

Additional Funding for Queensland Communities Affected by Tropical Cyclone Debbie

Prime Minister Malcolm Turnbull and Queensland Premier Anastacia Palaszczuk today announced additional disaster assistance for communities affected by Tropical Cyclone Debbie and the associated rainfall and flooding.

Mr Turnbull said the Australian and Queensland Governments will jointly fund a \$14.7 million Community Recovery Fund under Category C of the Commonwealth-State Natural Disaster Relief and Recovery Arrangements (NDRRA).

"This assistance is being provided through the jointly funded NDRRA in the local government areas of Gold Coast, Isaac, Logan, Mackay, Rockhampton, Scenic Rim and Whitsunday to address their medium to long term recovery needs," Mr Turnbull said.

"The Australian and Queensland Governments will continue to work together to ensure affected communities receive the support and assistance they need to recover during this difficult time."

Ms Palaszczuk said the cyclone caused widespread damage to infrastructure, essential services and housing, and significant flooding and storm water damage to across these communities.

"While progress has been made in relation to infrastructure recovery and rebuilding works, these communities are still facing ongoing hardship and disruption to normal community life," Ms Palaszczuk said.

"The Community Recovery Fund will support initiatives and projects aimed at restoring social networks and building community resilience and capacity for the future."

Information on disaster assistance available for this natural disaster can be found on the Australian Government's [Disaster Assist website](#) and the Queensland Government's [Disaster management website](#).

Radio interview with Steve Austin, ABC Radio Brisbane

STEVE AUSTIN:

Prime Minister Malcolm Turnbull, good morning to you.

PRIME MINISTER:

Good morning, great to be with you.

STEVE AUSTIN:

You're going to quarantine our glorious gas for Australian use?

PRIME MINISTER:

Well, the market has not been working as it should. I mean, the reality is that, as you said, we are a massive gas producer, we are about to become the biggest exporter of LNG – liquefied natural gas – and yet we are in a position where the east coast market has been short of gas, and there have been bigger shortages forecast.

So that's just not acceptable.

Our Australian families, businesses, employers, industries they have to come first. We must protect those Australian jobs.

There's about 65,000 jobs at risk right at the moment unless action is taken. So we're taking this decisive action today and what this will mean is that if there is a shortage of gas for the domestic market forecast then export controls will be imposed so that Australian families and Australian businesses and Australian jobs come first.

STEVE AUSTIN:

What will be the trigger for that? For the big move if you do it.

PRIME MINISTER:

That will be visit given from the Energy Market Operator and from the ACCC, which is monitoring the gas market in a real-time basis now thanks to the inquiry we set up last week.

We'll have – the Minister for Natural Resources will have up-to-date information from those sources and others and if there is a forecast gas shortage in the domestic market, then controls will be imposed on exports to ensure that no more gas is, that gas is not exported that would otherwise be able to fill the domestic demand.

STEVE AUSTIN:

Now, what will happen to those LNG exporters – the three big ones based at Gladstone – who have international contracts in place?

They have a lawful, I mean this has been signed under Australian law – they have to meet their contractual obligations. And you're going to come in over the top of them and threatening them.

PRIME MINISTER:

Well, it's not a threat. This will be export controls. They will not be able to export gas if that has the consequence of reducing the availability of gas for the Australian market.

I mean the fact is under all of our free trade agreements, we have the right to protect our local industry from gas shortages.

So this is a national-interest matter and it is a short-term solution to a longer-term problem. I just want to stress that.

The longer-term challenge that we face is that we are not producing enough gas on the east coast and that is because of bans on gas exploration and development in Victoria above all and to a lesser extent in New South Wales.

But in Victoria, where there is a huge amount of gas, you have a Labor government which will not allow even conventional gas exploration and development, let alone unconventional gas like coal seam gas development.

So that is the longer-term challenge. The longer-term answer is more gas but, in the short term, I have to protect Australian jobs and that's what I'm doing.

STEVE AUSTIN:

The Energy Market Operator warned in November/December last year that unless something was done, we would face real energy shortages here.

PRIME MINISTER:

That's right.

STEVE AUSTIN:

And they said that basically our base-load power is under real threat and if you don't do this, you'd be threatening that. So this your solution to solving that problem?

