From: **PMO - Media** <**PMOMedia@pm.gov.au**> Date: Mon, Oct 14, 2019 at 7:11 AM Subject: Morning note - 14 October [SEC=UNOFFICIAL] To:

UNOFFICIAL

WEDNESDAY, 14 OCTOBER 2019

OUR PRIORITIES

- As the PM has said, "from our Government you have seen certainty, you have seen stability. You've seen a plan, and a plan that we took to the Australian people, a plan that we put in our Budget, a plan that foresaw the challenges that Australia was going to face, and a Government that's just steadfastly getting on with implementing that plan."
- Our plan for an even stronger economy building resilience and rewarding aspiration;
 - 1. Lower taxes so you can keep more of what you earn
 - 2. Reduce the costs of doing business energy, deregulation, finance, getting paid on time
 - Sequip Australians with the skills that Australian businesses need to boost their success, delivering better wages and more jobs
 - 4. Expand our trade borders to access more markets and create more jobs
 - 5. Build the infrastructure our economy needs to grow
 - 6. Keep our budget strong, to guarantee the essentials Australian's rely on and deal with the challenges we face
 - 7. Play to our economic strengths and realise our opportunities
- The proof is also in our agenda and we want to deliver on our commitments to Australians through these key bills;
 - Outlawing uncompetitive practices from big energy companies delivering lower prices for Australian families
 - Ensuring Multinationals pay their fair share of tax
 - Stopping abuse of workers entitlements by unions or employers
 - Preventing misuse of welfare and helping more Australians into jobs through the expansion of the cashless debit card and trialling mandatory drug testing for welfare recipients
 - Preventing child exploitation with new mandatory sentencing laws for offenders

- The contrast is between a stable, united Government getting on with the job, with a clear plan, delivering on the promises we made; versus a Labor Party that is conflicted on policy and tarnished by scandal.
- It's about certainty versus uncertainty. Stability and predictability versus chaos and confusion.
- Labor just doesn't seem to know what it stands for or whose side they are on, which means you won't know what you get from one week to the next.
- On tax and the budget, on foreign affairs, on border protection, on union power, on work over welfare Labor can't tell you what they believe or whose side they're on. No certainty, no consistency.

SUPPORT FOR DROUGHT-AFFECTED AREAS

- Farmers and their communities will have access to more support with the Coalition Government announcing it will provide more funding, cut red tape and increase services.
- This week we announced an extra \$13.2 million in support for further on-farm water infrastructure more than 2000 farmers have already taken up the chance to improve their water access by building new bores, pipelines and desilting muddy dams and the rebate will now also be made available to farmers with permanent crops like fruit trees and vineyards.
- The support package we announced last week will deliver nearly \$100 million to drought-hit communities, which is on top of more than \$7 billion in drought support funding already provided by the Government.
- As the Prime Minister has said, supporting drought affected communities remains our Government's most urgent priority. That is why he headed directly to drought affected Queensland after he arrives from the US.
- We are delivering \$33 million to resume the Drought Community Support Initiative, which will deliver up to \$3000 to eligible farming households experiencing hardship due to drought.
- We are providing a \$13 million extension to the Drought Community Programme to deliver support at the local government level where it counts. Thirteen more Local Government Areas will be provided up to \$1 million for local infrastructure and drought relief products. Those areas have been chosen based on Bureau of Meteorology data about current and future weather conditions.
- We're also:
 - Delivering the \$5 billion Future Drought Fund to help give our farmers tools to prepare for, manage and sustain their businesses through drought.
 - We've also been slashing the complexity of the forms to apply and expanding the eligibility of the program

If asked: calls for a national drought policy

- The federal government has a national drought policy and it was outlined following the national drought summit the Government convened last year
- It includes more than \$7 billion worth of measures from supporting people's mental health to additional assistance through the Farm Household Allowance, as well as our backing for 21 new water infrastructure projects
- Our response is strategic, comprehensive and focused on both the short-term immediacy needs of farming families and the longer-term future for agriculture in this country

FARM HOUSEHOLD ALLOWANCE

- Our government recognises how tough drought is and is changing Farm Household Allowance so that it is available to farmers four years in 10 rather than for three years over a lifetime which is what Labor was offering.
- Labor established the FHA in May 2013 as a needs based and time limited payment of three years over a lifetime for farmers on hardship.
- We set up an independent panel to review FHA led by farmers and it said: "The Panel considers that, in order to facilitate structural change, it is imperative that access to the program is not extended...The Panel considers a revised time limit must be set that is fairer, but also continues to encourage recipients to act and better prepare for future shocks, whether they are weather or market-related."
- And another: "The Panel considers it is important the time limit to accessing the program remains untouched once set, because increasing the available cumulative years creates expectations of ongoing support (welfare dependency) and impedes the effective delivery of the structural change objectives of the program."
- The panel that wrote that report spoke to 235 individuals, received 33 written submissions and had 83 surveys completed and this government has listened to that advice and acted on it
- It is a hard truth but the program does have two aims: to assist structural change by providing recipients with a limited period of income support during which time they are required to undertake activities aimed at improving their long-term financial circumstances
- Labor is looking to politicise the drought. Anthony Albanese and Joel Fitzgibbon are just holding out false hope here and politicising heartache.

