

Statement by the Spokesperson on the violence in Venezuela

Tens of civilians have died during demonstrations in the last weeks in Venezuela. Such violence is an obstacle to peaceful solutions to the crisis in the country.

Authorities must ensure fundamental freedoms and rights to peacefully protest. And it is critical that all parties work seriously and in good faith towards a de-escalation of the tensions.

We extend our condolences to the families of all the victims and expect all cases to be investigated thoroughly and those responsible to be held accountable.

Respect for the Constitution and democratic principles, including the recognition of the role of the National Assembly and a clear electoral calendar, are essential conditions to ease the tension and bring all Venezuelans together.

Statement by Federica Mogherini and Johannes Hahn on today's developments in Skopje

We condemn in the strongest terms today's ongoing attacks on the Members of the Parliament in Skopje. The acts of violence in the Parliament are wholly unacceptable and we call for calm and restraint. The Interior Ministry and the police must ensure the security of the Parliament and its members.

Democracy must run its course. We take positive note of the election of Talat Xhaferi as Speaker of the Parliament, as reported.

The European Union is convinced that political dialogue in the institutions is the only way forward and we urge all political actors to honour the Constitution of the country and act in the spirit of democratic principles, decency and common sense.

The former Yugoslav Republic of Macedonia is a candidate country and the European Union is ready to work with the Parliament on the necessary reforms to move the country forward on its European path.

Doorstop with the Minister for Industry, Innovation and Science, Senator the Hon. Arthur Sinodinos and the Minister for Resources and Northern Australia, Senator the Hon. Matt Canavan

PRIME MINISTER:

I am here with the Industry Minister, Arthur Sinodinos, the Resources Minister, Matt Canavan and today we have taken decisive action to protect Australian jobs.

What we have seen is the situation where so much gas is being exported that the domestic market is being drained of the gas it needs for industries like this, for households, for all of the demand on the east coast.

Now that is utterly unacceptable.

Australian demand, Australian businesses, Australian jobs, Australian families have to come first. It is ridiculous for us to be on the edge of becoming the largest LNG exporter in the world and not to have enough gas for our businesses, for our households, for industries, great industries like this here in Australia.

So as the Minister for Resources will go into more detail in a moment, what we are doing is ensuring that where a gas shortage is identified by the energy market operator and the ACCC and the Minister is satisfied that that is forecast, then export restrictions will be put in place with the result that the market, the Australian market, will have adequate gas supplies.

It is fundamental, fundamental action needed to protect the national interest. That's our commitment. Australian jobs, Australian industry must have enough gas. It is vital that the energy market here is fully supplied.

So I will ask Arthur to say a few words on behalf of industry and then Matt will talk about the details of the export licensing regime in more detail. Arthur.

MINISTER FOR INDUSTRY, INNOVATION AND SCIENCE:

Well, thank you, Prime Minister.

The point I would simply make is this – I've had too many stories of Australian businesses saying they are running out of affordable energy. They want affordable energy to keep jobs here. We can't have a situation where Australian businesses talk about importing energy because we're exporting energy. We are a great country with lots of resources.

What today's announcement does, under the leadership of the Prime Minister is say to the gas producers and others: 'We will make sure, over the short term, that you provide enough gas to the domestic market to be putting pressure on domestic prices so that there is affordable energy for Australian businesses and at the same time we will make sure that the export sector understands that there is a responsibility to have a domestic industry, because without that, we don't also have the incentive to develop our resources for export as well. One helps the other.

So this is a very good announcement from the point of view of industry. It is a bridging mechanism until some of our other measures come in.

Matt Canavan, the Minister, has designed this mechanism and it's over to him.

PRIME MINISTER:

Thank you Matt.

MINISTER FOR RESOURCES AND NORTHERN AUSTRALIA:

Thank you PM.

Can I first thank James and his team, the 465 staff here at Gibson Island for having us here today. It is a fantastic business and the people of Brisbane and particularly East Brisbane, Capalaba and Karina and all of these places, we need businesses like this to provide these jobs and that's why we are here acting today.

If you have a shortage of chicken at the shops, you can substitute to beef, but if you have a shortage of gas for Australian industry, they can't substitute to other sources. This business relies on adequate and reasonably affordable gas. Gas for Australian industry is the bread and milk that they require, it is a staple and that's why we are acting to make sure there are reasonably priced and secure supplies of domestic gas for businesses like this.

