

European Ceremony of Honour for Dr. Helmut Kohl on 1 July 2017

To honour the legacy of Dr. Helmut Kohl, Honorary Citizen of Europe, the three European institutions are co-organising a European Ceremony of Honour on 1 July in the European Parliament in Strasbourg.

This will be followed by a ceremonial event in the cathedral in Speyer (Germany).

Further information will follow soon.

Press contacts:

For the European Parliament

[Jaume DUCH GUILLOT](#) (+32 2 28 43000; +32 496 59 94 76)

For the European Council

[Preben AAMANN](#) (+32 2 281 20 60; +32 476 85 05 43)

For the European Commission

[Margaritis SCHINAS](#) (+ 32 2 296 05 24; +32 496 58 38 26)

[Mina ANDREEVA](#) (+32 2 299 13 82; +32 498 99 13 82)

The rich and their responsibilities.

To Labour anyone earning more than £70,000 a year is rich. Many people on such an income do not see themselves as rich. It seems as if having savings and assets is also a crime to some in Labour. Yet many people save hard for their retirement pension, and struggle to repay the mortgage on their homes. They do not see themselves as rich either. They also like it if something remains to pass on to their children. Today we are witness to a big debate about who is rich, and what contribution should they be expected to make to the wider society. In the recent UK election Mr Corbyn claimed that the rich as he defined them should pay more tax to help those on lower pay and pensions.

There is no agreed definition of who is rich. People's idea of what rich looks like is heavily influenced by how much wealth and income they have. If you have nothing someone on £40,000 a year is well off. If you own no assets someone with a £200,000 house is well heeled. Someone living in a £200,000 house with a large mortgage, family commitments and an income of £40,000 may not have anything over at the end of the month and may feel a bit squeezed. They do not think they are rich.

A better description of rich is probably one based on lifestyle than on any particular figure for assets or income. Let's consider two widows, as I have done before on this site. One lives on her own on a State Pension and top up benefits in her one bedroom flat in prime London. It is worth £1.2m but she has no other assets and finds it difficult to afford the living costs. All the time she lives there she is hard up. Another lives in a £200,000 larger property 200 miles from London and has £1 million in financial assets to augment her State Pension. She can afford a decent lifestyle. Are either of these millionaires rich? Or does a rich person need to be someone with a £1 million plus home of their own, and several millions in investments so they do not need to work but can live on their investment income? Or is true rich a senior Director or executive of a large corporation, or a footballer, with a telephone number salary and plenty of assets from past earnings? How much more of these people's earnings should the state take?

In the end these are political judgements which have to be translated into tax law. All parties in UK government believe in income redistribution, taxing the better off more highly to provide support for others. Governments also impose some taxes on capital, usually when assets are bought and sold. These questions are also attitudes of mind which affect how people live together in society. If you try to tax at too high a rate rich people leave the country or find legal ways to arrange their affairs that thwarts the aim of the tax rise.

Many people with savings have thought it a good idea to buy an extra property or two and let it out. They like the rental income, and have usually benefited from rising capital values as well. It does mean the rich individual has a special relationship with his or her tenants. The wealth is on show, and there can be difficult relationships if the landlord is thought to be too hard or unreasonable. Modern tenancy law has tried to move the balance a bit in favour of the tenant. In a world where the leader of the Opposition says the homes of the rich if they are not being properly used should be requisitioned for those in need, the landlord has to be sensitive to the mood. The individual who has bought a holiday home or spare property which they do not live in may be unpopular in the community where the property usually stands empty.

In this climate of opinion those with higher incomes and assets have to be well on the right side of tax law. Tax evasion is a crime and some see clever tax avoidance as equally unacceptable even though it is legal. Portfolio investments in bonds and limited liability companies have advantages over direct ownership of property or companies for the better off, as the investor is shielded from much of the responsibility of ownership by the professional managers employed. If a multinational treats its employees badly or causes deaths by lax safety management it will be the well paid Directors and executives, not the shareholders, in the dock. If you are the landlord and the tenant is put at risk, or if you own the company and the employee is badly treated, you will be in the dock.