WATER INFRASTRUCTURE

• The \$1.3 billion National Water Infrastructure Development Fund is delivering on the Australian Government's commitment to partner with the state and territory governments to identify and build the water infrastructure of the 21st century.

- Through the capital component of the National Water Infrastructure Development Fund (the Fund) the Australian Government is providing funding to fast track water infrastructure construction in partnership with the state and territory governments.
- The \$2 billion National Water Infrastructure Loan Facility (the Loan Facility) is available to provide state and territory governments with concessional loans to co-fund the construction of economically viable water infrastructure.
- The Government has established the National Water Grid Authority to provide the national leadership needed to shape national water infrastructure policy and bring together world best science to identify and plan the next generation of water infrastructure that will:

o support the growth of primary industries;

o build drought resilience; and

o meet the needs of a growing population.

(Funding announcement – Dungowan and Wyangala Dams)

- Yesterday we committed significant further support for regional New South Wales communities facing hardship due to drought after agreeing to jointly fund with the NSW Government a water infrastructure package worth more than \$1 billion for the state.
- We are delivering the funding needed to fast-track construction of dams and other critical water infrastructure.
- Yesterday's announcement means the Australian and NSW governments will work together to deliver:

o a \$650 million upgrade of Wyangala Dam in the state's Central West, and

o the \$480 million new Dungowan Dam near Tamworth.

- Our investment in these priority large-scale water infrastructure projects will free up NSW funding to allow them to progress critical town water projects across the state.
- We are putting \$575 million on the table in a 50/50 funding partnership with the NSW Government to get these projects underway as soon as possible, bolstering water supply and security across NSW.
- We are getting all the necessary work done to streamline matters such as environmental assessments so these two priority dam projects can be shovel-ready in 2021.
- We are also announced that as part of this funding package the Australian Government will provide \$12 million towards the development of the \$24 million detailed business case for the Mole River Dam project.
- The proposed 100,000-megalite Mole River Dam, near the Queensland border is a priority for the New South Wales Government and we will be having conversations with

the Queensland Government about them joining with us to build this dam given the potential benefits of this project for their state.

ACCC BANK INQUIRY

- The Government has directed the ACCC to undertake an inquiry into the pricing of residential mortgage products, particularly after the banks failed to pass on the RBA's recent interest rate cuts in full.
- The Inquiry will focus on the period from 1 January 2019. Since this date, there have been three cuts (June, July and October) by the RBA to the official cash rate.
- Together these cuts have reduced the cash rate by 75 basis points, and the big four banks have passed on an average 57 basis points in owner-occupied home loan rates.
- The major banks have decided to put their profits before their customers, and that's not a good outcome for their customers or the economy.
- As the Reserve Bank Governor pointed out recently "lower interest rates put more money into the hands of the household sector and, at some point, this extra money gets spent and this helps the overall economy."
- The inquiry will ensure the pricing practices of the banks are better understood and made more transparent by;
 - understanding how banks make pricing decisions for residential mortgages which is particularly important in the current context of banks not passing on the RBA rate cuts in full.
 - assessing how prices differ for new and existing customers.
 - investigating barriers to switching.
- The inquiry will consider pricing across the entire residential mortgage market by major banks, smaller banks, and non-bank lenders. But the big four banks will be a key focus of this inquiry, given they hold around 75 percent of residential mortgage debt.
- The Government is committed to increasing competition in banking and promoting good consumer outcomes in the mortgage market to ensure that consumers can get a better deal.
- The consumer data right provides consumers with greater access to their personal information giving them power to securely transfer their banking data to other providers to get a better deal. This is one of a number of policies the government is implementing to increase competition.

If asked how this differs to the Royal Commission and previous ACCC inquiries?

- The Financial Services Royal Commission specifically focused on misconduct rather than the way that Banks are pricing their mortgages.
- The ACCC's previous Residential Mortgage Price Inquiry specifically focused on whether the Major Bank Levy affected the prices charged for residential mortgages.

PROTECTION CLAIMS BY MIGRANTS WHO ARRIVE BY AIR

- In the last three years that Labor was in office, 6900 permanent protection visas were granted by Labor to people who arrived by air. In the last three years under this Government, 4780 visas have been granted 31 per cent less than under Labor.
- The Government is focusing resources both on and offshore to prevent unmeritorious protection claims. This includes through enhancements to our intelligence systems and operational activity.
- Less than 0.25% of people who arrive lawfully in Australia apply for protection, and of them the vast majority are refused.
- And the numbers of those who do apply for protection are declining. In 2018-19, the number of onshore protection claims fell by 12 per cent, a result of the Government's focus on stopping unmeritorious claims.
- This number is continuing to decline at similar rate this program YTD.
- People who arrive by air, do so with valid travel and identity documents. We know who they are. They are not putting their lives at risk, or the lives of their children at risk, by getting on a boat.
- We won't be taking any advice from Labor, whose mismanagement of our border was an absolute disgrace.
- Labor's boat arrivals saw 50,000 people arrive unlawfully, 8000 children were forcibly placed in detention, 1200 people lost their lives, 17 detention centres were opened all at a cost to the Australian taxpayer of \$17B.

