

# Securing Australia's Naval Shipbuilding and Sustainment Industry

The Turnbull Government has released Australia's first Naval Shipbuilding Plan, outlining the nation's largest ever programme of naval shipbuilding and sustainment.

The plan includes a massive injection of funds – \$1.3 billion – to develop vital infrastructure in the nation's shipyards so that we can build the Navy's next generation of naval vessels here in Australia.

The Naval Shipbuilding Plan will end the boom-bust cycle that has afflicted the industry for many years, providing certainty for local businesses and shipbuilding workers.

The Turnbull Government is investing around \$90 billion in the rolling acquisition of new submarines and the continuous build of major ships such as future frigates, as well as minor naval vessels.

This Plan will ensure delivery of these modern defence capabilities set out in the 2016 Defence White Paper, creating thousands of jobs and securing the naval shipbuilding and sustainment industry for future generations of Australians.

We are embarking on a great national endeavour. We will transform our naval shipbuilding and sustainment industry here in Australia, with Australian workers, in Australian shipyards, using Australian resources.

In total, the Turnbull Government will invest more than \$1.3 billion to modernise construction shipyards in South Australia and Western Australia.

Work will commence this year on the development of infrastructure at the Osborne Naval Shipyard in South Australia. The Henderson Maritime Precinct in WA will also be upgraded.

This will encompass construction of new cranes and heavy lift transportation capability, welding stations and upgrades to workshops and storage facilities including new steel framed sheds.

The plan is a pathway to prosperity in naval shipbuilding and represents a major milestone for the nation's defence industry.

The Government is delivering on its unwavering commitment to both national security and economic prosperity through the continuous building of naval vessels in Australia, while also strengthening the nation's advanced manufacturing industrial base.

The Centre for Defence Industry Capability, opened by Government in December 2016, is based in Adelaide and has a national presence. The Centre will play a critical role in developing the national supply chains to support the naval shipbuilding programs.

Modern shipbuilding facilities and processes will play an important role in the transformation of Australia's naval shipbuilding industry.

The naval shipbuilding workforce is expected to grow to around 5,200 workers by the mid to late 2020s, with more than double this number of workers in sustainment activities and throughout supply chains across Australia.

The Naval Shipbuilding College announced on 24 March 2017 will commence operation in early 2018, working with existing education centres to expand and develop the pool of available skilled workers to meet the growing demand.

The Naval Shipbuilding Plan is available at the [Department of Defence website](#).

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## [Doorstop with the Hon. Gladys Berejiklian MP, Premier of New South Wales Senator the Hon. Marise Payne, Minister for Defence and the Hon. Christopher Pyne MP, Minister for Defence Industry](#)

### **PRIME MINISTER:**

I'm delighted to be here with the Premier and her colleague the Minister for Western Sydney, Stuart Ayres, and my ministerial colleagues; Minister for Defence, Marise Payne, Defence Industry, Christopher Pyne, Minister for Urban Infrastructure, Paul Fletcher and the Assistant Minister for Cities, Angus Taylor, the Vice President of Northrop Grumman, Dave Perry – who will speak to us in a moment – and the Australian CEO, Ian Irving, to announce Northrop Grumman's decision to establish a \$50 million electronic sustainment centre of excellence at the new Western Sydney Airport. Northrop Grumman will be an anchor tenant.

Now this is a very key element in our defence industry plan. It's a key part of our plan for Western Sydney, Premier, which we are both passionately committed. Because what we have been in Australia, we have been a big customer for defence capabilities. But we have not built enough defence material here in Australia. We have not been a big enough part of global supply chains and we are changing that. Our defence industry plan is a plan to expand the capabilities of the Australian Defence Force but also to build a sovereign defence industry capability here in Australia, across all theatres; land, sea, air and cyberspace. All of the above are part of our

plan to secure Australia's future.

Now, we are building a new airport at Western Sydney, at Badgerys Creek. That is going to ensure that there will be a centre of employment and industry and technology, creating thousands of jobs in Western Sydney. It's going to be working closely with the universities of course, particularly the University of Western Sydney. Northrop Grumman has committed to double its workforce in Australia, up to a thousand and beyond, and the centre for excellence is a key part of that. It's great to see here, some of Northrop Grumman's partners, John Bale from Soldier On is here. Dave Perry has described to me, and he will say a little more, about Northrop Grumman's commitment to employing veterans. They have a great many veterans, including Dave himself of course in the Northrop Grumman team. And John Bale from Soldier On is partnered with the government in our Veterans Employment Initiative and it's ensuring our veterans make successful transitions to life in the private sector and civilian sector after they leave the ADF.

It's also great to be joined by two important partners in the Northrop Grumman supply chain, Australian partners. Quickstep, which is a maker of advance composites, its CEO, Mark Burgess is here. It is part of the whole Joint Strike Fighter program right around the world, it is making advance composite materials for aerospace, automotive and part of the joint strike fighter, that extraordinary global project of which we are increasingly playing a critical role. Steve Renkert is also here from Electrotech, another Australian company which is a communications and navigations system company, again, a very important part of Northrop Grumman's supply chain and an example of how our commitment to the defence industry investment builds the growth, the jobs, employment in advance manufacturing and technology, here in Australia.

Now, this new centre for excellence will be in a prime position to service and maintain aircraft and systems, including for the Joint Strike Fighter the F35 and the MQ-4C Triton, another critically important airplane Australia is acquiring, and the United States Defence Forces, including the US Navy and other allies around the world. This is going to add our involvement in the Joint Strike Fighter program alone in sustainment and maintenance. It will add by 2023, it has been estimated, another 5,000 new jobs and a billion dollars to GDP each year.

So this is a vital part of our national economic plan, as is Western Sydney Airport. It is going to return, it is estimated, \$1.80 for every dollar of government investment we put in. It is going to secure Australia's aviation capacity for the future and transform the economy of Western Sydney, creating 20,000 new jobs by the early 2030s, building up to 60,000 in the long term.

The Premier and I understand, clearly, our governments are committed to ensuring that we build for the future. There will be an additional population the size of Adelaide moving into Western Sydney in the decades to come and we need to ensure there are the jobs, the infrastructure to support that population and we need to ensure we have the great technologically advanced jobs and industries that build that ecosystem around the airport that will attract more investment, more opportunities for Australians to work in

Western Sydney as it becomes the heart, the centre of Sydney, in the years to come.

So thank you all very much for being here and Premier, over to you.

**THE HON. GLADYS BEREJIKLIAN MP, PREMIER OF NEW SOUTH WALES:**

Thanks very much, Prime Minister and welcome everybody.

I am so thrilled with today's announcement. It means jobs, jobs and more jobs for Western Sydney and it also means New South Wales will have the capacity to be a regional centre for what is a fast-growing and much necessary technology. But what today's announcement also does is demonstrate the confidence that people have in our government's ability, not only to deliver the Sydney Airport but also to support all the industries that will go towards really developing this precinct and also attracting the jobs that we know will allow the community to grow and prosper into the future.

I am just so excited because I knew and appreciated that the Sydney Airport, the second Sydney airport and its construction would attract a lot of interest. But to have such a phenomenal announcement so early, really demonstrates confidence in our process, and also demonstrates confidence in the jobs that will be created and also the technologies that will be developed not far from this precinct. It is a really exciting opportunity for all of us in New South Wales, but especially for Western Sydney residents.

