

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]

Better Schools

There is general agreement in Wokingham and West Berkshire that our local schools need some more money. Just before Parliament was dissolved for the election, the government published proposals for fairer funding. The idea is to narrow the gap between the best financed and the worst financed schools by changing the formula for financing them.

I look forward to the government's response to the consultation, as there could be improvements to the formula they proposed. I argued the case for more cash in the last Parliament.

It will be important in the new Parliament to find additional money for education in the years ahead to benefit all state schools. We want good provision for teachers and for all the support staff and buildings it takes to provide a good education. This can come from the proceeds of growth, as tax revenues rise with a growing economy. The best tax collector is growth and success. Often the worst tax collector is higher tax rates, which may curb growth and lead to loss of revenue if ill judged.

I will take the argument to Parliament if elected to find more money overall for schools, and to offer a better share to the lowly funded areas like Wokingham and west Berkshire.

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Higher taxes and the miraculous £6bn more

Several parties are out to show they can deliver more money to public services without hurting most voters. The Lib Dems say they will increase Income Tax by 1p to deliver £6bn more for the NHS and social care. Labour argue for a big hike in the Corporation Tax rate to pay for a wide range of extra public spending and various expensive renationalisations. These views are based on two common fallacies in UK debate.

The first fallacy is an extra few billion will make all the difference. The truth is all parties in government do increase the spending on the NHS, social care and other priorities every year, and all wish to see these services properly funded. Since the Conservative led coalition entered government, total public spending has risen by 20% from £669 bn to £802 bn. Health spending has gone up more, by 23%, from £96bn to £117bn. The Conservative government has promised another £8bn to the NHS and £2bn more to social care, and will doubtless review the figures regularly to see if they are enough or need increasing if re-elected to government. Just adding £6bn as a one off will not suddenly transform the NHS, I doubt there is a thought through budget of how to spend that money and what improvements it would buy. The extra pound has no magical powers not shared with the pounds already being spent.

The second fallacy is the idea of painless tax rises. 1p on Income tax rates sounds modest. That is a 5% increase in the standard rate, a 2.5% increase in the 40% rate and a 2.2% increase in the 45% rate. It means hundreds of pounds extra for most earners. That is money which families cannot then spend on their priorities.

The proposal for a big rise in Corporation Tax might well backfire. Having a low rate by international standards is one of the ways the UK attracts substantial inward investment, building a strong presence by many dynamic international companies here. Over the period when the reductions in rate have been put in, our revenue from Corporation Tax has gone up. Why wouldn't we lose some revenue if we push the tax rate up, especially at a time when the USA is planning a major move the other way. I have no wish to be a soft touch for big business, but it does seem we are finding the right levels of Corporation Tax to get them to pay more.

In 2009-10 the Corporation Tax rate was 28% and the tax take was £36bn/ £6.4 bn of that came from North Sea oil. This year the rate is 19% and the estimate is for £46bn of tax revenue with no revenue from North Sea oil. The take has gone up in recent years despite a major reduction in North Sea volumes of output. So by cutting the rate from 28% to 19 we have gained 28% more revenue, or an impressive 55% if you adjust for the ending of North Sea

taxable output.

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[Interview with Samantha Armytage, Sunrise](#)

SAMANTHA ARMYTAGE:

Malcolm Turnbull joins us in the studio this morning to talk all things Budget, Prime Minister good morning.

PRIME MINISTER:

Good morning.

SAMANTHA ARMYTAGE:

Welcome. Let's get straight into it. You've said repeatedly over the last few days that better times are ahead. Average Australians are getting hit with taxes, there's banks and Medicare levies to come, high school fees, increased uni fees, why should we be happy?

PRIME MINISTER:

Well because what we've delivered is a fair Budget. It's going to guarantee the National Disability Insurance Scheme, so we'll be able to say to every mum and every dad of a child with a disability: "You can be assured the support will always be there for you." Labor left the Disability Insurance Scheme unfunded and we're fixing that. You know, Mr Shorten has given a very political speech last night but we call on him to support what we're doing with the Disability Insurance Scheme and give parents, disabled children and of course adults, whether they're young or older, to ensure that they get the support they need.

SAMANTHA ARMYTAGE:

A Sunrise Facebook poll, a Sunrise Facebook Poll suggested most people feel they'll be worse off under this Budget. 20, 71 per cent say they feel like they'll be worse off – that's a huge majority. Is it fair to say it hasn't been well received?

PRIME MINISTER:

Well I believe it has been well received because Australians know that this is a fair Budget. It guarantees fair needs-based school funding right across

Australia. It guarantees Medicare and the Pharmaceutical Benefits Scheme and it guarantees the funding for the National Disability Insurance Scheme. And at the same time as it does all of that, it puts \$75 billion into the infrastructure we need for the future, including Snowy Hydro, including the Inland Rail, including the Western Sydney airport. It also brings the Budget back into balance, so by 2020/21 we're \$7.4 billion in surplus. That again is fair Sam, because what it means is, we're not throwing a mountain of debt onto the shoulders of our kids.