If asked about worker exploitation

- The exploitation of any worker in Australia is something we have zero tolerance for.
- We take a whole of government, multi-agency approach when it comes to the exploitation of foreign workers this includes the Australian Federal Police, the Australian Border Force, State and Territory Police, the Australian Taxation Office and the Fair Work Ombudsman.
- Labor claim to be concerned about worker exploitation, but when they were last in government they decimated the Fair Work Ombudsman's funding by more than \$20m, cut their staff by 23 per cent and had no policy to protect vulnerable workers.
- We have legislated to increase penalties for worker exploitation by up to ten-fold, increased the powers of the Fair Work Ombudsman to enforce the law, and increased their resources by over \$50 million and 60 new staff.

Labor's border protection policies

- Abolish Temporary Protection Visas.
- Abolish the fast track assessment process for boat arrivals.
- Increase our permanent refugee intake by 71 per cent, cost of \$6B.

- Labor has already, through partnering with the Greens, passed a law that removes the Government's ability to determine who comes to Australia from Manus or Nauru.
- The leader of the opposition voted to ban boat turn-backs. The Shadow Immigration Minister Andrew Giles moved the motion.
- Kristina Keneally has previously written in the Guardian to "bring the refugees to Australia".
- Labor's track record on border security is clear. They cannot be trusted.

Miscellaneous Measures Act (medivac)

- Processes for medical transfer already exist and are effective.
- Section 198B of the Migration Act allows for a transitory person from a country or place outside Australia to come to Australia for a temporary purpose, for example medical or psychiatric assessment or treatment.
- There are currently over 1,000 transitory persons in Australia.
- The repeal of the Miscellaneous Measures Act does not remove the ability to medically transfer a transitory person to Australia.
- It is important to have a single, consistent, transparent medical transfer process with all the necessary protections for the Commonwealth and individuals in place.
- It is a misconception that the medical transfer provisions inserted by the Miscellaneous Measures Act introduced 'doctors' into the medical transfer process.
- It did not. The Department has consistently relied on clinical advice from doctors to form decisions on whether to bring a person to Australia for medical.
- It is the Government's position that it should determine who is allowed to enter Australia, and the terms and conditions to be imposed on that entry, as is the right of every sovereign nation.
- Medical services in Papua New Guinea and Nauru have improved over time to more effectively respond to transferee health needs and requirements.
- The need for medical transfers to third countries, including Australia, reduced as medical capacity and treatment options became more readily available in Papua New Guinea and Nauru.

<u>WELFARE</u>

- Social services touches almost all Australians at some stage in their lives usually when people are at their most vulnerable which is why it is absolutely crucial that the system remains sustainable into the future so that we can continue to provide support to those most in need.
- In 2018-19 the Government spent more than \$170 billion a year on social security and welfare, representing more than one in three dollars or 35 per cent of all Commonwealth spending. That amount equates to about 75 per cent of the total amount paid in personal income tax

- As such the system it must be targeted, sustainable and in line with the expectations of the taxpayers who fund it.
- The Government's position on Newstart, and indeed the Prime Minister's position, is very clear: The best form of welfare is a job, and the Government is absolutely focused on getting people off of welfare and into work.
- It is a taxpayer funded allowance that provides a safety net for people while they look for a job and is increased twice a year, every year in line with CPI. It is not intended to be a wage replacement.
- The Morrison Government is delivering the job opportunities with more than 1.4 million jobs created since the Coalition was elected. We are also providing pathways to jobs and breaking down barriers unemployed Australians face getting back into the workforce.
- Newstart Allowance is just one element of our comprehensive social security and welfare system which include additional supplements and allowances, concessional access to healthcare, and targeted support through employment services all play a role in supporting people whilst they transition back into the workforce.
- Jobs growth and supporting jobseekers to fulfil mutual obligations with employment services and through activities designed to improve their job prospects has contributed to the improved lifetime cost of welfare as well as the significant reduction in people entering the welfare system and reduced persistency of payments.
- The proportion of Australians receiving working-age income support payments has fallen to its lowest level in 30 years at 14.3 per cent. There are 230,000 fewer working age recipients on income support payments between June 2014 and June 2018.

If Asked – 2018 Welfare Valuation Report

- The latest valuation shows a 10.1 per cent reduction in the total future lifetime cost of welfare in Australia down to \$5.7 trillion when compared to the re-based 30 June 2017 estimates, confirming the success of Government welfare to work initiatives.
- Government initiatives have contributed to this improved lifetime cost of welfare including jobs growth and significant reductions in entries onto payments and decreases in persistency to payments.
- The full 2018 Valuation will be released by Government in due course.

If asked why do the PIA figures differ from those reported in past years:

- The 2018 Priority Investment Approach uses a 5 per cent discount rate based on advice from the Australian Government Actuary in line with other government estimations. The Government has updated the first three years of valuations in line with that decision so we are comparing apples with apples.
- Changing the Discount Rate from 6 per cent to 5 per cent is not an accounting trick it brings the valuation in line with the Budget discount rate and other Government

publications, demonstrating a realistic and responsible Government response to recent economic conditions.