Today we announce the Australian Domestic Gas Security Mechanism. We have designed the mechanism to be both targeted and temporary in nature, to be a bridge until we can develop more resources.

Today I will write to all of the LNG exporters with the details of our proposed mechanism and ask for their feedback.

That mechanism would only be activated in the event that there is an identified shortfall in the market, based on advice from the ACCC or AEMO. We would then enter a process of consultation with the industry in the event of that identified shortfall to work out what they are supplying and how we

might respond to that. We would only seek under our proposal to rectify the shortfall from those producers that are drawing down from the domestic market, that are taking more out than they are producing themselves. And then that would be put in place, those licences would be put in place to secure gas for domestic needs, for jobs here in Australia, to make sure that we don't have the situation the Prime Minister outlined where we are expected to pay more for gas than those countries we are exporting to.

We will consult now over the next couple of months with industry. We hope to have draft legislation under the Customs Act out by mid-June and we hope to have this mechanism in place by 1st of July this year.

PRIME MINISTER:

Thank you.

JOURNALIST:

Are you going to take questions?

PRIME MINISTER:

Yeah sure.

JOURNALIST:

On formulating this policy you must have some feedback from the LNG industry. Has it been positive so far?

MINISTER FOR RESOURCES AND NORTHERN AUSTRALIA:

We have had a number of discussions with LNG producers in the past couple of months. Those discussions have been constructive. I am not going to go into private conversations or details here in public, except to say I think the industry understands that we have to develop our resources for our nation's interests. We have to secure our own domestic energy security first and then, of course, we can take advantage of export markets and revenues from that.

So I think there is a great understanding of that broad requirement. We will now discuss in more detail the proposal we are putting forward today.

JOURNALIST:

Prime Minister, I think most Australians would applaud this decision today to secure the supply of gas but what can be done about bringing down the price of gas? I mean there are no guarantees that these measures are going to have any impact on price.

PRIME MINISTER:

Let me respond to that point about the price of gas. What we have seen in very recent times, because of the forecast shortfall in the market, we have seen wholesale customers, industrial customers like Incitec and I am not

referring any quote that has been made to them but wholesale customers being quoted prices of up to \$20 a gigajoule. Now, that is way above the export price.

The reason for that is that the exporters had committed themselves contractually to export more gas than they were producing themselves. They were drawing out of the domestic market.

A wholesale price and I stress this is a wholesale price, for gas in Australia today, if it was based on the export price would be less than half \$20. Now this is not saying that all gas prices will be halved as a result of these changes.

Wholesale gas, for example, if you're a household, a family, the wholesale price of gas is between 15 and 20 per cent of the cost on your gas bill because the gas company obviously has to get the gas to you. It has got a whole pipeline distribution network and many other costs as well.

What we have been focusing on is the wholesale price of gas because that is fundamentally, that is, as Matt was saying, that is life and death. That is the absolute essential staple commodity for so many industrial businesses.

In the case of a business like this, the vast majority of its cost is the cost of gas, the wholesale price of gas.

When the market is in balance, when it is adequately supplied, wholesale prices should be not materially different from the export prices. They certainly should not be materially higher. That is one of the ways in which you will be able to see whether the market is in balance.

JOURNALIST:

You're effectively hoping that these measures will bring the price done-

PRIME MINISTER:

There is no doubt, if the market is adequately supplied, then prices – you would not be seeing \$20 a gigajoule prices being quoted and that is the reference I have been making.

The hardest impact of this has been on industrial customers who are buying wholesale gas. Of course, this is gas, the price of gas, the wholesale price of gas is relevant to households although it is a smaller percentage of their gas bill.

It is obviously vitally important to the electricity sector because so much of our electricity generation, particularly at peak times, comes from gas generators.

Again, ensuring that gas, the Australian market is adequately supplied is absolutely critical.

This is not the long term solution. I want to be very clear about this.

The long term solution is we need to produce more gas. We need to have more production.

At the moment, we have state governments and in particular the State of Victoria, which has put a ban on all gas exploration and development in that State.