Limited liability companies were a great breakthrough for everyone because they allowed people to put up money without putting the rest of their wealth at risk. It also now means the investor lays off the risk for misconduct on those who run the company for them, which in the current climate is also important in keeping people investing. It should not be an excuse however for no-one being to blame.

Who do you think is rich, and what more should we expect of them?

[State Council appoints HKSAR gov't officials](#)

China's State Council, or Cabinet, on Wednesday appointed main officials of the fifth-term government of the Hong Kong Special Administrative Region (HKSAR), in line with the Basic Law of the HKSAR.

The officials were nominated by the HKSAR's fifth-term chief executive Lam Cheng Yuet-ngor.

Cheung Kin-chung was appointed Chief Secretary for Administration.

Chan Mo-po was appointed Financial secretary.

Rimsky Yuen was appointed Secretary for Justice.

Joshua Law was appointed Secretary for the Civil Service.

Lau Kong-wah was appointed Secretary for Home Affairs.

Lee Ka Chiu was appointed Secretary for Security.

Nip Tak-kuen was appointed Secretary for Constitutional and Mainland Affairs.

Sophia Chan was appointed Secretary for Food and Health.

James Lau was appointed Secretary for Financial Services and the Treasury.

Yeung Yun-hung was appointed Secretary for Education.

Michael Wong was appointed Secretary for Development.

Yau Tang-wah was appointed Secretary for Commerce and Economic Development.

Chan Fan was appointed Secretary for Transport and Housing.

Law Chi-kwong was appointed Secretary for Labor and Welfare.

Wong Kam-sing was appointed Secretary for the Environment.

Nicholas W Yang was appointed Secretary for Innovation and Technology.

Tsang Kwok-wai was appointed the Director of Immigration.

Tang Yi-hoi was appointed the Commissioner of Customs and Excise.

Peh Yun Lu was appointed the Commissioner of Independent Commission Against Corruption.

Sun Tak-kei was appointed the Director of Audit.

Lo Wai Chung was appointed the Commissioner of Police.

According to the Basic Law of the HKSAR, the officials will assume office on July 1, 2017.

Carrie Lam has high hopes for Hong Kong's future



Hong Kong's Carrie Lam Cheng Yuet-ngor will be the SAR's first female chief executive. [Photo/China Daily]

Hong Kong's chief executive-designate, Carrie Lam Cheng Yuet-ngor, says she hopes the city will take advantage of China's increasing economic power to seek new impetus for its long-term prosperity and stability.

Lam, the first female chief executive of the Hong Kong Special Administrative Region, said she is optimistic on China's future development and that Hong Kong's rapid growth as an international financial center and regional business hub could not have been achieved without the nation's economic takeoff since the reform and opening-up.

According to the SAR's government, Hong Kong's GDP last year was HK\$2.5 trillion (\$320.6 billion), an 81 percent nominal increase from 1997.

"Based on my experience as a civil servant in the past more than 30 years, I believe Hong Kong's future is very promising, thanks to our country's rise as an emerging economic power," Lam said.

She said Hong Kong can always find a new growth point under the context of

national development.

“The Belt and Road Initiative proposed by President Xi Jinping in 2013 will provide new opportunities for us to move forward and maintain our advantage as a regional service center,” she said.

Lam said Hong Kong could use its experience in asset management and risk management to make a contribution to the nation’s major development plans, including the 13th Five-Year Plan (2016-20) and the Belt and Road Initiative.

The prosperity and stability Hong Kong has enjoyed during the past 20 years exemplify the successful implementation of the principle of one country, two systems-“Hong Kong people administering Hong Kong” with a high degree of autonomy, Lam said.

After being elected as Hong Kong’s fifth chief executive in March, Lam pledged to do her utmost to uphold the one country, two systems principle and guard Hong Kong’s core values.

She also promised to address issues concerning the city’s future development, such as applying new resources to education, tackling housing problems and introducing new financial and tax measures.