<u>ASSANGE</u>

- The Australian Government cannot interfere in the United Kingdom's legal processes, just as another country cannot interfere in ours.
- We appreciate that some members of the public feel very strongly about Mr Assange's situation but it is important to remember that Australia cannot intervene in the legal processes of another country.
- Mr Assange will be entitled to due process, including legal representation, in those processes.

QLD AND NSW BUSHFIRES

- Fire conditions have eased across Northern NSW and Southern Queensland and firefighters are continuing backburning operations where possible.
- Some rainfall has been recorded over fire affected areas over the past couple of days.
- Sadly, on Thursday, NSW Police confirmed that two people died in the Long Gully bushfire in Northern New South Wales.

Disaster Recovery Allowance

- Communities hit by the Northern NSW bushfires in Richmond Valley now have access to 13 weeks of income support payments to help them get back on their feet
- Claims for Disaster Recovery Allowance can be made from Monday 14 October 2019.
- Applicants can call DHS on 180 22 66, visit www.humanservices.gov.au or visit a DHS Service Centre.

Disaster Recovery Funding Arrangements

- Disaster recovery assistance is being provided under the jointly funded Commonwealth-state Disaster Recovery Funding Arrangements (DRFA) in response to the bushfires in NSW.
- DRFA assistance is now available in the local government area of Richmond Valley.

Age of Criminal Responsibility

- The government has not seen this Bill and therefore and is unable to comment on the specifics.
- Juvenile Justice issues are also primarily the responsibility of State and Territory governments given their responsibilities for criminal law.

- However, all Australian governments are working together through a Council of Attorneys-General working group to consider whether to raise Australia's minimum age of criminal responsibility.
- This will include consideration of the appropriateness of the principle of doli incapax.
- The working group is due to provide a report to Attorneys-General in November 2019.
- Attorney-General Porter and the Government will carefully consider the report once finalised.

Background:

- The minimum age of criminal responsibility in Australia is 10 years old. In all Australian jurisdictions there is a rebuttable presumption that a child aged between 10 and 14 years of age is not criminally responsible (called doli incapax).
- A child of this age can only be found criminally responsible where the child knows that their conduct was wrong. This is a question of fact and the onus of proof falls on the prosecution.
- This presumption provides a safeguard against the prosecution of children between 10 and 14 years who do not have an understanding of the wrongfulness of their conduct, and recognises that the capacity to understand the difference between right and wrong is still evolving in children at that age

Mandatory jail for child sex offenders

- The Morrison Government is committed to keeping Australians safe, especially the most vulnerable in our community our children.
- That is why we have re-introduced a vitally important piece of legislation to the Parliament today, which seeks to impose mandatory minimum jail terms for federal child sex offences, as well as tougher maximum penalties including a new life term for the most heinous crimes.
- The Crimes Legislation Amendment (Sexual Crimes Against Children and Community Protection Measures) Bill 2019 will also make it harder for serious offenders to get bail, and creates new offences to capture evolving forms of child exploitation such as being the administrator of a website that functions for the purpose of distributing child abuse material.
- Labor did not support the passage of this bill when it was introduced in the last Parliament.
- Unlike Labor, the Coalition believes that if you sexually abuse a child, solicit or engage in the production of child exploitation material, or groom a child through an online platform, you deserve to go to prison no excuses.
- But statistics show that 28 per cent of child sex offenders convicted of federal offences in 2018-19 did not spend one day in jail, despite the devastating and life-long impacts that their crimes have on their young victims and their families.

- This Bill will ensure that a jail term becomes the starting point for all offenders, while maximum penalties will also be increased to better reflect the gravity of these types of crimes.
- The Australian Federal Police received almost 18,000 reports of child exploitation involving Australian children or Australian child sex offenders last year, which was almost double the number from the previous year.
- The message we are sending to paedophiles is that it won't matter how good their lawyer is, a prison cell will be waiting for them when they are convicted. This is what the community expects and this what the Morrison Government intends to deliver.
- The mandatory minimum penalty set by this Bill will be 25 per cent of the maximum for each offence.
- The Bill complements a broad package of reforms already introduced by the Coalition during the last Parliament, which strengthened laws relating to child sexual abuse and created new protections for the community.
- This included tough new measures to stop child sex offenders from travelling overseas to abuse children and the introduction of Carly's law, which targets online predators who use the internet to prepare or plan to sexually abuse children.

NORTHEASTERN SYRIA

- We are deeply troubled by Turkey's unilateral military operation in northeast Syria, and we have made this plain to Turkey.
- The operation has already caused further civilian suffering, led to greater population displacement, and will further inhibit humanitarian access.
- Action of this nature will have grave consequences for regional security
 - It could significantly undermine the gains made by the international coalition in its fight against Da'esh
 - which is still a serious threat to regional peace and security despite its territorial defeat
- We recognise Turkey has legitimate domestic security concerns
 - but unilateral cross-border military action will not solve these concerns.
- The Government remains in close contact with our US, European, Middle East and other allies and security partners, including through our Embassies and other officials.
- Australia urges restraint and calls on all parties to the conflict in Syria to avoid escalatory or opportunistic actions that cause further instability and humanitarian suffering.