PRIME MINISTER:

Well, it is. It deals with the immediate challenge of shortages in the domestic market. So what we've got is, in terms of power, gas is vitally important, particularly for peaking power in summer – the height of summer, 40-degree days, that's when the gas peakers get turned on. And we've had issues, as you know, in South Australia with a gas-peaking plant not being able to get started. It was said because they didn't have the gas available. So I've secured from the gas industry a peaking power guarantee. We've already secured that. So there will always be gas available when it is needed for electricity generation at those peak times.

But there is a broader issue. You've got a big issue with about 65,000 jobs at least, which are in businesses where gas is an enormous part of the input,

in excess of 10 per cent, some of them much higher than that in the petrochemical area, for example, and those industries, they have to have a reliable and affordable gas and what that-

STEVE AUSTIN:

So will it actually bring down the price of energy for Australian manufacturing?

PRIME MINISTER:

It will ensure that the price of gas in Australia is at levels comparable to that in the international market, because it is a global commodity.

But what we've seen is, because of these anticipated shortfalls, gas suppliers have been proposing contract prices which are really way too high. They're off – you know, they are as much as four or five times the price per gigajoule, which is the, you know, the metric, that are being offered in the United States.

STEVE AUSTIN:

So it will be comparable but not necessarily cheaper – for industry in Australia?

PRIME MINISTER:

Oh, no, it will be cheaper than the prices that are being offered now. People are being offered prices of \$20 a gigajoule. It should be around half that or less.

And, you see, the point is, Steve, there is a global market for gas. We all get that. As there is for oil. But what we've had is, because of too much gas being exported – and this, look, this was a, a series of mistakes were made by companies and by governments. They made assumptions about more gas being brought into production when it wasn't.

STEVE AUSTIN:

Yes.

PRIME MINISTER:

But the fact is – whatever the history is, whoever is to blame, my job as Prime Minister is to protect Australian jobs now.

STEVE AUSTIN:

Okay.

PRIME MINISTER:

And so this is the action I'm taking and it will ensure that there is adequate gas in the Australian market for all of those Australian businesses

and families.

STEVE AUSTIN:

One more question on this and then I'll move on. So Resources Minister Matt Canavan will have the power to block exports?

PRIME MINISTER:

Yeah.

STEVE AUSTIN:

Let me ask about the Galilee and Bowen basin areas in Queensland. It's got massive gas reserves. All it needs is a pipeline from the Galilee or Bowen basins to get it into the system on the east coast and, that would actually get a massive more amount of gas into the system to bring the price significantly down.

PRIME MINISTER:

That would be a great development to do that.

STEVE AUSTIN:

Now, the Northern Australia Infrastructure Fund, which is run or overseen by Matt Canavan, has not actually done anything significant yet. Could the Federal Government, rather than giving a big loan to Adani for their rail project – why don't they give a loan to or build a gas pipeline from the Bowen Basin, the Galilee Basin to the east coast, to get that gas to the east coast into the system?

PRIME MINISTER:

Well, there's no reason you can't do all of the above. The fact of the matter is-

STEVE AUSTIN:

So you could do both?

PRIME MINISTER:

Well of course you can.

STEVE AUSTIN:

With the Northern Australia Infrastructure Fund?

PRIME MINISTER:

Well Steve, yes, I mean the Northern-

STEVE AUSTIN:

Would you consider it?

PRIME MINISTER:

The answer is yes – but let me just explain.

The Northern Australia Infrastructure Fund has a board. It assesses investment opportunities independently.

Adani does have a proposal or is going to present a proposal, we believe, in respect to their railway.

The loan is a, can be concessional but it's not free money. The board has got to satisfy itself that it will be repaid and that the interest cost will be covered. So it's a commercial loan in that respect.

But it can be in the public interest more generous, if you like, to the borrower than a loan from a bank would be.

Now, as far as pipelines are concerned, absolutely agree. We need more pipeline infrastructure and we are looking at a number of proposals, including one to bring gas from the Northern Territory into the east coast system, but more gas pipeline infrastructure in Queensland would be very welcome.