Not only will people have the opportunity to get employment in key industries right on their doorstep but I am absolutely convinced so many others will be attracted to Western Sydney as a result as well. This is really for us an exciting opportunity to see suppliers and other industries come to this precinct.

This is the start of something really great. It is a start of something very positive and to have today's \$50 million investment announced so soon in the process allows us to continue to plan, continue to talk to organisations that we know in the future will be champing at the bit to come and join this wonderful precinct.

Now I want to thank the Federal Government, the Prime Minister and everybody else for being involved and facilitating today's opportunity. I know the Minister for Western Sydney has also been in dialogue with Northrop Grumman before as well in order to attract this investment and we are absolutely delighted that this the start of something extremely positive. It is jobs, jobs and more jobs for New South Wales.

**PRIME MINISTER:**

Very good, thank you. Dave?

**DAVID PERRY, CORPORATE VICE PRESIDENT AND CHIEF GLOBAL BUSINESS DEVELOPMENT OFFICER, NORTHROP GRUMMAN CORPORATION:**

Thank you, Prime Minister. It is very exciting for me to be here with you

today. I want to acknowledge, first of all, Premier, thank you for being with us to help get this started. Prime Minister, we really appreciate your presence here.

This is a reflection of the commitment that our company Northrop Grumman has, we are determined to make sure our partnership with Australian industry and with the Australian government is fully representative of the 100 years of partnership we have had. I think it is reflected well last week in New York when we celebrated the heroism and valour from the Battle of Coral Sea, where Americans and Australians fought together to preserve security in the Pacific.

This program will create capability that will create an ecosystem of the most advanced technology that will exist in the Pacific and become the backbone of security for the most advanced aircraft systems in the world. For more than 20 year Northrop Grumman has partnered with the Commonwealth to advance Australia's national security and to contribute to regional security and stability. With today's announcement, we are proud to build upon this relationship and further advance Australia's industrial capabilities with the injection of Northrop Grumman technology, coupled with further development of a strong local Australian workforce.

As Australia procures advanced defence systems, including autonomous and next generation aircrafts, advanced networking communications and command and control capabilities, electronics systems will be fundamental to the success of each system. Facilities such as this brand new centre of excellence will be critical to the local sustainment of those advanced systems throughout their lifetime and will ensure the security and stability of the most advanced systems in the world. This centre will help the development of ADF platforms and systems by lowering the turnaround time and the repair costs for mission-critical equipment by doing the work here in Australia, with, as I said before, a local Australian workforce.

This workforce will not just be Northrop Grumman's, but it will be consistent with high-tech Australian companies. It will enable the security of not only Australia but for all our allies including the United States as we operate these advanced platforms in the Pacific. As one of the largest global manufacturers of defence mission complex systems, and a provider of CSR cyberstrike autonomous systems and logistic solutions, Northrop Grumman's is deeply committed, and always will be, to Australia. Through investment in Australia, we have grown our local work force by 500 in the last 5 years and we see that trend continuing. Our strong commitment to Australia has also been underscored by investment in companies including CEA Technologies and (inaudible) as well as the establishment of local capabilities in Northrop Grumman's itself.

We have partnered with companies such as Electrotech, as mentioned already and we have helped them grow their footprint in (inaudible) and also Quickstep, who we have supported and mentored on the Joint Strike Fighter program. Your local Australian Quickstep company produces 26,000 parts for this program. Just fantastic output. That's the kind of ecosystem we want to engender and create and grow over the next decade. I am delighted that representatives

from both companies are here celebrating with us today. So Steven Ranker and Mark Burgess, we really appreciate you not only being here and the partnership it represents, we have been trusted partners in business for many, many years and we could not do it without them, so thank you very much. The establishment of this New Electronic Sustainment Centre of Excellence prevails upon these exciting investments and is the next step in our vision to build a world-class capability unlike anything else in the Pacific.

We are also helping to develop the next generation of Australian leaders through our support of local STEM education programs and providing grants in support of science and engineering programs and the establishment of local universal scholarships for both regional and disadvantaged students.

Northrop Grumman is passionate about working with and providing opportunities for Indigenous Australians. Last year, we sponsored Indigenous high school students from Playford and Salisbury in South Australia to attend (inaudible) camp in the United States, studying science, technology engineering and mathematics. We are delighted to be in discussion with Indigenous ICT services on how we can work together and bring more Indigenous companies into our supply chain.

We are also proud to support our returned servicemen and women and we are honoured to be a major sponsor of Australia Veterans, Soldier On. We are a founding sponsor of Hands Up, a program mentioned by the Prime Minister and we are also very proud to be a partner with their CEO of Soldier On, Mr John Bale. John thank you for your partnership and guidance along the way to help us be a good partner here in Australia.

We are excited to continue to extend our partnership with Australia and to contribute to the development of Australia's future advanced manufacturing economy through the establishment of the brand new electronic sustainment centre of excellence right here in Western Sydney. Western Sydney is Australia's premier light industrial region and Northrop Grumman is excited to become an anchor tenant as part of the development of the new Badgerys Creek Airport project.

This is going to be an exciting time and the next decades will represent significant capability growth in Australia. The capability growth associated with the maintenance sustainment and development of advanced electronics requires an environment supported by first-grade secondary schools and universities. We are looking forward to partnering not only with your universities to create an R&D system to feed this and make it the best in the world. We thank you for your time and we look forward to success with you in Australia.

**PRIME MINISTER:**

Great, thank you. Well done. Thank you, appreciate it. So, we can take some questions?

**JOURNALIST:**

Prime Minister, is the ramping up of the defence industry hub around Badgerys Creek part of a plan to shut down Richmond?

**PRIME MINISTER:**

No, certainly not. Can I ask the Defence Minister to say something about Richmond but the commitment to western Sydney airport is a commitment to a whole-industry technological business environment that will enable us to ensure that there are tens of thousands – as you just heard, 60,000 in the long term – additional jobs in western Sydney.

**JOURNALIST:**

Why will you need Richmond if you have a 24-hour airport very close by?

**PRIME MINISTER:**

Perhaps Marise Payne, do you want to say something about Richmond?

**DEFENCE MINISTER:**

Thank you. I made the Government's views on Richmond clear last year. The Government has no intention to dispose of the air base. The Government is going to maintain a military base here, it is an important airport point. We have no intention to close it.

**JOURNALIST:**

The review recommended selling part of the defence estate. Wouldn't selling off Richmond help housing affordability?

**DEFENCE MINISTER:**

You would have seen our announcement, in defence sites, Maribrynong in Melbourne. We examine each piece of the estates, one by one. There are over 400 in Australia and they change and are dynamic but the position in respect to Richmond is clear. Thank you very much.

**JOURNALIST:**

[Inaudible]

**PRIME MINISTER:**

You have asked about the ransomware threat. I can say that at the present time, we have seen several impacts in respect to small businesses. At this stage, the answer to your question is no, but it is early stages. I am staying in constant contact with my cybersecurity advisor, Alastair MacGibbon, who I know you have seen in the media. But at this stage, we haven't seen the impact that they have seen in the United Kingdom, for example. But it is important that businesses or enterprises make sure that those patches for the Windows systems that were made available by Microsoft in March have been installed, if they haven't been already and they obviously

should have been.