<u>GLADYS LUI</u>

- Ms Liu has spent a considerable amount of time over the last three weeks reviewing her association with all community organisations. With nearly 1000 Chinese organisations alone in Victoria alone it has been a lengthy task.
- Ms Liu has very clearly stated that she does not wish to be a member of any organisation that has not received her explicit consent. She has asked that she be removed from all organisations that have not received her consent.
- Ms Liu is confident that she is not linked to any organisations that may have inappropriate associations.

OUR INFRASTRUCTURE PIPELINE

- The Morrison Government is delivering an unprecedented \$100 billion, 10-year federal infrastructure pipeline
- Our infrastructure plan will help bust congestion, save lives on our roads and ensure that you get home sooner and safer, no matter where you live. It will create thousands of jobs and help boost our economy;
- We have hundreds of projects underway or in the planning phase, from city shaping projects across our capitals, Northconnex and Westconnex in Sydney, the M1 in Brisbane, the Melbourne Airport Rail link, Metronet in Perth, the Bridgewater Bridge in Hobart, the North-South Corridor in Adelaide through to smaller, bottlenecks and traffic headaches in neighbourhoods across the country that we want to eliminate through our \$4 billion Urban Congestion Fund.
- We also have a \$500 million commuter car punk fund which will take thousands of cars off our roads;
- The Prime Minister is working with all State Premiers to work through the implementation and execution of this huge infrastructure investment as quickly as possible. We want to just get it done.

Will we fast track infrastructure projects?

• The Prime Minister has written to the Premiers about the possibility of bringing forward some infrastructure projects, bearing in mind that Australia does face some capacity constraints in delivering those projects.

ENERGY PRICES

- We are committed to getting a fair deal on energy for Australian households and businesses.
- Only the Government took a plan to reduce power prices, and a price target, to the election.

- We are already seeing results: the ABS found that power prices fell 1.7% nationally in the June Quarter & the ACCC found competition is improving on the back of strong action taken by the Morrison Government.
- Since 1 July, our price safety net came into force, capping standing offer prices -
 - customers who were on the highest standing offers before 1 July, could save up to \$657 in NSW, \$526 in SA and \$663 in South East Qld.
- We've also introduced a reference price, making it easier for households and businesses to shop around, compare offers and get a better deal.
- AEMO recently found that more investment in generation and transmission is needed to keep the lights on in the national electricity market.
- That's why the Government is progressing work on 12 shortlisted projects under the Underwriting New Generation Investment program to increase firm electricity supply and improve wholesale market competition.
- We have delivered the Retailer Reliability Obligation and are also building Snowy 2.0 & supporting Tasmania's Battery of the Nation to deliver the reliable, 24/7 affordable power that Australian families and businesses deserve.

BIG STICK LEGISLATION

- This Big Stick legislation delivers on our election commitment to take action in the energy sector, get prices down and keep supply in the market.
- It builds on strong action taken by the Government to drive down prices for Australian households and businesses including
 - The introduction of a price safety net,
 - Banning confusing discounting practices and sneaky late payment fees, and
 - The Retailer Reliability Obligation to deliver reliable, 24/7 affordable power.
- The ACCC has found that since the introduction of our Default Market Offer or price safety net, there has been a significant fall in standing offer prices, locking in a better deal of up to \$190 for around 794,000 residential and small business customers on standing offers in New South Wales, South Australia and south-east Queensland.
- For too long, the big energy companies have focused on their profits and not on their customers. Australians deserve better.
- The Government is sending a clear signal to industry about what the Australian community expects.
- The Bill will ensure energy companies play by the rules in the retail market by requiring them to pass on cost savings to consumers.
- And if the ACCC finds companies engaged in misconduct, a graduated series of remedies allow appropriate and proportionate action to be taken.
- Only the Liberal National Government is committed to getting a fair deal on energy for Australian households and businesses.

If asked: what is in the Legislation

- The Bill will hold energy companies to account in three ways:
 - Retail pricing prohibition requires retailers to pass on 'sustained and substantial' reductions in costs to households and small businesses.
 - Contract liquidity prohibition penalises generators that withhold electricity contracts for the purpose of substantially lessening market competition.
 - Wholesale conduct prohibition bans generators from manipulating the spot market, for example by withholding supply to inflate prices.
- The Government has directed the ACCC to continue to monitor industry behaviour, prices, profits and margins until 2025.
 - This legislation, which sunsets on 1 January 2026 at the conclusion of the ACCC's inquiry, ensures we have the tools at our disposal to deal appropriately with any misconduct identified by the ACCC.
- The Bill introduces a graduated, proportionate penalty regime to apply if the ACCC finds that misconduct has occurred. The following remedies will be available:
 - ACCC-issued warning notices and infringement notices.
 - Court-ordered civil penalties up to the greatest of: \$10 million; three times the value of the total benefit attributable to the conduct or 10 per cent of the annual turnover of the corporation in the 12 months before the conduct occurred.
 - On the recommendation of the ACCC, Treasurer-issued Contracting Orders that will permit the Treasurer to require electricity companies to offer electricity financial contracts to third parties.
 - On the recommendation of the ACCC, and following an application by the Treasurer, Federal Court issued Divestiture Orders relating to misconduct in the wholesale market.
- The Bill contains some minor amendments following consultation, including a clarification that governments will not be required to privatise publicly-owned assets

