

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. Its 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 prepared 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]

China increases cybersecurity amid ransomware attack

China's cyberspace authority Monday warned computer users to install and upgrade computer security software to avoid ransomware attacks.

Police and various government authorities have taken response measures against a global ransomware attack, and Internet security companies including Qihoo 360, Tencent and Kingsoft Security have also acted to provide increased security services, according to a statement issued by the cybersecurity coordination bureau of the Cyberspace Administration of China (CAC).

The spread of the ransomware is ongoing, but is slowing down, the statement said.

About 18,000 IP addresses in China have been confirmed as infected with the "WannaCry" ransomware, which began to spread worldwide Friday, according to the National Computer Network Emergency Response Technical Team/Coordination Center (CNCERT).

Another 5,471 IP addresses, mostly in Beijing, Shanghai and coastal provinces such as Guangdong and Zhejiang, are likely to have been infected by the computer virus, according to the center.

"Intranets in many industries and enterprises involving banking, education, electricity, energy, healthcare and transportation have been affected in different extents," it said.

The ransomware has paralyzed the online payment systems at some petrol stations across China since Friday, and also invaded some colleges encrypting papers and other documents.

Once a computer is infected by the ransomware, almost all documents and programs will be encrypted and users are asked to pay to remove the virus, said Han Zhihui, a computer engineer at CNCERT.

Currently, the cybersecurity industry is not aware of an effective means of decryption, Han said.

Han said users could re-install the operating system on infected computers, but risk of losing important data and documents.

The cyberspace authority said this global cyberattack has once again shown the unprecedented internet security challenges, calling on all sectors to address cybersecurity issues.

\$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.

'Tomb raider' arrested after 23 years on the run



Li Yihai, a suspected “tomb raider” is caught after 23 years on the run.
[Photo/thepaper.cn]

A suspected “tomb raider” has been caught after 23 years on the run, police in central China’s Hubei Province said Sunday.

Li Yihai was apprehended Wednesday in south China’s Hainan Province, police confirmed.

In March 1994, one of more than 300 ancient tombs in Hubei’s Jishan Township was raided by thieves who stole a female corpse, as well as other valuable artifacts. The corpse, believed to be more than 2,400 years old, was recovered 39 days later.

Some 23 suspects were detained and more than 20 stolen artifacts retrieved, but Li got away. Police continued to search for Li for more than two decades,

before locating him this month.

[Beijing promotes culture under B&R Initiative](#)



The Mutianyu section of the Great Wall in Huairou, a mountainous district in the north of Beijing, capital of China. [Photo by Cui Can/China.org.cn]

Reporters from home and abroad were invited to visit the International Culture Village of the Great Wall at Mutianyu ahead of the Belt and Road Forum for International Cooperation on May 13, as part of Beijing's efforts to better demonstrate the capital's achievements on protecting cultural relics and building beautiful villages.

Attracted by the charm of the Mutianyu Great Wall, lots of foreigners have settled in nearby villages. Located at the foot of the Great Wall, the International Culture Village covers an area of 17.8 square kilometers and consists of four villages—Mutianyu, Beigou, Tianxianyu and Xinying.

The culture village has attracted 30 foreign entrepreneurs to settle down and establish businesses since 2005.

Jim Spear and his Chinese wife Tang Liang run a hotel named "The Brickyard" at the village. Mr. Spear gave an introduction to their design ideas – "enjoy the luxury of simple comfort," which means getting close to nature and using existing buildings to realize sustainable development.

He also stressed the importance of respecting ancient culture in building new villages. With Spear's help, local villagers have re-decorated their own houses reflecting a mixture of old and the new, and also East and West. They then rent the houses to foreigners. A unique town with international characteristics has gradually taken shape here.

The Mutianyu Great Wall was built on the ruins of a previous structure from the Northern Qi Dynasty (550-577), becoming a quintessence of the Great Wall developing during the Ming Dynasty (1368-1644). As one of the best-preserved parts of the Great Wall, the Mutianyu section draws masses of tourists attracted by its beautiful scenery and traditional culture. Over 70 percent of visitors come from overseas.

Wang Zhigang, deputy manager of Financial Street Holdings Co.Ltd., delivered a welcome address to visiting reporters, pointing out the importance of the Mutianyu Great Wall in promoting international cultural exchanges, as well as describing efforts to protect ancient cultural relics.

"Under the background of the Belt and Road Initiative, we are going to deepen the historical relic's development, and to provide a better travel experience for visitors," he said.