Now, Victoria has got plenty of gas. The Victorian Government has not only banned non-conventional gas development but it has also banned conventional gas development. That is – that is putting the energy sector and manufacturing at risk. What we are doing here is taking decisive action in the national interest to protect Australian jobs right now but, longer term, we need to have more gas. We should be able to export plenty of gas and have plenty of gas available for our domestic market. We should be able to do both and we need to get more production.

JOURNALIST:

Will this measure have an adverse effect on those major exporters like those that are based in Gladstone? For instance, they're employers as well, they have employees-

PRIME MINISTER:

We have designed the measure so that it is the minimal intervention in the market to achieve the outcome we need to protect Australian jobs, especially in manufacturing industry. LNG exporters, an LNG exporter who was found by the process the minister described to be, to not be a net contributor to the Australian domestic market, would of course be able to take steps by swapping cargos to ensure they fulfil their contracts.

But, you know, the fundamental primary responsibility of the Australian Government is to protect Australian jobs and protect Australian industry that provide those jobs.

That is why we are taking this decisive action, putting Australian industry, Australian business, Australian households, Australian jobs first.

JOURNALIST:

[Inaudible]

PRIME MINISTER:

Can we continue on energy and we will get back to sport a little later? We'll have sport at the end of the bulletin as you normally do.

(LAUGHTER)

JOURNALIST:

Sir, a consideration of giving penalties or something like that to exporters that don't commit to-

PRIME MINISTER:

Matt will deal with that.

MINISTER FOR RESOURCES AND NORTHERN AUSTRALIA:

Thanks for that question. As I outlined, this provision, this mechanism would be established under the Customs Act. There's existing powers under that act for breaches of regulations under it. We will discuss with the industry the enforcement provisions that would be relevant and best suited though for this particular mechanism. We already use those provisions to regulate the export of uranium and we have regulated the export of other resources in the past as well. It is nothing new in this mechanism, these are powers that have been long standing with the Commonwealth Government, they're existing provisions to deal with those issues.

JOURNALIST:

Will it have a built in life span? Or is there any restriction on how long it can –

MINISTER FOR RESOURCES AND NORTHERN AUSTRALIA:

So we are proposing to have a sunset clause provided. We will talk to the industry about the length of time for that.

As the Prime Minister outlined, the long term need for Australia is to develop our gas resources, otherwise we will be slaves to the world markets and what happens overseas. That's what we have got to focus on doing long term.

This is meant to be a temporary and targeted measure to sustain jobs here in Australia now.

JOURNALIST:

Prime Minister, this may well fix the supply issue but then we've got the taxation issue. Would you agree that the taxation of these big gas projects – the taxation system is broken?

PRIME MINISTER:

Look, I wouldn't describe it – certainly I wouldn't describe it like that.

As you know, there has been a review done by Mr Callaghan and the results of that will be published shortly.

But all of these businesses are ones that provide thousands of jobs. I mean there are 65,000 jobs that are in businesses that have a very heavy dependence on gas, as a feed stock or providing thermal heat. All of those jobs are at risk, would be at risk if we were not taking the action today.

So what we are doing is taking decisive action to protect Australian jobs

today. But the longer term solution does involve more gas supply and also the work that we have undertaken with respect, for example, to the pipeline business which is part of the cost of gas – you know moving it from the well to the customer – and again, we are delivering greater transparency, greater ability for people to access those pipelines.

All of those measures, all of those reforms are designed to deliver one thing, a more efficient Australian energy market, a more efficient gas market and to provide more secure and more affordable gas and other sources of energy for Australian businesses and families.

JOURNALIST:

How is it fair to ask pensioners for instance to tighten their belts to fix the budget crisis, when you've got these LNG exporters – we're talking about the exporters particularly – you've got these LNG exporters paying virtually nothing in any federal tax with what they're selling to Asia?

PRIME MINISTER:

Well everybody is obliged to pay tax in accordance with the law.

No government has been more forceful, more aggressive, if you like, in stamping out multinational tax avoidance.

We introduced tough new laws at the end of 2015, which I might say the Labor Party voted against.

We have introduced more anti-avoidance measures very recently, which are going through the Parliament.

We are cracking down on multinational tax avoidance and you have seen the ATO has had some success in its enforcement measures as well.

So I can assure you, while we believe in lower taxes, because that encourages investment, tax reform is not a self-help exercise. Whatever the tax law is at the time, everyone has got to comply with it.

JOURNALIST:

Will you fix that petroleum tax because the big LNG exporters aren't paying anything?