LABOR DIVISION ON ENERGY POLICY

- Joel Fitzgibbon has back flipped on his recent calls for a carbon tax and again presented yet another position on energy policy this one driven by self interest to save his own seat, following huge swings against him at the recent election.
- Meanwhile Bill Shorten and Penny Wong have recently said they are "proud" of Labor's reckless 45% target and made the case to keep it.
- This follows calls by the assistant climate change spokesman Pat Conroy to scrap their 45% emissions reduction target but Labor change spokesman Mark Butler won't commit to anything.
- Whether it's 'Chairman Swanny' calling for Labor to keep their \$387 billion tax and spend agenda or Fitzgibbon looking back to the future then doing a backflip, Labor haven't

learned the lessons from the election and want to re-hash policies Australia has comprehensively rejected.

- We're taking meaningful action to reduce global emissions with our \$3.5 billion Climate Solutions Package that will deliver the 328 million tonnes of abatement needed to meet our 2030 Paris target.
- Under our government Australia leads the world with more than double the per capita investment of countries like the UK, France and Germany.

If asked: recent increases in emissions:

- Emissions fell 0.4% over the first quarter of 2019.
- Emissions for the year to March 2019 are up 0.6 % or 3.1 Mt. This small increase is due to an 18.8% increase in LNG exports. LNG production related emissions increased 4.7 Mt.
- Absent the increase in LNG exports, total emissions would have declined. Australia's LNG exports for the year to March 2019 are estimated to be worth \$47.8 billion.
- While this industry's success has increased Australia's emissions, it has potentially reduced global emissions by up to 28% of Australia's annual emissions by displacing coal generation in importing countries.
- We are nearly half way towards our 2030 Paris target emissions are down 11.7% on 2005 levels and the emissions intensity of the economy and per capita are at their lowest levels in nearly 3 decades.
- We are also on track to overachieve on our 2020 target by 367 million tonnes.

MEETING OUR 2030 PARIS TARGET

- We're taking meaningful action to reduce global emissions with our \$3.5 billion Climate Solutions Package that will deliver the 328 million tonnes of abatement needed to meet our 2030 Paris target.
- Our national target is achievable, balanced and responsible, and is part of coordinated global action to deliver a healthy environment for future generations while keeping our economy strong.
- In the electricity sector, we are reducing emissions while maintaining reliable and secure supply:
 - The latest official projections show the National Electricity Market (NEM) is on track to be 26 per cent below 2005 levels by 2022, 8 years early.
 - On the back of \$25 billion of committed investment in clean energy, Australia leads the world with more than double the per capita investment of countries like France, Germany & the UK:

If asked - IMF climate change report saying we will not meet our 2030 target:

• We'll meet our target without introducing a carbon tax.

- When Labor were in Government and introduced a carbon tax, energy prices went up and industry threatened to take jobs offshore.
- The IMF report does not take into account our \$3.5 billion package which maps out to the last tonne how we will deliver the 328mt of abatement needed to reduce emissions to 26 to 28 per cent below 2005 levels by 2030.
- The report also states that under a \$75 carbon tax, retail electricity prices would increase by 70-90 per cent in Australia.
- That is not something we are going to do to Australian households and small businesses.

RELIGIOUS DISCRIMINATION BILL

- The Morrison Government is delivering on its election commitment to shield Australians from discrimination on the basis of religion, with the release of a Religious Discrimination Bill.
- It is important to note that this bill is only an exposure draft it is not the final version that will be presented to the house later this year.
- The draft is being used as the basis for extensive consultation with religious organisations and other interested stakeholders, with the first of a series of roundtables set to begin as early as next week.
- These roundtables are in addition to the consultation that has already been conducted by both the Attorney-General's office and the Prime Minister during preparation of the draft bill.
- Australia has a strong anti-discrimination framework with specific protections for people against discrimination on the basis of their age, sex, race and disability.
- The draft Bill extends those protections to provide protection for people against discrimination on the basis of their religion or religious belief, or lack thereof.
- The Bill would make it unlawful to discriminate on the basis of religious belief or activity in key areas of public life. It also creates the new office of the Freedom of Religion Commissioner in the Australian Human Rights Commission.
- Importantly, the Bill does not create a positive right to freedom of religion. It also does not: Prioritise freedom of religion over other rights; Make lawful any conduct that constitutes a serious criminal offence; Authorise or enable hate speech, harassment or vilification.
- The government acknowledges there will always be competing views on issues such as this, but we believe the draft Bill presented today strikes the right balance in the interests of all Australians.
- It's hoped the final Bill can be introduced in October and considered by both the House and Senate before the end of the calendar year, allowing time for a Senate inquiry.
- Complaints of discrimination under the Bill can be made to the Australian Human Rights Commission. The Commission may inquire into and attempt to conciliate complaints

under this Bill. Where a complaint cannot be successfully conciliated, an individual may make an application to the Federal Court or Federal Circuit Court.