SAMANTHA ARMYTAGE:

It was a very, very Labor looking Budget. What do you say to the core Coalition voters today? Even Bill Shorten struggled to find something to criticize. He's focusing on company tax because that's about the only core Liberal thing in this Budget.

PRIME MINISTER:

Well Sam, I disagree with that, the core Liberal value is competent economic management. Now we've made a lot of savings from Labor's reckless spending. We've saved about \$25 billion. We would have liked to have saved more but we can't get them through the Senate.

SAMANTHA ARMYTAGE:

By taxing everything.

PRIME MINISTER:

No by reducing spending. But what we need to do is live with the Parliament the Australian people elected.

SAMANTHA ARMYTAGE:

I saw a lot of spending in this. After Scott Morrison has said to us, he sits here often, and he says: "We need to tighten our belts, we can't stop spending on the never-never." And then he brings down a Budget that is high, high spending.

PRIME MINISTER:

Well actually spending is coming down to very close to the long term average. We're getting it back down; it was down to 25 percent. So we have been, spending has been growing at a much more restrained pace than it was under Labor and the rate we inherited. So we have slowed the growth in spending.

But Sam, you know, the reality is we are, you know, the population is getting older. We need to spend more money on Pharmaceutical Benefits and Medicare. We've got to make sure that our kids get the great education they need, so we're focused on having a fair distribution of resources, needs-based, consistent. Bill Shorten did 27 secret deals. We're implementing David Gonski's vision of fair, needs-based school funding across Australia and at the same time, we're making sure they get the quality education they need. So

we get the right outcomes.

SAMANTHA ARMYTAGE:

Alright. Now taxing the banks, I guess, sounded like a nice idea at the time. They are now saying, they're not even hiding the fact, they are outright saying they will pass on this levy to customers – which is all of us – through increased interest rates and I guess increased fees on accounts. It hasn't really worked, has it? This idea to tax the big banks?

PRIME MINISTER:

We will raise \$6 billion over the forward estimates. The banks –

SAMANTHA ARMYTAGE:

But we will have to pay for it, the banks won't absorb this.

PRIME MINISTER:

Well Sam, we will see. Let me make a couple of points. Firstly, this is a relatively small cost compared to their \$32 billion of profits.

SAMANTHA ARMYTAGE:

But they said they won't wear this.

PRIME MINISTER:

Let me just go on. They are in a competitive environment. There are other banks that are not subject to the levy that will be able to compete with them. So if people feel that you know, Westpac or the Commonwealth is charging them too much, they can take their business somewhere else.

SAMANTHA ARMYTAGE:

But all the big banks are going to do this, so there isn't another bank to go to.

PRIME MINISTER:

No, no hang on.

SAMANTHA ARMYTAGE:

Most people don't trust particularly trust credit unions particularly if there was say another GFC or something.

PRIME MINISTER:

Well there are many smaller banks. I mean you've got Bendigo Bank you've got Suncorp; I mean it's not as though the –

SAMANTHA ARMYTAGE:

So if all Australians left the big banks and we all went to the credit union, then we don't have a strong banking industry. Then we're really in trouble.

PRIME MINISTER:

Sam, you shouldn't run up the white flag and surrender to the banks. They are the most profitable banks in the world. They benefit from the stable system that we have –

SAMANTHA ARMYTAGE:

I understand that.

PRIME MINISTER:

It's only fair that they pay their share and they can afford it. They don't have to hit their customers for it, they know that, their customers know that. The ACCC will be monitoring it, and there is competition in the marketplace.

SAMANTHA ARMYTAGE:

Okay, how can the ACCC stop this? Stop them passing it on to us?

PRIME MINISTER:

What the ACCC can do is scrutinise what they say and scrutinise and make sure –

SAMANTHA ARMYTAGE:

Is that enough?

PRIME MINISTER:

Yes, because what the challenge always was with banks, is that they claim to be passing on costs and are either are passing on costs that don't exist, or passing on more than the costs incurred. So they need to be held to account.

I have to say you know the big stockbroking firms, who comment on the banks, a number of them have said that they do not believe they will be able, effectively, to pass on this cost. So that's been the opinion, you know Citibank is one of the big broking firms made that observation.

Look, we will see. But I can assure you, competition, ACCC, and at the end of the day, they have got to start delivering the service and earning the confidence of their customers and as I said, they are the most profitable banks in the world.

SAMANTHA ARMYTAGE:

Yes, we know that.

PRIME MINISTER:

Oh, you know that?

(Laughter).