And we would certainly be delighted for the Northern Australia Infrastructure Fund to look at new pipeline proposals and all they've got to-

STEVE AUSTIN:

So will you direct Matt Canavan to take a look at that? You could open up the Galilee and Bowen basin, put the pipeline in-

PRIME MINISTER:

I don't need to direct Matt Canavan. I don't know anyone who is more enthusiastic about developing resources in Queensland than him. But I'll certainly pass on your good wishes to him as well.

Can I tell you, Steve, this type of pipeline infrastructure is critically important. We certainly agree with that. And the Northern Australia Infrastructure Fund is designed to provide financial support to projects like that.

So if the Queensland Government or anyone else has got a proposal for pipeline infrastructure in Northern Australia, then they should be getting their, you know, their plans into the infrastructure fund as soon as they can.

STEVE AUSTIN:

My guest is Australia's Prime Minister, Malcolm Turnbull. This is ABC Radio Brisbane.

I'll move on. Scott Morrison has just given an address to the – or giving an address today to the Australian Business Economists lunch in Sydney.

PRIME MINISTER:

Yeah.

STEVE AUSTIN:

And we understand he's going to be talking about good debt versus bad debt in the Federal Budget.

PRIME MINISTER:

Yeah.

STEVE AUSTIN:

What is Australia's national debt at the moment, Prime Minister?

PRIME MINISTER:

Well, it depends what you're talking about. Economy-wide, right across the whole economy, gross debt is around 245 per cent of GDP.

Our foreign debt liability, net foreign debt liability overall is about \$1 trillion.

What we mostly talk about in Canberra, however, is the Federal Government's debt and that's, in gross terms. The end of this financial year, is going to, is expected to reach \$498 billion.

But net debt, which is the, you know, net of your financial assets, is about \$317 billion, which is about 18 per cent of GDP.

Now, it will continue to rise until 2021, when we, our plan is to bring the Budget back into balance and then, of course, you don't have deficits continuing to add to the debt. But-

STEVE AUSTIN:

So that \$498 billion, oh sorry that, \$317 billion which is good and which is the bad debt in that figure?

PRIME MINISTER:

Well the \$317 billion, okay \$498 billion is the total Federal Government borrowings.

The different between that and \$317 billion is financial assets and that can be other, that can be cash of one form or another or it can be investments in, you know, in government-owned businesses that are, you know, businesses whether it's Australia Post or the NBN Co for example, that are sitting on the balance sheet as assets.

But the point Scott's making about good and bad debt is a very important point and it is-

STEVE AUSTIN:

Basically you're saying productive debt or unproductive debt?

PRIME MINISTER:

Okay – let me put it in a household. This is the difference. There's a difference between the debt we incur to buy a house, or maybe to improve a house, or to buy an investment, so it's matched by an asset, and the debt you run up to pay for a holiday or because you, you know, you're just living beyond your means.

STEVE AUSTIN:

Okay.

PRIME MINISTER:

And so what Scott is making, he's making the point that when governments borrow to build assets, that is what he calls, you know, generically, good debt.

But if you're borrowing money to fund an excess of spending over revenue, then that is debt that ultimately, that's living beyond your means.

Now, that's what we can't afford to continue to do.

STEVE AUSTIN:

Alright.

PRIME MINISTER:

That's why we've got to bring the Budget back into balance, because the alternative is you throw that mountain of debt onto the shoulders of your children and grandchildren.

STEVE AUSTIN:

Let me ask you about the debt for the taxpayer for the national broadband network.

PRIME MINISTER:

Yeah.

STEVE AUSTIN:

Is it good or bad debt? I remember you promised to deliver a minimum of 25 megabits per second to every Australian household by the end of 2016.

You said at the time that that was fully costed and ready to roll. And you also noted that it wouldn't be a cent more than \$29.5 billion. Yet here we are a third of the way through 2017.

PRIME MINISTER:

Yeah.

STEVE AUSTIN:

And not even half of Australian households are connected and Australian house, or the Australian taxpayer is looking at an estimated \$56 billion for this project. Is that good or bad?

PRIME MINISTER:

Well, Steve, the answer is that the Labor government, set up the NBN-

STEVE AUSTIN:

And you said you fixed it.

