, on coal-fired power, you of course at the start of the year in the Press Club speech spoke about being open to pumped hydro and new forms of coal-fired power. Is anyone talking to the Government about investing in coal-fired power at the moment? Are you still willing to offer any sort of incentive?

PRIME MINISTER:

Josh, do you want to say something about that?

MINISTER FOR THE ENVIRONMENT AND ENERGY:

Sure. The key point is throughout the region we have seen these high efficiency, low-emission power plants come into existence in comparable countries to Australia like Japan. And the question the Prime Minister has posed and others have asked, is why can't we have similar-type technology here in Australia that provides base-load power and that utilises the abundance resources that we have. I have met with some people who are interested in investing in that sector and so has Minister Canavan. But they are a long way off from firm commitments and clearly, those discussions will continue.

But the key point that the Prime Minister has underlined is we need to be technology neutral. We can't make a single bet because that would be ruling out certain options that would be available to us. So, coal will continue to play a major role, gas will continue to play a major role and of course renewables continues to play a more important role and the Prime Minister's announcement about pumped hydro provides a level of storage that you need to ensure the 24/7 availability of the power from renewables. And the technology is coming down rapidly in price and increasing rapidly in capacity so I am very excited about what is happening in renewables but also the thermal generation that is so important.

PRIME MINISTER:

I think part of the problem is the way in which the Labor Party and the Greens have – and they really are in a unity ticket on this, David – they have turned this whole debate into an ideological one.

It has got to be governed by economics and engineering. There is nobody of any credibility or authority in the world energy sector, from the International Energy Agency, take your pick, that will not tell you that coal is going to have a big part to play, although a diminishing part in percentage terms, in the world's energy mix for many, many decades.

The critical thing that we have got to do in Australia is to make sure for Australian consumers, businesses and households, that we keep the lights on,

energy security, that people can afford to pay the electricity bill, energy affordability, and that we meet our emissions reduction targets and there are many ways to do that.

But it is this ideology from Labor and the Greens that has put so many people, so many Australians' energy security at risk.

And as you've heard us say many times before, South Australia is the classic example where you pay no attention to planning.

We are doing the planning, we have thought deeply about this, we are letting economics and engineering be our guide. We are being driven by a commitment to ensure energy security, energy affordability and meeting those emission reduction targets and all technologies have a role to play in that future energy mix.

Thank you all very much.

[ENDS]