PRIME MINISTER:

Look I think that is – the energy sector is paying tax in accordance with the laws at the moment and if they are not paying tax in accordance with the law, then the ATO is able to take them to court and of course as you have seen, is more than prepared to do so.

Do you want to add something, Matt?

MINISTER FOR RESOURCES AND NORTHERN AUSTRALIA:

I was just going to say, just, I think it is relevant and important to note here in Queensland, the east coast LNG export industry, they are getting their gas from state government areas, so they pay a royalty on that coal seam gas production here in Queensland.

And a few years ago the federal government extended the petroleum resource rent tax to onshore gas development as well. So there has been a move at the federal government and state government level to ensure we are getting a fair return on this production.

I take the issue you raise and that is why the Government established a review of the petroleum resource rent tax and we will make further comments on that as we get that report and consider its recommendations.

JOURNALIST:

Prime Minister can I just ask you another question – we've just got a story out of Victoria today saying that a lot of pensioners are being signed up to expensive phone plans and they can't afford \$200 a month and that there should be more regulation in this industry – I mean even banks have stricter regulations – do you have anything?

PRIME MINISTER:

Well look, I am not familiar with the precise details of the matter to which you refer, but any issues like that will be – we will obviously look at them very closely but this is clearly a matter for the ACCC – they are the Consumer Watchdog.

They pay very close attention to that sector, to the telecom sector and I've got no doubt they will be following it up. We will make sure that they are. Certainly. Thanks for the inquiry.

JOURNALIST:

Is the inland rail still very much a priority for the government?

PRIME MINISTER:

Yes, inland rail is a very high priority.

JOURNALIST:

And can we expect something in Tuesday's Budget?

MINISTER FOR INDUSTRY, INNOVATION AND SCIENCE:

Wait til the Budget.

(Laughter)

PRIME MINISTER:

Wait until the Budget – wait until the Budget. But yes, it is a very high

priority. So you can join the dots.

JOURNALIST:

The Australian's Newspoll showed a majority of voters want change to negative gearing and capital gains tax concessions for property investors. Is the mood changing?

PRIME MINISTER:

Look again, all of these matters will be dealt with in the Budget.

But you know we took a very strong stand to the election on those matters.

The Government has absolutely no doubt that the solution to greater housing affordability is to build more dwellings. There is no question about that.

The tax laws you refer to apply right across the country.

Housing affordability differs from market to market and it is a supply and demand issue. It has been particularly a problem in Sydney and in Melbourne and in both cities, it has been the consequence of there not being enough construction of dwellings. In other words, supply has not kept up with demand.

Now that is being addressed and what we are determined to do is to ensure, recognising that housing policy and planning is really a matter for state governments, the Federal Government has limited influence but so far as we can, with our City Deals and our work with state governments, we are doing everything we can to encourage more development, more dwellings so that that supply demand gap is made up.

But I have to say, in New South Wales, for example, the Berejiklian Government is doing a great job in ramping up dwelling approval and construction and that is a tribute to them but it takes time to make up that gap.

The sporting question, yes.

JOURNALIST:

John Coates – [inaudible]

PRIME MINISTER:

Look I won't buy into that contest. I know both contenders; John Coates has obviously had a very long career at the AOC that you've reminded us of. Danni Roche is an outstanding Australian, a gold medalist but it is really, that is an election contest in which I am, the Government is, not a participant and we shouldn't be commentators either. But I am sure that the various organisations that, you know, have their say, will come to a wise decision.

Thanks very much.

JOURNALIST:

Just on cross river rail – Mr Morrison has adjusted the budget to put back bad debt recovery through. Do you see the cross river rail as good debt type project to South East Queensland?

PRIME MINISTER:

Well as you know, we have committed \$10 million. We have contributed \$10 million to do a full business case on the cross river rail. It is very important that it be well-planned.

In particular, it is very important that the state government, as the proponent, as the builder of it, does everything it can to maximise its ability to capture value from increases in property values from this project. This value capture concept is vitally important to get the biggest infrastructure bang from the taxpayers' buck and planning is essential.

So we are certainly very alert to the project, Paul Fletcher's had many discussions with Jackie Trad about it. It is also important that we, that business study, business plan is going to do to look at how that works in with the city council's own mass transit plan as well.