PRIME MINISTER:

Let me finish. They set it up and they basically, they destroyed billions of dollars of value with their incompetence.

What I inherited as communications minister was a train wreck, an absolute train wreck. We have rescued it but there is a lot of value that has been lost.

Now, the reality is that if we'd continued with Labor's approach, it would have taken eight years longer to complete it and \$30 billion more.

STEVE AUSTIN:

But I've asked you about your commitments.

PRIME MINISTER:

I'm telling you about my commitment.

When we got into government in 2013, we did a study of the project. We did a strategic review. It was the first time we could get in there and open the books, obviously, and what we've set out is a plan that will have the project completed by around 2019/20.

It will be half completed by the middle of this year and in fact, there are nearly a million premises in Queensland alone which have access to the NBN. And you can look at – and I'd encourage your listeners – if you Google NBN Co weekly rollout report or weekly report, you can see every week – there's completely transparent about how it's progressing.

I set that up when I was Minister. I believe in complete transparency about

the NBN. It's getting built. There are well over 2 million people now that are customers. In fact, I can give you the-

STEVE AUSTIN:

I'm told that you have to go and we're getting the wind-up from your people.

PRIME MINISTER:

Well I'll tell you-

STEVE AUSTIN:

But is the debt that the taxpayer is carrying for the NBN good or bad debt? And will this show up in the Budget books?

PRIME MINISTER:

Well no It's good debt in the sense that it is secured to a financial asset.

As to what the NBN will be worth when it is, you know if it were to be sold, you know, in 'X' years' time, time will tell. But at the moment, it is, has a positive internal rate of return.

It's not what, you know, your employers would want or what a commercial employer would want or a bank would want, but it is a return that is giving the taxpayer a positive return.

But it is a very, very complex, huge project but we inherited a wreck and we are recovering it and getting it built and as I said-

STEVE AUSTIN:

At a cost of \$56 billion for the Australian taxpayer.

PRIME MINISTER:

Well it will cost something in that order, you're right, but the fact is it's going to be an asset that will be generating billions of dollars of revenue.

STEVE AUSTIN:

I'm told that you absolutely have to go.

PRIME MINISTER:

Okay – alright!

STEVE AUSTIN:

I don't want your security staff will come in and beat me up. So Prime Minister thanks for coming in.

PRIME MINISTER:

No they'd be very gentle, I assure you. Thanks very much.

[ENDS]

Delivering Affordable Gas for all Australians

The Turnbull Government will secure domestic gas supply with the introduction of export restrictions to ensure the Australian market has adequate supplies before exports are permitted.

The shortage of domestic gas supplies has resulted in dramatically higher prices in Australia – higher than prices paid in the markets to which Australian gas is being exported.

By ending the shortage, and ensuring the domestic market has adequate supplies, we will ensure gas prices in Australia are lower and fairly reflect international export prices as they should.

Australians are entitled to have access to the gas they need at prices they can afford.

Thousands of jobs depend on secure, reliable and affordable gas.

The Turnbull Government sought commitments from the gas industry, at meetings on 15 March and 19 April, that each east coast LNG exporter would be a net contributor to the market.

While good progress has been made, these requirements have not been met. It is unacceptable for Australia to become the world's largest exporter of liquefied natural gas, but not have enough domestic supply for Australian households and businesses.

That is why the Turnbull Government is introducing the Australian Domestic Gas Security Mechanism which will give the government the power to impose export controls on companies when there is a shortfall of gas supply in the domestic market.

Gas companies are aware they operate with a social licence from the Australian people. They cannot expect to maintain that licence if Australians are shortchanged because of excessive exports.

The Australian Domestic Gas Security Mechanism will ensure gas supply in Australia always meets the forecast needs of the local market.

The Minister for Resources, in consultation with relevant ministers, will impose export controls based on advice from the market operator and

regulator.

If an exporter is not a net contributor to the domestic market, that is, they draw more from the market than they put in, they will be required to outline how they will fill the shortfall of domestic gas as part of their overall production and exports.

The Government will not prescribe how the exporter must respond, giving companies considerable flexibility in finding commercial solutions – such as swapping cargoes out of portfolios or on the spot market.