SAMANTHA ARMYTAGE:

We know that, but they got that way by being pretty ruthless. So it concerns me and all Australians that they will do that again in this scenario.

PRIME MINISTER:

Well, this is a very fair contribution that they're making and if they try to take it out on the customers, their customers will react very negatively towards them. They will find those customers leaving.

SAMANTHA ARMYTAGE:

Okay, alright, last night Bill Shorten gave his budget reply speech in the House and it was watched on by his wife, Chloe. She started the night – I want to get your thoughts on this Prime Minister – she started the night wearing a gold jacket and a gold necklace. And throughout the speech, she removes the necklace. Now there are reports in the newspapers this morning that your MPs thought she took that necklace off during Mr Shorten's speech about battlers and being from Moonee Ponds. Do you know if that is true?

PRIME MINISTER:

I don't know. To be honest, I wasn't you know – I've seen the pictures of Mrs Shorten there, but I was paying attention to the speech.

SAMANTHA ARMYTAGE:

Okay, alright.

Now News Corp is reporting this morning. Let's talk about Australia's most notorious Islamic terrorist Neil Prakash. He could face a Melbourne court within 12 months. Do you believe his extradition from Turkey where he is in jail, will actually happen?

PRIME MINISTER:

Yes, yes we do. We have an extradition treaty with Turkey. It's just as well we do, because otherwise we wouldn't be able to get him back and ensure that this man faces justice in Australia.

SAMANTHA ARMYTAGE:

Do you know what sort of time frame we're looking at there?

PRIME MINISTER:

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Okay, sounds good.

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SAMANTHA ARMYTAGE:

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SAMANTHA ARMYTAGE:

I bet they are! Alright Prime Minister, lovely to see you thank you for your time

PRIME MINISTER:

Great to see you.

[ENDS]

[Interview with Samantha Armytage, Sunrise](#)

SAMANTHA ARMYTAGE:

Malcolm Turnbull joins us in the studio this morning to talk all things Budget, Prime Minister good morning.

PRIME MINISTER:

Good morning.

SAMANTHA ARMYTAGE:

Welcome. Let's get straight into it. You've said repeatedly over the last few days that better times are ahead. Average Australians are getting hit with taxes, there's banks and Medicare levies to come, high school fees, increased uni fees, why should we be happy?

PRIME MINISTER:

Well because what we've delivered is a fair Budget. It's going to guarantee the National Disability Insurance Scheme, so we'll be able to say to every mum and every dad of a child with a disability: "You can be assured the support will always be there for you." Labor left the Disability Insurance Scheme unfunded and we're fixing that. You know, Mr Shorten has given a very political speech last night but we call on him to support what we're doing with the Disability Insurance Scheme and give parents, disabled children and of course adults, whether they're young or older, to ensure that they get the support they need.

SAMANTHA ARMYTAGE:

A Sunrise Facebook poll, a Sunrise Facebook Poll suggested most people feel they'll be worse off under this Budget. 20, 71 per cent say they feel like they'll be worse off – that's a huge majority. Is it fair to say it hasn't been well received?

PRIME MINISTER:

Well I believe it has been well received because Australians know that this

is a fair Budget. It guarantees fair needs-based school funding right across Australia. It guarantees Medicare and the Pharmaceutical Benefits Scheme and it guarantees the funding for the National Disability Insurance Scheme. And at the same time as it does all of that, it puts \$75 billion into the infrastructure we need for the future, including Snowy Hydro, including the Inland Rail, including the Western Sydney airport. It also brings the Budget back into balance, so by 2020/21 we're \$7.4 billion in surplus. That again is fair Sam, because what it means is, we're not throwing a mountain of debt onto the shoulders of our kids.

SAMANTHA ARMYTAGE:

It was a very, very Labor looking Budget. What do you say to the core Coalition voters today? Even Bill Shorten struggled to find something to criticize. He's focusing on company tax because that's about the only core Liberal thing in this Budget.

PRIME MINISTER:

Well Sam, I disagree with that, the core Liberal value is competent economic management. Now we've made a lot of savings from Labor's reckless spending. We've saved about \$25 billion. We would have liked to saved more but we can't get them through the Senate.

SAMANTHA ARMYTAGE:

By taxing everything.

PRIME MINISTER:

No by reducing spending. But what we need to do is live with the Parliament the Australian people elected.

SAMANTHA ARMYTAGE:

I saw a lot of spending in this. After Scott Morrison has said to us, he sits here often, and he says: "We need to tighten our belts, we can't stop spending on the never-never." And then he brings down a Budget that is high, high spending.

PRIME MINISTER:

Well actually spending is coming down to very close to the long term average. We're getting it back down; it was down to 25 percent. So we have been, spending has been growing at a much more restrained pace than it was under Labor and the rate we inherited. So we have slowed the growth in spending.