**JOURNALIST:**

You spent time in western Sydney on a budget road show, are you looking for a delayed post budget Newspoll?

**PRIME MINISTER:**

Thank you for your cheeky question. Our commitment is in Western Sydney and indeed, in all the other parts of Australia I will visit this week, is to continue to develop growth for Australians to get ahead. Everything we are doing is focused on that. It is a very fair Budget and a very pro-growth Budget. It is delivering the investment, whether it is infrastructure in Western Sydney or the defence industry plan or the Inland Rail, right across the board, this Budget is ensuring the future of our children and grandchildren. We are guaranteeing Medicare, we are ensuring that school spending is needs-based, transparent and consistent across the country. We are ensuring that the National Disability Insurance Scheme is fully funded.

I do say to Mr Shorten, who I know is trying to play politics with this, he was reasonably statesmanlike a few years ago when he said we should increase the Medicare levy to fund part of the NDIS. Now we have got the opportunity to fund all of it. Surely the least we can do is to say to parents of disabled children: "The money is there, the funding is there, the support for your child, and indeed, the support for any Australian who finds themselves suffering from disabilities." That way, the funding is there, we have secured it. This is a great historic opportunity to do that. We call on him to capture the statesman-like qualities he showed some years ago and once again support funding the NDIS, but this time getting it right and funding it completely.

**JOURNALIST:**

[Inaudible]

**PRIME MINISTER:**

My focus is ensuring delivery of the great outcomes from the Budget. Polls are not news. There are lots of polls. The focus is on delivering on the great commitments we have made to infrastructure, \$5 billion for the Western Sydney airport alone. But these are the commitments of a fair Budget that is investing for the future. I mentioned some of had the things we are doing in the Budget a moment ago. Let me add another point which is equally important; we are living within our means. This is a very realistic Budget. This is one that will bring the Budget back into balance, in fact, into surplus, in 2020/21. So that means there won't be a mountain of debt thrown on to the shoulders of our children and grandchildren. We will be bringing that down, debt will start coming down and that is because we have made the necessary, responsible economic decisions to live within our means.

**JOURNALIST:**



45 per cent of the people surveyed felt they were worse off.

**PRIME MINISTER:**

Again, look, polls are no substitute for – there are lots of polls. Australian journalists are interested in polls. The Australian people are interested in what the budget means for them. What you have seen in those polls – that you are more interested in than me – what you have seen is strong support for the budget measures, strong support for them. But the budget is a fair budget, it is a responsible budget and it is a budget that is focused and directed, every element of it, to ensuring that we maintain strong economic growth. Whether it's the incentives for small business, the tax cuts for small-to-medium business, whether it is investment in infrastructure, whether it is bringing the Budget back into balance and providing the security that Australians needs and deserve for their essential services, whether it is schools, NDIS, Medicare, we are delivering on a responsible and fair budget and that is how it has been received.

**JOURNALIST:**

You want to increase the Medicare levy for all workers but if you can't get the numbers, is the government willing to compromise?

**PRIME MINISTER:**

The proposal we have is a very fair one and it has been received and recognised as fair. We are often asked about hypotheticals. John Laws was asking me this morning; "What will you do if the Senate does this or that". Over the last year, we have got many more things through the Senate than the distinguished members of the media predicted. Without wanting to disappoint you in my response, we will focus on the Senate and treating the senators with respect, we will negotiate with them. We are confident that the merit of the budget, they will find compelling and we will be able to secure support for the increase in the Medicare levy. It does mean a Disability Insurance Scheme that benefits every Australian, either actually or potentially, or benefit somebody we love. We all have a direct interest in that National Disability Insurance Scheme. So it is fair that everyone is able to support it.

**JOURNALIST:**

So you are willing to compromise?

**PRIME MINISTER:**

No, what I said is we will be dealing with the Senate and we with confident they will pass our measure. Okay.

**JOURNALIST:**

The latest – does the latest missile test raise alarm it has longer nuclear range capability? If it does, what should be done to halt its development?

**PRIME MINISTER:**

The North Korean regime has continued its reckless and provocative and unlawful conduct. We will continue to work with our ally, the United States, and our partners, to impose sanctions on North Korea. But as both the US President and I and others have said, the greatest responsibility for bringing North Korea to its senses lies with China. Now, I am not saying that North Korea is a satellite state of China like East Germany was of the Soviet Union. The Chinese have had plenty of frustrations in dealing with Kim Jong-un as well. But they have the greatest leverage and the greatest responsibility. We look forward to enhanced cooperation between China and the United States and the other nations, including ourselves, focused on ensuring that there is peace and stability on the Peninsula and that has got to be the objective. As you know, I have discussed this with the new President, President Moon, just a few days ago.

Okay, thank you all very much.

**[ENDS]**

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## [Radio interview with John Laws, 2SM](#)

**JOHN LAWS:**

Prime Minister joins me now, Mr Turnbull good morning, welcome to the program.

**PRIME MINISTER:**

Yeah, good to be with you John.

**JOHN LAWS:**

Good to see you. Is this budget more about buying you a shift in the polls? That's what people who are less generous than myself are saying

(Laughter)

**PRIME MINISTER:**

Well John it's about being responsible, it's about ensuring that the National Disability Insurance Scheme is fully paid for. It's about ensuring that our schools funding is fair. It's about ensuring that Medicare is guaranteed and that we live within our means and we bring the budget back into balance. All of that is laid out. So in 20/21 we will have a surplus of \$7.4 billion and not before time in fact.

**JOHN LAWS:**

Exactly, not before time. So why has it taken so long? You can't blame the others.

**PRIME MINISTER:**

Well, all I can do is tell you the truth. We inherited a lot of spending from the Labor Party which was entrenched. We've been bringing it down, but we've obviously had to get things through the Senate. We've got quite a lot through the Senate but not enough. So that's been the delay, hence we are increasing taxes in two major respects, one is the tax or levy on the major banks which will raise about \$1.5 billion a year, which they can well afford. The other one is in 2019, from 2019 increasing the Medicare levy by 0.5 per cent which will, then enable us to fully fund the National Disability Insurance Scheme. They're the two major additional revenue measures.

**JOHN LAWS:**

Okay a couple of polls out today show that Bill Shorten would be Prime Minister if an election were held today. Now I suppose you're going to tell me that you don't take much notice of the polls and there's only one poll that counts, the usual political reply. Are you?

**PRIME MINISTER:**

Well there *is* only one poll that really counts and that is on election day. But I do take notice of the polls naturally, but you've got to weigh it all up. You know there's one poll which shows strong movement in our direction another one shows our vote flat. The most important thing I think is that the polling results today, which are very emphatic and well beyond the margin of error or anything like that, show that there is strong support for the budget. That's really important. People think it's fair, they support the major bank levy by a very big margin, they support the adoption of the Gonski formula and a fair needs-based approach to school funding by a big margin. They support the Medicare levy increase by a very big margin. What that means is that the budget has got a big tick of approval and that is what it's all about. That's the important thing because we want the senators to listen to that, the sentiment that's being reflected from the public, and support all those measures when they come to the senate.

**JOHN LAWS:**

Well there are a couple of polls out today, both of them showing Bill Shorten would be Prime Minister if an election were held today as I said. So there are going to be people, again less generous than myself who are going to say: "Well what the hell was the point of replacing Tony Abbott"?