LNG exporters who are drawing from the domestic market will be ordered to limit exports to ensure local supply.

Those exporters which do not draw more from the domestic market overall, will be licensed to export according to their forecasts.

Securing supply in the domestic gas market will put downward pressure on retail prices in Australia.

The Government remains committed to LNG exports but not at the expense of Australian interests.

This action is expected to apply only to east coast exporters and will comply with our international obligations.

The Government expects the decision to be a targeted temporary measure of repair to restore certainty to the market during this time of transition.

The long term goal remains boosting the supply of gas by removing state restrictions on exploration and development

This is the third part of the Turnbull Government's strong and concerted action to deal with the gas crisis. We are delivering the outcomes Australians expect.

Together with the Australian Competition and Consumer Commission's forensic monitoring of the entire gas supply chain, and the reforms to the pipeline and gas markets, the gas security mechanism will secure adequate and affordable gas and give confidence to continue investing in our LNG sector.

Full consultation with industry will now take place with regulations to be in place by 1 July, 2017.

May 4 meeting with US President Donald

Trump

I'm delighted to travel to the United States next month to meet with President Donald J Trump and to attend the 75th Battle of the Coral Sea commemorations in New York, hosted by the America-Australia Association (AAA).

Australia and the United States are enduring allies. Our alliance has been forged over many decades, through times of war and times of peace, securing our nations' freedom and peace and security in the world.

Next year will be one hundred years since Australian and American troops first fought side by side at the Battle of Hamel.

In the century since, our nations have become the closest allies, partners and friends united by shared democratic values and millions of people to people links.

This year marks the 75th anniversary of the Battle of the Coral Sea, where Australian and American forces turned back the Japanese invasion fleet.

To commemorate this pivotal moment in our shared history, the AAA will host a celebration of our great alliance on the aircraft carrier, USS Intrepid. Also known as the Fighting 1, the Intrepid survived torpedo and kamikaze attacks during WWII. Now a museum on the banks of the Hudson River, it stands testimony to the bravery of US and Allied Forces.

The commemoration will honour all our veterans, including veterans of the Battle of the Coral Sea, and celebrate the 'First 100 Years of Mateship' between the United States and Australia, which has seen us fight side by side in every major military conflict since WWI.

Australia and the United States share the values of democracy, the rule of law and a commitment to peace, prosperity and security. Our forces continue to serve together in defence of those values in the Middle East where I have visited our troops and discussed the future of the region with US commanders and Defence Secretary James Mattis.

My meeting with President Trump will provide an opportunity to reaffirm our alliance and the United States' engagement with the Asia-Pacific. It closely follows my visit to our troops in Iraq and Afghanistan and comes at a time when our region faces a serious threat from a reckless and dangerous regime in North Korea.

I look forward to discussing these and many other issues with President Trump in New York on 4 May.

Australia and China Agree to Cooperate on Cyber Security

Australia and China have agreed to enhanced cyber security cooperation following discussions between Prime Minister Malcolm Turnbull, Foreign Minister Julie Bishop and Meng Jianzhu, Secretary of the Chinese Communist Party's Central Commission for Political and Legal Affairs in Sydney on 21 April.

This follows Prime Minister Turnbull raising cyber-enabled intellectual property theft issues with Premier Li Keqiang during his visit to Australia in March.

In the 21 April talks, Australia and China agreed that neither country would conduct or support cyber-enabled theft of intellectual property, trade secrets or confidential business information with the intent of obtaining competitive advantage. This is consistent with a similar agreement between the US and China.

Both countries also agreed to act in accordance with the reports of the UN Group of Governmental Experts on cyber, including the norms of responsible state behaviour in cyberspace identified by those reports.

The two countries agreed to establish a mechanism to discuss cyber security and cyber crime issues with a view to preventing cyber incidents that could create problems between them.

Meng Jianzhu was in Australia for the inaugural meeting of the High-Level Security Dialogue – agreed between the Prime Minister and Premier Li – that was held in Sydney on 21 April. This came on the same day of the one year anniversary of the Australian Cyber Security Strategy where the Prime Minister underlined the growing importance of cyber security as both a threat and an opportunity for Government, the private sector, and broader society.