- The bill follows the orthodox and well known three stage structure of existing discrimination legislation.
- First it defines an attribute in this case 'religious belief or activity'. Second it defines
 the concept of discrimination, both direct and indirect, and sets out the specific
 circumstances where it becomes prima facie unlawful for someone to be discriminated
 against because of that attribute. Third it sets out categories of specific and general
 exceptions to the prohibitions. In all discrimination legislation this is necessary to allow
 for the fact that there will necessarily be some circumstances where the blanket
 prohibition needs to be mitigated to allow for some other value or need or necessary
 choice to be exercised.
- The protections provided in this bill extend to most areas of public life including employment and other work related areas, education, access to premises, provision of goods and services and facilities, land, sport, and clubs to name a few.
- The separate process of Australian Law Reform Commission inquiring into religious exemptions to other discrimination laws across Australia is continuing. The ALRC Review covers recommendations 1 and 5-8 of the Ruddock Review.

NEWSTART

- No one is saying it's easy to get by without a job which is why the Morrison Government is absolutely focused on helping unemployed Australians be work ready and creating jobs so working age Australians have the opportunity to gain financial independence.
- We are delivering results with more than 1.4 million jobs being created since we were elected which is about 240,000 a year compared with just 155,000 on average under Labor.
- The lowest proportion of working age people on welfare in 30 years is proof that our policies are working.
- Newstart is a taxpayer funded allowance that provides a taxpayer-funded safety net for people while they look for a job. It is not a salary replacement.
- It is already increased twice a year, every year in line with CPI which is a widely accepted measure of changes to cost of living.
- Everyone who receives Newstart Allowance is eligible for some form of additional assistance from the welfare system including rent assistance, family tax benefit or the energy supplement on top of the \$559 base rate.
- About two-thirds of those granted Newstart get off the payment within 12 months.
- The Government is focused on breaking down the barriers some Australians face in returning to the workforce which is why we are investing \$96 million in Try, Test and Learn which is trialling innovative pathways to work for those people at risk of long term welfare dependency.

- The Cashless Debit Card is financial management tool helping unemployed Australians stablise their personal circumstances while our proposed Drug Testing Trial will help identify welfare recipients struggling with substance abuse and provide them with support to get back on track.
- Welfare cost more than \$172 billion in 2018-19, representing more than one in three dollars or 35 per cent of all spending by the Government.
- It is the responsibility of Government to ensure our social security and welfare system is sustainable into the future, so that it can continue to provide support to those most in need.
- The Labor Party continues to play a cruel joke on Australians claiming to support an increase in the Newstart rate without naming the size of their supposed increase or how they would pay for it.
- Anthony Albanese wants to outsource decisions on how to spend more than a third of Government spending saying it is a "reasonable suggestion" for an independent tribunal to decide the rate of welfare payments. Not only is this irresponsible fiscal policy but it reveals the Opposition leader is not ready to lead because governments are elected to make decisions not outsource the tough ones.

If asked could you live in \$40 a day?

- No one is saying it would be easy and the Government understands some Australians are doing it incredibly tough.
- Newstart is a safety net, it's not meant to be a replacement for a salary.
- The focus of Newstart combined with our government's additional supports and programs is to help people who find themselves on hard times and to support them to get back into the workforce.
- Whether it's Work for the Dole, Youth Jobs PaTH or ParentsNext programs, we're helping Australians get a job so they can earn a wage that creates a better future for themselves and their families.

If asked whether an increase to Newstart would stimulate the economy

- This Government is focused on policies like increasing productivity and moving people from welfare into work.
- Our policies like record infrastructure investment, tax relief and investment in schools and hospitals are creating the conditions for jobs growth across the economy and delivering services Australians rely on.

DRUG TESTING TRIAL

• The Morrison Government's drug testing trials are part of our commitment to finding new and innovative ways to breaking down barriers unemployed Australians face and

supporting them to get back into the workforce so they can take control of their own lives.

- The Government wants to support unemployed Australians become job ready and given more than 3.5 million Australians already undergo random drug testing as part of their employment, the drug testing trial is seeking to ensure people entering Newstart and related payments can take advantage of every job offered to them.
- This measure is about identifying people with substance abuse issues who need our help and supporting them to seek treatment through a \$10 million treatment fund.
- Welfare recipients who test positive will not lose a single cent of their payment but will be placed on Income Management for a period of 24 months which will quarantine 80 per cent of their welfare payment on to the Basics Card which prevents spending on drugs, alcohol and gambling. The remaining 20 per cent will be deposited in their regular account.
- A second drug test will be scheduled within 25 working days of the positive result. After a second positive test, the job seeker will be referred to a medical professional who will assess their circumstances and identify treatment options which can count towards their mutual obligation activity requirements.
- The two-year Drug Testing Trial will be rolled out in three locations Logan, Qld, Canterbury-Bankstown, NSW and Mandurah, WA and will test about 5000 people entering Newstart.