**PRIME MINISTER:**

Look I don't want to get into a debate about other personalities but the fact is we've had a very strong budget. We've had good support for the budget. It's a responsible budget it's been well reviewed. It's fair, above all it's fair. The next election is two years away and of course the last election which was just short of one year away, we won. So that's the important thing.

We won government, there's an election in two years. And we'll win – we will if we continue to work hard and deliver on good outcomes for the Australian people, we will be returned in two years' time.

**JOHN LAWS:**

Okay. When you say that you don't want to be involved in discussions about other personalities, from that I can assume that you don't want to be involved because you couldn't say anything that was pleasant?

**PRIME MINISTER:**

No John, it's because, you see, my job as Prime Minister is to deliver good government for the Australian people, it's to ensure schools are funded, hospitals and Medicare is funded. To ensure we're defended. You know I'm going out today to Richmond to talk about a big new investment by Northrop Grumman, the big American defence contractor which is going to deliver millions of dollars of investment in Western Sydney at the new Western Sydney Airport, jobs, all of the things, all of the advanced technology, employment and opportunities that is the combination of our investment and defence industry and our commitment to the Western Sydney Airport. Now that's what people are most, that's what they're focused on. But there is a conversation that goes on in the political bubble in the press gallery that is all about polls and personalities. But it is honestly way removed from the real concerns or the real priorities of the vast majority of Australians.

**JOHN LAWS:**

Okay so should we not take any notice of the polls? Or the personalities?

**PRIME MINISTER:**

Well you can take as much notice as you like John, everyone's entitled to seek their entertainment choices, there is a range of options.

(Laughter)

But from my point of view the important thing is to deliver for the Australian people and I've got to ensure that we bring the budget back into balance because otherwise we throw a mountain of debt onto the shoulders of our children and grandchildren. I've got to ensure that our schools are well and fairly funded, that Medicare is guaranteed, that the Disability Insurance Scheme is paid for, that we're making the investments in defence and security to keep us safe, now and in the years to come.

**JOHN LAWS:**

Why are you talking up the benefits of company tax in one breath and imposing a pretty heavy levy on the country's five biggest banks? To me that seems rather inconsistent.

**PRIME MINISTER:**

It's not actually, it's quite consistent. We obviously need to raise more revenue, the big banks in particular get – they are the most profitable banks in the world –

**JOHN LAWS:**

Okay but can I ask this. When you say we obviously need to produce more revenue, why? Have we over-spent?

**PRIME MINISTER:**

Well I don't know whether we've overspent John I wouldn't say that.

**JOHN LAWS:**

Well you're the boss.

**PRIME MINISTER:**

Hang on, just let me finish. The fact is we have sought to reduce the deficit by cutting spending. We have managed to succeed in achieving about \$25 billion of savings through the senate. Spending is growing at a much lower rate than we inherited from the Labor Party so we have hauled spending back in. But not as far as we would have liked, now the reality is that we have to live with the Australian Parliament the people elected. That is why, you know, we can't keep on assuming that we can get savings measures through the senate that they keep on rejecting.

This budget is a reality check and in order to bring the budget back into balance, we've had to raise more revenue. Now just getting back to the banks, they are the most profitable banks in the world.

**JOHN LAWS:**

They are.

**PRIME MINISTER:**

No question about that. They do benefit massively from the financial stability that is delivered by the Australian government's financial regulation. Levies of this kind are commonplace in other jurisdictions – in Europe, the UK in particular – so I think it is fair. Obviously nobody likes paying more tax but it has been very well received.

As to company tax overall, again, the question is, do you want Australian companies, this is the broad range of companies – to be competitive or not? Now company taxes are coming down across the world. Donald Trump, whom I was with just the other day, wants to reduce American company tax to 15 per cent. Do you seriously think we can be competitive with a company tax at 30? Now I don't think we can. I think we've got to bring company tax down to protect Australian jobs. That's what it's all about. It's not about being, you know, being nice to big companies. It's about supporting Australian jobs.

We've already got company tax cut down to 27.5 per cent legislated over the next few years for companies with turnovers up to \$50 million, so that's say small and medium businesses. But we will need to go further, particularly as other countries reduce their company tax.

**JOHN LAWS:**

What about personal tax?

**PRIME MINISTER:**

Well personal tax is very high in Australia.

**JOHN LAWS:**

Very.

**PRIME MINISTER:**

It is high and you can see that Bill Shorten wants to have a top marginal rate of 49.5 per cent permanently. Now coming in at \$180,000, that is going to be, that is a very negative signal for people to earn more, to work harder, to you know, invest more. So we believe that is a very negative signal, whereas you would end up, essentially saying to someone who is earning over 180,000: "Work one day for yourself and the next day for the government."

**JOHN LAWS:**

Yeah but tell me, you still didn't answer the question, what do you intend to do about personal tax? Are you just going to leave it the way it is?

**PRIME MINISTER:**

Whenever we can reduce it, we will. As we have, as we did in the last budget. But you've obviously got to do so affordably. In the last budget as you know, we increased the threshold from 80 to 87,000 so that about half a million people didn't go, won't in the next three years, go into the second highest tax bracket.

**JOHN LAWS:**

Do you concede that it's impossible to stop the banks from passing on additional costs to customers, shareholders?

**PRIME MINISTER:**

Well they can run their businesses as they wish but it is generally seen in the industry – and you can see this is some of the commentary – that they will not be passing this on or at least not passing it all on. They're going to be very carefully monitored, they are very profitable and they will be monitored by the ACCC. But you know, it's a competitive market John and there are lots of other banks, smaller banks that are not affected by the levy that

will be – I'm sure – more than happy to take people's business and provide them with their mortgages if the big banks don't treat them right.

**JOHN LAWS:**

Yes well I'm quite sure that will happen.

**PRIME MINISTER:**

So it's a combination of transparency and competition that will ensure they're under pressure to do the right thing.

**JOHN LAWS:**

Okay but the ACCC can't dictate to the banks.

**PRIME MINISTER:**

No they can't but they can certainly, if banks – the levy of 6 basis points, so that's 0.06 of a per cent on their liabilities, is a lot of money when you add it up per annum, it's 1.5 billion but that's against, \$1.5 billion in additional expense for them, but that's against \$33 billion in after tax profits. So it's put in context. It's not as big an additional cost for example as, you know, a 0.25 per cent in interest rates.

**JOHN LAWS:**

Yeah but nonetheless what I'm saying is right isn't it, that you can't stop the banks from passing on those additional costs?

**PRIME MINISTER:**

No you cannot stop them from doing so but there are plenty of factors that will inhibit them from doing so.

**JOHN LAWS:**

It would appear to me that Bill Shorten has a number of inconstancies of his own. Apparently it was alright for Julia Gillard to raise Medicare levy to fund the NDIS, but it's a different story when you want to do it. Is inconsistency the nature of politics?

**PRIME MINISTER:**

Well inconsistency is the nature of Bill Shorten, it should almost be his middle name. You know this a guy who a few years ago said you would have to be dumb not to support an increase in the Medicare Levy to support the NDIS. Now the problem is Labor didn't fund it, or they didn't fund it fully I should say. So what we're seeking to do, is do that. He is again back flipping on the values and principles he espoused a few years ago. It's the same thing with almost every other issue, you know Bill Shorten is utterly unconcerned about consistency, he's unconcerned about the facts, you know he is a master of misrepresentation and inconsistency.