“I expect Hong Kong to become a place where residents will feel satisfactory, children will grow up happily and healthily, young people will have an arena to exert their advantages and elderly could enjoy their retirement,” she said.

Based on the latest data, Hong Kong continues to be the world’s most expensive housing market. Lam conceded that rising prices are an urgent issue for the next government and said she intends to tackle the problem with measures such as a “starter home” program.

She also plans to put more resources into the education system to cultivate more talent for sustainable development.

The city government introduced a policy of free kindergarten education this year, extending the 12 years of free education to 15 years.

Lam, who was former chief secretary of administration, said Hong Kong has fallen behind in the Internet Plus industry and that it will be the next government’s priority to catch up.

“I invited Jack Ma, the chairman of Alibaba, to my office for advice on developing Hong Kong’s internet industry at a faster pace,” she said.

To push forward the city’s economic development, government needs to become more positive and play new roles, Lam stressed.

“I felt the heavy burden on my shoulders when I received the appointment document from Premier Li Keqiang,” Lam said. “Being the chief executive of Hong Kong can be really challenging as I have to be responsible to both the central government and the city.

“But I have confidence in making Hong Kong into a vigorous special administration region in the nation.”

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

PRIME MINISTER:

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

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

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

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

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

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

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

consistency with other similar utility sectors we will be taking steps to legislate to abolish the Limited Merits Review.

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

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

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

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

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

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

MINISTER FOR RESOURCES AND NORTHERN AUSTRALIA:

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

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

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

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

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

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

PRIME MINISTER:

Thank you, Josh?

MINISTER FOR THE ENVIRONMENT AND ENERGY:

Thank you, Prime Minister and Minister Canavan.

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

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

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

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

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

Dr Finkel made 50 separate recommendations.

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

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

PRIME MINISTER:

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

The Labor Party today has rejected them.

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

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

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

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

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

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

JOURNALIST:

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

PRIME MINISTER:

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

Now, you know, it is early days.

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

Now, Australian businesses and households are paying the price and what we're

doing is taking strong action, decisive action, to address it. But clearly, it's action we'd rather not have to take.

JOURNALIST:

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

PRIME MINISTER:

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

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

We are getting on with it.

JOURNALIST:

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

PRIME MINISTER:

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

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

JOURNALIST:

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

PRIME MINISTER:

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

But let me put it this way to you, Katharine, we are seeing a real change,

dramatic change in the nature of the energy market, the national electricity market and we all understand that, more variable sources of energy, more distributed.

We've seen big shocks already from the retirement of large you know, synchronous generators, power stations, coal-fired power stations. We need to ensure that we don't get those shocks in the future.

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

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

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

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

JOURNALIST:

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

PRIME MINISTER:

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

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

Again, what we believe with the approach has got to be all of the above, it

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

JOURNALIST:

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

PRIME MINISTER:

Yeah that's forecast, yes.

JOURNALIST:

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

PRIME MINISTER:

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

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

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

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

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

JOURNALIST:

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

PRIME MINISTER:

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

MINISTER FOR RESOURCES AND NORTHERN AUSTRALIA:

The legislative instrument and the gas export controls will be a disallowable instrument. But at this stage, we welcome support from other political parties. I think the reasons we are putting at place are clear to most of the Parliament and I've been in discussions with all of those, the crossbenchers and the Labor Party about these measures and they appear well supported.

PRIME MINISTER:

Can I just deal with Josh on LMR?

MINISTER FOR THE ENVIRONMENT AND ENERGY:

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

JOURNALIST:

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

MINISTER FOR THE ENVIRONMENT AND ENERGY:

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

PRIME MINISTER:

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

JOURNALIST:

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

PRIME MINISTER:

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

JOURNALIST:

Prime Minister this is the latest in a series of big interventions in the marketplace. As you say you're buying a power producer, you're telling companies now how they can price and from what I think you're saying when they can close How does that fit in with the Liberal ideology of the free markets?

PRIME MINISTER:

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

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

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

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

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

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

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

Thanks so much.

[ENDS]