But Sam, you know, the reality is we are, you know, the population is getting older. We need to spend more money on Pharmaceutical Benefits and Medicare. We've got to make sure that our kids get the great education they need, so we're focused on having a fair distribution of resources, needs-based, consistent. Bill Shorten did 27 secret deals. We're implementing David Gonski's vision of fair, needs-based school funding across Australia and at

the same time, we're making sure they get the quality education they need. So we get the right outcomes.

SAMANTHA ARMYTAGE:

Alright. Now taxing the banks, I guess, sounded like a nice idea at the time. They are now saying, they're not even hiding the fact, they are outright saying they will pass on this levy to customers – which is all of us – through increased interest rates and I guess increased fees on accounts. It hasn't really worked, has it? This idea to tax the big banks?

PRIME MINISTER:

We will raise \$6 billion over the forward estimates. The banks –

SAMANTHA ARMYTAGE:

But we will have to pay for it, the banks won't absorb this.

PRIME MINISTER:

Well Sam, we will see. Let me make a couple of points. Firstly, this is a relatively small cost compared to their \$32 billion of profits.

SAMANTHA ARMYTAGE:

But they said they won't wear this.

PRIME MINISTER:

Let me just go on. They are in a competitive environment. There are other banks that are not subject to the levy that will be able to compete with them. So if people feel that you know, Westpac or the Commonwealth is charging them too much, they can take their business somewhere else.

SAMANTHA ARMYTAGE:

But all the big banks are going to do this, so there isn't another bank to go to.

PRIME MINISTER:

No, no hang on.

SAMANTHA ARMYTAGE:

Most people don't trust particularly trust credit unions particularly if there was say another GFC or something.

PRIME MINISTER:

Well there are many smaller banks. I mean you've got Bendigo Bank you've got Suncorp; I mean it's not as though the –

SAMANTHA ARMYTAGE:

So if all Australians left the big banks and we all went to the credit union, then we don't have a strong banking industry. Then we're really in trouble.

PRIME MINISTER:

Sam, you shouldn't run up the white flag and surrender to the banks. They are the most profitable banks in the world. They benefit from the stable system that we have –

SAMANTHA ARMYTAGE:

I understand that.

PRIME MINISTER:

It's only fair that they pay their share and they can afford it. They don't have to hit their customers for it, they know that, their customers know that. The ACCC will be monitoring it, and there is competition in the marketplace.

SAMANTHA ARMYTAGE:

Okay, how can the ACCC stop this? Stop them passing it on to us?

PRIME MINISTER:

What the ACCC can do is scrutinise what they say and scrutinise and make sure –

SAMANTHA ARMYTAGE:

Is that enough?

PRIME MINISTER:

Yes, because what the challenge always was with banks, is that they claim to be passing on costs and are either are passing on costs that don't exist, or passing on more than the costs incurred. So they need to be held to account.

I have to say you know the big stockbroking firms, who comment on the banks, a number of them have said that they do not believe they will be able, effectively, to pass on this cost. So that's been the opinion, you know Citibank is one of the big broking firms made that observation.

Look, we will see. But I can assure you, competition, ACCC, and at the end of the day, they have got to start delivering the service and earning the confidence of their customers and as I said, they are the most profitable banks in the world.

SAMANTHA ARMYTAGE:

Yes, we know that.

PRIME MINISTER:

Oh, you know that?

(Laughter).

SAMANTHA ARMYTAGE:

We know that, but they got that way by being pretty ruthless. So it concerns me and all Australians that they will do that again in this scenario.

PRIME MINISTER:

Well, this is a very fair contribution that they're making and if they try to take it out on the customers, their customers will react very negatively towards them. They will find those customers leaving.

SAMANTHA ARMYTAGE:

Okay, alright, last night Bill Shorten gave his budget reply speech in the House and it was watched on by his wife, Chloe. She started the night – I want to get your thoughts on this Prime Minister – she started the night wearing a gold jacket and a gold necklace. And throughout the speech, she removes the necklace. Now there are reports in the newspapers this morning that your MPs thought she took that necklace off during Mr Shorten's speech about battlers and being from Moonee Ponds. Do you know if that is true?

PRIME MINISTER:

I don't know. To be honest, I wasn't you know – I've seen the pictures of Mrs Shorten there, but I was paying attention to the speech.

SAMANTHA ARMYTAGE:

Okay, alright.

Now News Corp is reporting this morning. Let's talk about Australia's most notorious Islamic terrorist Neil Prakash. He could face a Melbourne court within 12 months. Do you believe his extradition from Turkey where he is in jail, will actually happen?

PRIME MINISTER:

Yes, yes we do. We have an extradition treaty with Turkey. It's just as well we do, because otherwise we wouldn't be able to get him back and ensure that this man faces justice in Australia.

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