**JOHN LAWS:**

I'll tell you what Prime Minister, for somebody who didn't want to get involved in personal criticism you've just given him a good workout.

**PRIME MINISTER:**

Well it's a fair comment, it's not a personal comment it's a comment on the way he conducts himself.

(Laughter)

There's many examples John if you want to go through them.

**JOHN LAWS:**

Oh I know there are many examples, I'm not arguing with you. I'm just fascinated about the political line that never fails to fascinate me.

**PRIME MINISTER:**

Oh well, that's good.

**JOHN LAWS:**

Well it is good. What do you do if the Senate blocks the Medicare Levy?

**PRIME MINISTER:**

Well we're confident they'll pass it. We get, obviously it's a legitimate question you know, what will you do if the Senate does x or y? We've had many successes in getting legislation through the Senate, whether it was the big industrial relations bills that we took to the election. You know the restoration of the building and construction commission and registered originations bill, whether it was the childcare reforms, whether it was the company tax cuts for companies up to \$50 million turnover. All of these measures we were told would not get through the Senate and they did. So it's a question of sitting down, respecting the senators and negotiating with them one at a time.

**JOHN LAWS:**

Just on another subject, what was the point of the Commonwealth buying out New South Wales and Victoria in the Snowy Mountains Scheme? I mean it already was in taxpayer hands. I didn't understand that.

**PRIME MINISTER:**

Yes it is, the Snowy Hydro is going to need additional investment as it expands. We're going to increase its capacity by 50%, with Snowy Hydro 2.0. This is really fulfilling the complete vision of the founders of that great scheme. New South Wales and Victoria have been keen to sell for some time, it clearly should remain in public hands, it's a great, you know, it's the classic nation building iconic asset. So we are prepared to do, subject to



agreeing on the price and the details, we're prepare to take Victoria and New South Wales out so that it will become wholly owned by the Australian Government then, on the basis that they reinvest the proceeds into priority infrastructure in their respective states – in New South Wales and Victoria. So it's better for Snowy Hydro one to be in national hands, two to be held by a government that is really enthusiastic as mine is about its future and about its importance in our new energy economy.

**JOHN LAWS:**

The nation's interest bill is approaching something like \$20 billion a year, can we afford that?

**PRIME MINISTER:**

Well we certainly can't afford to keep running up debt and that's why we've got to get the deficit down and you'll see by what we're doing in the budget we're bringing the deficit down over the next few years to the point where in 2021 we'll be \$7.4 billion in surplus and what we're doing is bringing net debt down so that it will actually peak, net debt is obviously what matters, that's the difference between our financial assets and liabilities. And it will actually peak in next financial year, in 20- sorry financial year after next, 2018/19 and then it will start to come down both in dollar terms and as a percentage of GDP. But that's because we're bringing the budget back into balance. And you know we will have a surplus in 2021 and that is because of savings, yes any additional spending in the budget is matched by savings, but we are obviously raising additional revenue, we regret that, having to do that. But the alternative would be simply to throw that mountain of debt and deficit onto the shoulders of our children and grandchildren. We can't do that.

**JOHN LAWS:**

What's all this nonsense about good debt and bad debt? Debt's debt isn't it?

**PRIME MINISTER:**

Well John, yes all debt is. But if you think about it, it's the difference between, you know, a household running up debt to pay, you know, your credit card, your holidays and household expenses and borrowing money to extend your house or buy a property or buy some assets. So the point that Scott was making there, and I think it's one that Australians understand, is that when you're borrowing money to build a railway, build economic infrastructure, expand the Snowy Hydro for example, all of those, that's investment. That's investing for the future. That is investing in infrastructure for the future and that is clearly what you have to do, it's one of the important things you need to do to secure the future for our kids.

**JOHN LAWS:**

Okay but all in all-

**PRIME MINISTER:**

Yep.

**JOHN LAWS:**

What do Australian's need to worry about?

**PRIME MINISTER:**

Well they need to worry about the prospect of a Bill Shorten Labor Government and that's the biggest threat.

**JOHN LAWS:**

You can't help yourself can you?

(Laughter)

**PRIME MINISTER:**

But John, life is a series of alternatives and you know in politics you've got the alternative. I mean the election is two years away of course, but you can see the way I operate in a business-like, responsible manner. Making the tough decisions, making the savings that we can, cutting spending where we can. But where we are unable to do so, then raising the additional revenue to bring the budget back into balance. Investing in the future, building the Inland Rail, expanding Snowy Hydro, building Western Sydney Airport. You know these are projects that people have talked about for decades. In fact I was told the other day that the Inland Rail, the Melbourne to Brisbane Inland Rail which – you know regional Australia better than most – that is going to open up all of that inland region. They've been talking about that since Federation. Since the late 1890s they started talking about that. We're going to get on and build it. Western Sydney Airport maybe not since the 1890s but certainly since the 1980s or 1970s. Again I'm going to get on and build it. We are going to build it and we're committed to do that. And we've got the money to do that. Now that is securing our future. Just in the same way, bringing the budget back into the balance secures our future.

**JOHN LAWS:**

Just quickly because I know you've got to go to other appointments, what do you make of this lunatic Kim Jong-un and his missiles that he's hurtling around all over the place.

**PRIME MINISTER:**

Well he's a very dangerous, reckless leader and his government is a big threat to our security in the region. That's why we're increasing – we being the global community – are increasing sanctions against North Korea. But as I have said many times and as President Trump has said, the greatest responsibility lies with China because they have the greatest leverage over North Korea. I'm not saying he's doing their bidding, far from it. The Chinese have had plenty of frustrations in dealing with North Korea. It's not a satellite of China in the way East Germany was say in the Soviet Union. But

having said that, they have the greatest influence, the greatest leverage and hence the greatest responsibility.

**JOHN LAWS:**

Yeah Vladimir Putin is he as dangerous as many people believe?

**PRIME MINISTER:**

Well he has certainly demonstrated a just reckless, quite a deliberate disregard for international law. The way he moved into the Crimea, the way he has moved into parts of the Ukraine. Again there are sanctions against Russia which have been biting. We need to see all nations settle disputes lawfully, peacefully in accordance with international law.

**JOHN LAWS:**

Do you think you can do that with a man like Putin?

**PRIME MINISTER:**

Well I think that eventually self-interest will prevail. I mean Russia's economy is struggling under the weight of the sanctions. And that is why I am reasonably confident that before too long they will be seeking to reach an accommodation both with the European Union and with the United States in particular.

**JOHN LAWS:**

Yep that old self-preservation is a pretty strong sentiment isn't it?

**PRIME MINISTER:**

That's right. As many have said, in the great race of life always back self-interest because you know it's trying.

**JOHN LAWS:**

Well that's right. Well Putin is in China at the moment meeting with the Chinese President. I'd like to be a fly on the wall there wouldn't you?

**PRIME MINISTER:**

Yes, I think that would probably be pretty interesting I would think John.

**JOHN LAWS:**

Yes. Is Donald Trump capable of running what is the so-called most important country in the world?