But the point that Scott's making about good debt, bad debt – just to sum that up – the point he is making is that there is a difference between Government debt that you incur because you're living beyond your means, because you're spending more than you are receiving in tax and debt that you incur in order to build an asset, particularly an economic asset, like rail or like the NBN for example, you've raised telecoms a little while ago, or pipelines – so that is the point and everyone understands that.

I mean there is a difference between running up debt because you can't you know you can't manage a household expenses, or you spend too much on a holiday, more than you planned and borrowing money to buy a house or investment or whatever.

So that is the point that he is making. Debt has an important role to play but we should not be living beyond our means.

So we are committed to bringing that Budget back into balance. That is vitally important so we're not throwing, by not living within our means, mountains of debt onto the shoulders of our children and grandchildren.

Thank you all very much.

[ENDS]

Tory Government had failed to invest in the North

Peter Dowd MP, Labour's Shadow Chief Secretary to the Treasury, commenting on the TUC's analysis which shows that if current trends continue the north-south divide will grow, said:

"It's a stark exposure of seven years of Tory economic failure that the regions which are left behind in government investment are consistently those in the north of England.

"Labour will overturn our rigged economy by creating a Bank of the North to invest in the jobs of the future and that will stand up for the many not the few when it comes to government investment."

Article – New beginnings: reassessing EU-Turkey relations

From trade to Nato, the EU and Turkey have enjoyed a productive relationship in many domains for decades. However, recently relations have turned frosty as concerns mount over the state of democracy in the country with media outlets being closed and journalists being jailed. MEPs also keep a close eye on developments and wonder if it may not be time to rethink how the EU cooperates with Turkey. Read on for an overview of the options.

Relations hit a new low with the referendum in Turkey on 16 April to give the president additional powers, which could disrupt the balance of powers in the country.

EU membership

Turkey has been an associate member of the European Economic Community since 1963 and applied to join in 1987. It was recognised as a candidate for EU membership in 1999, but negotiations didn't start until 2005. So far 16 out of 35 chapters have been opened and only one has been closed. Last November MEPs adopted a [resolution](#) asking for the negotiations to be temporarily suspended while repression continues in Turkey.

During a debate on the situation in Turkey on 26 April President Antonio Tajani said: "The European Union does not intend in any way to close the door to the Turkish people, who remain our friends." At the same time we cannot

look the other way when events proceed in the opposite way of European construction. "Freedom of the press, freedom of expression, are vital rights for anyone wanting to join the European Union and the death penalty, similarly, is an inviolable red line."

Some MEPs proposed to go even further. Manfred Weber (EPP, Germany) said: "Turkey is going in the wrong direction. It's time for us to reassess our relationship. For the EPP full membership of the EU for Turkey is no longer realistic. We have to put an end to any form of hypocrisy. " Meanwhile

Syed Kamall (ECR, UK) said: "We need to be honest with Turkey that it may never be a member of the EU."

Dutch S&D member Kati Piri, Parliament's rapporteur on Turkey's accession progress, argued against formally ending membership talks. "There are millions of people in Turkey that do share the same European values . Millions that do want the EU to remain the anchor for reforms in their country."

Association agreement

The EU has the option of concluding association agreements with nearby countries, such as Iceland, Tunisia. These agreements set up a framework for cooperation in different field and the EU already has one with Turkey. During the debate on 27 April Guy Verhofstadt (ALDE, Belgium) proposed creating a new association agreement with Turkey focussing on trade and restoring civil society. "I think it's critical now to go into a new cooperation and to do a new proposal to Turkey."

Customs union

Last December the European Commission proposed updating the existing customs union with Turkey and extending bilateral trade relations. Once negotiations have been completed, the agreement would still have to be approved by the Parliament before it could enter into force.

Ska Keller (Greens/EFA, Germany) said the talks on the customs union should be used to improve the human rights situation in Turkey: "We should not upgrade [the customs union] before substantial improvements on human rights."

The EU is by far Turkey's largest export market (44.5%), while Turkey is the EU's fourth largest export market (4.4%).

Other forms of cooperation

Both Turkey and most EU countries are members of Nato. In addition they work together on issues such as migration. In March 2016 the EU and Turkey concluded an agreement to tackle the migration crisis. The deal led to significantly fewer migrants reaching Europe illegally.