If asked why the Government is trying to push through the testing when parliament has rejected it twice:

- There is clear community support for the trial as reports in the media today further show.
- The Labor Party needs to explain to the Australian people why it wants to deny the Government the opportunity to tackle a problem of drug addiction for people who are not in work.
- We hope that all parties support this legislation and will work respectfully with all parties to ensure the trial can take place and help as many people as possible.

If asked about claims there is no evidence it works:

- Evidence shows drug addiction prevents people from working. The 2016 National Drug Strategy Household Survey (undertaken by Australian Institute of Health and Welfare) shows that unemployed people were 3.1 times more likely to use meth/amphetamines and 1.5 times more likely to use cannabis than the employed.
- As the PM said: "This is a trial. We are trying to work out if this can work. I am really puzzled by the level of opposition to the Government trying to tackle a problem of drug addiction for people who are not in work and helping them get over it with referral to proper services and funding those services in those trial areas".
- The trial will be subject to a comprehensive evaluation on whether drug testing is an effective way of identifying unemployed Australians whose substance abuse is a barrier to work and supporting those people to undertake treatment.

• The evaluation will be conducted in parallel with the trial to allow the Government to identify any unintended consequences so these can be addressed in real time.

If asked about the trial being likened to a Russian plan to send people who test positive for HIV to an island:

• It is disappointing to note the fearmongering around the Government's proposed drug testing trial which is a genuine attempt to help unemployed Australians overcome substance abuse which is a barrier to work.

ECONOMY

- As a result of our Government's economic plan and responsible budget management the Budget has returned to balance for the first time in 11 years. The deficit of \$690 million represents 0.0 per cent of gross domestic product (GDP).
- This is not an easy time for economies the world over with Germany, the UK and Singapore among others recording negative growth in the June quarter.
- However, in setting out the budget we anticipated the economic challenges ahead and put in place significant tax cuts and infrastructure spending which together with the 50 basis points in rate cuts and improving housing market will be reflected from the September quarter onwards.
- The Australian economy continues to grow, with employment growth more than twice the OECD average and debt to GDP levels a quarter of that in the US and the UK.
- Australia too is one of only 10 developed countries to have a AAA credit rating.
- With about 300,000 additional jobs created in 2018-19, employment grew by 2.6 per cent, well above the 1½ per cent growth forecast in the 2018-19 Budget.
- Across the economy, wages increased by 2.3 per cent in the past year, while the inflation rate remained steady at 1.6 per cent.
- Our budget is coming back to surplus for the first time in more than a decade as we maintain our record of fiscal discipline and targeted spending.
- We will continue to closely monitor global economic events and will take the necessary actions to ensure our economy continues to grow to the benefit of all Australians.

Will we fast track infrastructure projects?

- The Prime Minister has written to the Premiers about the possibility of bringing forward some infrastructure projects, bearing in mind that Australia does face some capacity constraints in delivering those projects.
- We have a record \$100 billion pipeline of infrastructure spending. That's not only creating jobs, busting congestion in the city, getting people home sooner and safer, but also, ensuring products can get to market from farms and mines.

LABOR'S TAXES

- Labor may have changed their leader but they haven't changed their policies.
- Labor may be trying to change their language but they haven't changed their tune.
- Labor is still the Party of \$387 billion of higher taxes; higher taxes on your housing, higher taxes on your superannuation, higher taxes on your income, higher taxes on retirees, higher taxes on family businesses.
- Bill Shorten and Anthony Albanese are on a unity ticket in supporting \$387 billion in higher taxes.
- Today the AFR reports that Labor plans to create even more taxes to pay for their planned increase to the Newstart allowance (\$13 billion).
- These are the policies that Jim Chalmers said he was "proud" and "pleased" of. These were policies that were targeting the so-called "top end of town," which Jim Chalmers and Chris Bowen, Bill Shorten and many others talked daily about.
- While Bill Shorten claims to have "misread the mood" Labor have not ruled out their high taxing agenda.
- Even Labor's President, Wayne Swan, continues to campaign publicly to keep Labor's huge taxing agenda, hitting millions of hard working Australians.

<u>FIJI VISIT</u>

- The Prime Minister travelled to Fiji from 11 to 12 October 2019 to hold discussions with Prime Minister Bainimarama to advance the Pacific Step-up and progress the Vuvale Partnership between our two countries.
- This included bilateral discussions, including trade, defence and sports diplomacy elements, including attending the Prime Minister's XIII Rugby League matches.
- Australia is committed to stepping up our engagement with Fiji, as a key regional leader, and the Pacific more broadly to address the opportunities and challenges that face our region.

AUSTRALIAN INFRASTRUCTURE FINANCING FACILITY FOR THE PACIFIC

- The AIFFP has only been operational since 1 July this year.
- It is currently assessing a substantial pipeline of potential projects in the energy, transport, water and telecommunications sectors.
- To set up a major facility like this takes proper consultation.
- The AIFFP has generated a lot of interest and we have been consulting across the region and with the private sector on potential projects.

• The AIFFP Board has met three times since July and externally recruited investment specialists with significant infrastructure financing expertise.

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