**PRIME MINISTER:**

Of course. Yes, he is absolutely. He is showing real leadership, look at the way he's responded decisively to the chemical weapons attack in Syria and he

has been engaging very constructively with China on a range of issues. No, Lucy and I had a very good meeting with President Trump and Melania, they were so welcoming it was very warm. As I said it was more family than formal. The President and I obviously had a very detailed private conversation, but it was a very warm occasion and particularly to meet at a commemoration of the Battle of the Coral Sea. You know that was the real turning point, first turning point in the Pacific War in 1942 and when Australia and the US Navy and the Royal Australian Navy fought together to turn the Japanese back from an invasion that was set to, and would undoubtedly without that battle, have taken Port Moresby and cut Australia off from the United States.

**JOHN LAWS:**

It would've. There is no doubt about it, so we've got to remember that. I know you've got to move on to probably far more important things than having a yarn to me but-

**PRIME MINISTER:**

You and all your thousands of listeners John, it's very important. But yes we are heading out to Richmond shortly as I said, to make the announcement about the Northrop Grumman investment. That is again all about jobs and development in Western Sydney and around the Western Sydney Airport.

You know this, you're going to see over the next 20 years or more, an additional population the size of Adelaide moving into Western Sydney, so again I am planning ahead for the future by making sure that the Commonwealth Government makes the investment in the infrastructure, working with the State. Gladys Berejiklian is equally committed to this, working with the state to ensure that there are the economic and all the other opportunities in Western Sydney that people deserve.

**JOHN LAWS:**

Okay so it's an exciting time really for Australia, but it's kind of an exciting time all the time for Australia isn't it?

**PRIME MINISTER:**

It's always exciting John.

**JOHN LAWS:**

It's an exciting country.

**PRIME MINISTER:**

It is a very exciting country there's never been a more exciting time, in human history at the moment. Plenty of challenges, plenty of opportunities, but that's why it needs strong leadership and a commitment to planning for the future, ensuring that we make the right choices today to deliver the better days ahead.

**JOHN LAWS:**

Prime Minister, thank you very, very much for your generosity with time.

**PRIME MINISTER:**

Great to be with you.

**JOHN LAWS:**

You've given us plenty of it and I hope that we get that the opportunity to talk again pretty soon.

**PRIME MINISTER:**

We will.

[ENDS]

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## [\\$50 million for new jobs at the future centre of excellence at Western Sydney Airport](#)

Prime Minister Turnbull and Premier Berejiklian have welcomed Northrop Grumman's \$50 million investment establishing a multi-million dollar Electronic Sustainment Centre of Excellence at the new Western Sydney Airport.

Northrop Grumman's investment will generate new jobs in Sydney's western suburbs, underscoring the vision to transform the regional economy under a City Deal for Western Sydney.

The Centre of Excellence is a key part of Northrop Grumman's commitment to double its workforce in Australia to 1,000.

Northrop Grumman's Centre will be the first anchor tenant in a new high-tech defence and aerospace precinct at the Western Sydney Airport, a key element of the deal. The Centre will be in a prime position to service and maintain aircraft and systems, including for the F35 Joint Strike Fighter and MQ-4C Triton.

The Centre will reach out to universities and training institutions to create partnerships and train the highly skilled technicians essential for Western Sydney's future job needs.

The announcement by Northrop Grumman follows the Turnbull Government's

decision to build a new airport at Western Sydney. The \$5.3 billion investment in the airport is giving businesses the confidence to invest, expand and create tens of thousands of new jobs in Western Sydney.

Northrop Grumman International President, Dave Perry has welcomed the Government's investment.

"The Government's strong commitment to grow the defence industry in Australia gave us the confidence to make this significant investment in Western Sydney", he said.

All three levels of government are working together with business to secure economic growth in Western Sydney and the jobs and security that this brings.

The Government's unprecedented investment in defence capabilities over the next decade, and the determination to maximise Australian industry involvement, will ensure Australia has a robust sovereign defence capability to keep us secure and meet our future strategic needs.

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## [Press conference with the Minister for Health, the Hon. Greg Hunt MP](#)

### **ASSOCIATE PROFESSOR ANTHONY SCHEMBRI – CEO, ST VINCENT'S HOSPITAL SYDNEY:**

Good morning everybody and welcome to the St Vincent's Healthcare Campus. My name's Anthony Schembri – I am the hospital chief. It gives me great pleasure to welcome our special guests, the Prime Minister, Minister Hunt and Professor Kelly from the Heart Foundation to our campus on International Nurses Day and to begin our proceedings I would like to invite the Prime Minister to please say some words.

### **PRIME MINISTER:**

Thank you very much Anthony. It is wonderful to be here at St Vincent's on International Nurses Day and to see the extraordinary work done by the medical team here, the doctors and nurses, here saving lives.

And the budget this year is delivering for health. What we are doing is guaranteeing Medicare and the Pharmaceutical Benefits Scheme. Every year, the money needed to pay for Medicare and the PBS will go into the Medicare Guarantee Fund, and it will have the first call on the Government's revenues, guaranteeing it, securing it for Australians, just as we are guaranteeing the funding for the National Disability Insurance Scheme for the first time, ensuring that by increasing the Medicare levy by 0.5 per cent, we will have that vitally important disability insurance scheme fully funded, so we will be able to say to the parents of a disabled child the support for your child

is always going to be there. It is paid for. It is secured.

Our budget is a fair budget. It is fair because it brings the budget back into balance.

It's fair because it guarantees Medicare and the PBS.

It is fair because it secures funding for schools, that is national, needs-based, as David Gonski recommended, consistent and transparent, vitally important.

And it is fair because we continue to invest in new life-saving medicines. \$1.2 billion committed to new life-saving medicines, including Entresto. We were just talking with Professor Hayward and David Brown a moment ago about that, about what that means for him, as a patient with a chronic heart disease. Life saving and benefits 60,000 Australians. And we have listed 1,400 life-saving drugs like that on the PBS since we came into government.

During Labor's time, they rationed it, they restricted the listings, and only about 300 were listed.

When they are recommended for listing, we put them on the list, and we can do that and we can afford to do it because we're managing the budget responsibly.

And as you know, by the end of the Forward Estimates, by 2021, we will have the budget back into surplus. So again, a mark of the fairness of the budget, we're not throwing a mountain of debt onto the shoulders of our children and grandchildren.

This is a great day, International Nurses Day. It is a great day because the budget is a great budget for health. And I now ask the Minister for Health to say some more about the achievements for health and securing the prospects for our children and grandchildren to lead healthier and more active lives that come out of this budget.

**MINISTER FOR HEALTH:**

Thanks very much, Prime Minister, to Anthony, to Chris, to John. This is a great budget for health, and I'm particularly pleased to talk about it today as the son of a nurse and as the husband of a nurse, I'm delighted to say happy International Nurses Day.

I also want to say, though, that we set out to achieve four things for health in this budget.

To guarantee Medicare and the PBS, which we've done.

To support our hospitals, which we've done with \$2.8 billion of additional funding.

To support mental health and preventative health, which we've done with a half a billion-dollar package, in particular supporting psycho-social

services outside of the NDIS.

And to invest in medical research at extraordinary institutions such as St Vincent's, the Victor Chang, the Garvan Institute, which we've done with a \$1.4 billion investment.

In relation to the Pharmaceutical Benefits Scheme, as the Prime Minister said, we've allocated \$1.2 billion for new and life-saving drugs, and this means that we can do things such as listing Kalydeco, which we did only last week. Cystic fibrosis care for children between two and six, who could not have afforded a drug that would have \$300,000. No ordinary family has any hope ever of funding and supporting a drug like that which can save the lives of their children as we heard today from some of our magnificent medical professionals.

And today we are meeting the patients who are benefitting from Entresto – a drug which will help 60,000 patients around the country, which would otherwise have been beyond the reach of so many of them and that drug can save lives and protect lives. We are investing half a billion dollars in Entresto. We're doing it because we've been able to strike the agreement with Medicines Australia, which allows us to support the PBS, so we will never do what Labor did, when they held back previous drugs from Australian patients.

We are also launching the Prime Minister's Walk For Life initiative – a million steps is the goal to bring 300,000 people in. We are supporting the Heart Foundation with a grant of \$10 million to assist in that, and that will bring older Australians, schoolkids, those who might otherwise need to work against the challenges of obesity and inactivity, to get them involved in a communal way with that walking.

I would now like to introduce Professor Chris Hayward to talk briefly about Entresto and Professor John Kelly from the Heart Foundation to talk about The Healthy Heart Initiative and the Prime Minister's Walk for Life.

**PROFESSOR CHRIS HAYWARD – CARDIOLOGIST, ST VINCENT'S HOSPITAL SYDNEY:**

Thank you Minister, thank you Prime Minister. Entresto is a heart failure drug. Heart failure is a condition where the heart is not pumping strongly enough and people can't live their normal lives without getting short of breath or tired and can't do the normal things. Entresto allows them to do more and importantly also decreases mortality and decreases hospitalisation. So the cost benefit for the government is that patients will not only feel better, but hopefully stay out of hospital and be living longer, and by any mark, that's a good mark for a drug.

**PRIME MINISTER:**

Thank you very much, Chris.

John, now, walking – we've made great progress in public health in Australia with smoking, haven't we? Smoking rates have come down?

**ADJUNCT PROFESSOR JOHN KELLY AM – CEO, THE HEART FOUNDATION:**



We certainly have.

**PRIME MINISTER:**

And the next big challenge is to get Australians to be more active, to reduce obesity, and walking is a great way to do that?

**ADJUNCT PROFESSOR JOHN KELLY AM:**

Physical activity and obesity are the two biggest challenges for the community. It's almost a tsunami coming through. So your \$10 million on Budget night is a great initiative. It will be well spent. We currently have a footprint around the country where we can tap into 300,000 schoolkids through our Jump Rope for Heart programme and we have access to about 2,000 schools – so that will be a, a beginning of a platform. We are going to use community pharmacies, GP practices, primary health care networks.

**PRIME MINISTER:**

Get people walking – more walking groups like the one we met with Happy Heart?

**ADJUNCT PROFESSOR JOHN KELLY AM:**

Absolutely – Happy Heart will be involved – he's a popular figure.

But just some of the issues in respect of physical inactivity – cuts your risk of heart attack and stroke by 35 percent, cuts the risk of colon cancer by 30 per cent – just that extra 30 minutes walking a day, it cuts your risk of Type II diabetes by a massive 42 per cent. It is free, it is easy, it is sociable.

**PRIME MINISTER:**

That's fantastic.

**ADJUNCT PROFESSOR JOHN KELLY AM:**

It's great.

**PRIME MINISTER:**

That's the plan. So more walking, healthier, more active Australia.

**ADJUNCT PROFESSOR JOHN KELLY AM:**

Move more, sit less.

**PRIME MINISTER:**

Move more, sit less – that's right! Fantastic.

**ADJUNCT PROFESSOR JOHN KELLY AM:**

Certainly your imprimatur, in terms of your awards, handout for the millions, we'll get those moving and we'll monitor those in terms of some type of technology so we can keep an eye on people.

**PRIME MINISTER:**

Yes, that's right, so it will hopefully become mildly competitive.

**ADJUNCT PROFESSOR JOHN KELLY AM:**

Well we're outcome-driven of course.

**PRIME MINISTER:**

Outcome-driven, very good!

Alright, we can take some questions now for Greg and myself and the doctors and professors, if you like.

**JOURNALIST:**

Prime Minister, on the question of the levy to fund the NDIS, are you open at all to a Labor proposition to exempt workers on lower tax rates from it?

**PRIME MINISTER:**

We have a very fair proposition. We are confident that the Senate will approve it. We call on the Labor Party to support it, and we call on Bill Shorten to be consistent. I know that that is aspirational, I know. But nonetheless, I'm being very positive and aspirational about Mr Shorten. Only a few years ago, he said that anyone who did not support an increase in the Medicare levy by half a per cent, this is during the Gillard government, to go towards funding the NDIS was dumb. He said it was so obvious, and he called on the Coalition to support it, and the Coalition did. And what we are saying no you is we know – and he has admitted in his budget reply, that the NDIS is not fully funded. I mean, he has admitted that.

So let's fully fund it. It protects every Australian. Let's ensure that the Medicare levy is increased by half a per cent. It is fair. Obviously people on the lower incomes pay much less because it is half a per cent of income. People on higher incomes pay a lot more, so it is fair, it is consistent.

And what it will mean is it will take the funding of the National Disability Insurance Scheme out of politics. Let's depoliticise this. Let's just pay for it.

You know, the time has come to pay for the Disability Insurance Scheme and the best way to do that is transparently through that levy. So it would be 1 per cent of the Medicare levy's 2.5 per cent that would go to the NDIS, and I think that's fair.

**JOURNALIST:**

On drug testing of welfare recipients Prime Minister, have you talked to any doctors or experts in the area with relation to this policy or trial? Have they informed this decision or is it just talking to someone like George Christensen who has been going on about this for a long time?

**PRIME MINISTER:**

Well, I think it's pretty obvious that welfare money should not be used to buy drugs, and if you love somebody who is addicted to drugs, if you love somebody whose life is being destroyed by drugs, don't you want to get them off drugs? Don't you want to reach out and help them? And what this trial will do – I hope it is a big success and if so it will roll out further – but imagine if this could make a change in people's lives so they were not taking drugs, so they were not destroying their lives, so they were not destroying the lives of their families, so they were not making themselves unemployable.

If you love somebody who is addicted to drug, then you would do everything you can to get them off drugs.

This is a policy that is based on love, and a commitment to support Australians.

**JOURNALIST:**

What about facts though? Is it based on science and facts or medicine, or is it just based on love?

**PRIME MINISTER:**

It is based on the plain commonsense – which apparently we don't share – but it is plainly sensible, rational, compassionate to ensure as far as possible, that people are not addicted to drugs, and certainly welfare payments should not be used to buy drugs.

Now, you may disagree with that. I believe that Greg and I and our Government stand with the vast majority of Australians in saying that people who are on welfare and are addicted to drugs, should be helped to get off those drugs.

**JOURNALIST:**

Prime Minister, just back to the Medicare levy – could you say, firstly, does the increase in the Medicare levy disproportionately put the burden on higher-income earners, as some reports have said today? Secondly, Andrew Leigh has said repeatedly today that the NDIS under Labor was fully funded. Could you comment on that?

**PRIME MINISTER:**

Well, the NDIS under Labor was not fully funded. That is absolutely clear, it plainly wasn't. They went to the last election promising \$16.5 billion of larger deficits. So Labor, the difficulty with Labor is they spend the same money again and again. The Labor Party is not capable of living within its means.

Now, this Budget of ours, yes, it does raise, it increases the Medicare levy, it imposes a levy on banks. There are revenue-raising measures there.

But what it does is it secures fair, needs-based school funding.

It secures Medicare and the Pharmaceutical Benefits Scheme, it secures the National Disability Insurance Scheme.

It secures the life-saving drugs and the mental health services that Greg spoke about, the research.

It is a budget that secures the essential services Australians need, and in doing so, provides the security they deserve.

But above all, it is a fair budget.

One of the great hallmarks of that fairness is that when you get to 2020/21, we are in surplus \$7.4 billion and the debt will start to come down.

**JOURNALIST:**

Have you seen the footage of Miriam Merten?

**PRIME MINISTER:**

Sorry, I'll ask Greg to deal with that.

**MINISTER FOR HEALTH:**

Yes, I have. It is deeply distressing. It is utterly unacceptable. I have spoken with the New South Wales Minister Brad Hazzard this morning. They have taken strong steps, I understand, that those who were involved at the time are no longer in service, but he has our full support and the New South Wales Government has our full support for the strongest possible steps against what was completely unacceptable.

**JOURNALIST:**

Prime Minister, this is a bigger problem, though, isn't it? This isn't only just happening in Lismore Hospital? Directed at the Prime Minister-

**MINISTER FOR HEALTH:**

I will speak briefly, just to say that we need stronger mental health services with is precisely why we added \$173 million to mental health services, in conjunction with the mental health sector. We discussed what was required and I would say that this case is extraordinary and completely unacceptable.

**PRIME MINISTER:**

Let me just add to this.

My Government has made record investments into mental health and that has

been acknowledged by the leaders in the field, including Ian Hickey and Pat McGorry and others.

Now, Ian Hickey, Professor Ian Hickey, has got a very good way of framing this issue, and he talks about the mental wealth of nations. All of us have a vested interest in every other Australian's mental health. Mental illness is debilitating not just for the individual who suffers from mental illness and their family, but it diminishes our whole society, our whole nation.

So that is a very good concept and it has inspired me and Greg and our government to put more resources into mental health, working with the states, working with the professions, working with the community. You know, destigmatising mental illness. It has been a big part of it.

And what we need to do is to continue to focus on that and we are. I can assure you it is a very big priority.

Look at what we've done with Veterans' mental health issues. Look at the way we've ensured that if you have served one day, full-time, in the ADF, you are then able to secure support and assistance, you know, treatment, for mental illness.

So we recognise that mental illness is something that has been – taboo is probably too strong a word – but we have turned somewhat of a blind eye to it in the past. We've got to be very alert to it, recognise we all have a vested interest in it and address it.

No government has spent more, federal government has spent more on addressing mental health issues than mine.

**JOURNALIST:**

Prime Minister can you confirm that NATO has asked Australia to send troops to Afghanistan? And can you detail how we'll be responding to that?

**PRIME MINISTER:**

Yes. Thank you.

As you know, I was in Afghanistan only a few weeks ago, thanking, as I was indeed in Baghdad, thanking our troops for their service in the fight against terrorism. It was appropriate to be there at Anzac Day.

Now, when I was in Afghanistan, I had discussions with the commander of the NATO mission there, General Nicholson, I had discussions with the US Secretary of Defense, James Mattis. We have been asked to consider additional resources and we are actively considering that. We're open to that.

As you know, what we are doing in Afghanistan at the moment, we have personnel embedded in various parts of the NATO operation there. But the bulk of our forces are focused on training and mentoring the Afghan National Defence Force. I went out, you may recall, I went out to the defence academy there in Kabul, where we have Australian trainers there and also a force

protection element as well. So we are certainly open to increasing our work there, but we've obviously got to look at the commitments of the ADF in other parts of the region and indeed in other parts of the world.

But it is very important that we continue – we and our other allies – in the effort in Afghanistan, continue to work together, to build up the capacity of Afghanistan's own security forces so that they can keep that country secure from the threat of terrorism, both ISIL and of course the Taliban.

**JOURNALIST:**

Prime Minister, the accused terrorist Neil Prakash is wanted by the United States, by the United Kingdom, by Turkey, by Israel. Why is it so important for Australia to be spending money to go to the effort of bringing him back to Australia?

**PRIME MINISTER:**

Well, what is really important is that Neil Prakash never gets out of jail. He is one of the most dangerous people in that region. He is a financier, a leader, a planner of terrorism. He should never ever be out of jail again.

Now, he's in jail in Turkey. He faces some charges in Turkey at the present time. The Turkish justice system obviously has to go through its process, but he is wanted here. We will seek to extradite him when that's able to be done, back to Australia to face criminal charges here and pay the price for his crimes.

What is vital – you cannot be complacent about a man as dangerous as that. I can tell you, very seriously, very gravely, Neil Prakash should never ever be released from custody. I will do everything I can to ensure that he remains behind bars – full stop.

**JOURNALIST:**

Was your bank levy dreamed up overnight as some in the sector have been suggesting today?

**PRIME MINISTER:**

Absolutely not.

**JOURNALIST:**

The Victorian Premier has accused you of short changing them on infrastructure funding. What's your response to that?

**PRIME MINISTER:**

Well my response to that is that we have made billions of dollars available to infrastructure funding in Victoria and would like to do more. We would like to do more. We look forward to but we need a cooperative state government.

There is also, I might say, the added opportunity – which I've discussed with Daniel Andrews – of the federal government acquiring their share in Snowy Hydro. We would do that, as I discussed with the Premier, on the basis that the proceeds of that were invested in priority infrastructure in Victoria.

So there is an opportunity to do more in Victoria, but what we need obviously, are the projects.

You may recall that we offered to invest in the Melbourne Metro, and the state government said: 'No, we don't need your money.' So we're looking, we're spending \$30 million for example, in addition to the billions we are putting into regional rail and the Monash Freeway and the M80 Ring Road, we are also looking at the prospects or the viability of a Melbourne-to-Tullamarine – Melbourne city to Melbourne Airport rail link. Many people would say it's long overdue. I hope that that is a project that we would be able to work on with the state government. We are prepared to invest.

Now, this is a very important point, and I will just close on this point – historically, federal governments have been like an ATM. Right? They've just handed out grants to the states for infrastructure. I have changed that. My Government is different. Sure, we're making grants, but we are also investing. We are investing. We will invest in Snowy Hydro. We will invest and build the Western Sydney Airport. We are investing and building the inland rail – long called-for. It has been talked about for generations. I think if you go back to Federation they were talking about building an inland rail between Melbourne and Brisbane. We are going to build that.

So we are investing. We are a government that invests. We want to make sure the taxpayer gets value for their dollars, that we are not simply an ATM doling out grants to state governments without any involvement or say or influence over how the money is spent.

So investing, being partners, that's what we're doing and we have committed \$75 billion of investment in infrastructure in the budget. This is a nation-building budget. It is a fair budget and it delivers the opportunity and the security that Australians deserve.

Thank you all very much for being here at St Vincent's.

**[ENDS]**