

# MALCOLM TURNBULL SPEECH TO THE STATE COUNCIL LIBERAL PARTY OF AUSTRALIA (VICTORIAN DIVISION)

9 April 2016

## PRIME MINISTER:

Well thank you very much Greg, and good morning. Another beautiful Melbourne day – another couple of days in Melbourne, as usual, indulging in my passion for Melbourne’s trams. And occasionally, on the trams, for a Sydney Prime Minister I am paid what I think is the ultimate compliment for a visitor from out of town - when one of the locals asks for directions and not just a selfie.

So, at the outset, I want to thank President Michael Kroger and all of the Administrative Committee for their tireless work through a very testing year.

I want to pay tribute to our State Liberal leader Matthew Guy who has absolutely revitalised our Parliamentary team here in Victoria.

Matt has demonstrated that he is a leader ready to take on the serious policy challenges to get Victoria’s growth back on track.

And, today, can I assure you Matt - and can I assure all Victorians - that there is \$3 billion waiting in the Commonwealth contingency reserve for the construction of the East-West Link.

[APPLAUSE]

That commitment is ready for the moment - not too far off we trust - when there is a government in Victoria prepared to do the right thing to make that vital project happen.

The East-West is the missing link in the system that began with the Monash Freeway under Henry Bolte, and City Link under Jeff Kennett. It is pivotal to this state’s future transport infrastructure. It’s an investment that will generate thousands of construction jobs, and our commitment stands toward that important construction project.

Now, today, our division, your division, the Victorian Division pays tribute to several of our retiring champions: Andrew Robb, Bruce Billson, Michael Ronaldson and Sharman Stone. All have been ministers. All have served our Party - and indeed our nation - with

great distinction.

The Party's debt to Andrew is enormous. Andrew was of course the Federal Director of the Party from 1990 and was responsible for the triumphant 1996 campaign, which we celebrated last night.

But the most profound impact Andrew has had in his service to Australia has been in his role as the most successful Trade Minister in our history.

The three new free trade agreements with China, Japan and South Korea, and the Trans-Pacific Partnership with 11 leading trading economies of the Asia-Pacific, will create massive new opportunities for Australian business in the world's most dynamic economies – and we are already seeing this right around the country. These open markets, big new open markets are transforming the opportunities for Australian exporters and the growth of resources, soft commodity exports, agricultural exports, services, technology, tourism, it is a formidable contribution securing our prosperity.

Now Bruce Billson, of course, was responsible for small business in our government. And he delivered with characteristically magnificent gusto our \$5.5 billion jobs and small business package.

Bruce is always a passionate advocate for changing Section 46 of the competition law to incorporate an effects test better enabling small and medium businesses to compete with the big end of town - in line with the recommendations of the Harper Review. I'm proud to say that in my government that policy has been affected and the effects test will be introduced into Section 46. And it is in no small measure due to the dogged advocacy of Bruce Billson.

Michael Ronaldson served with distinction in all the roles he has held, but perhaps most significantly as Minister for Veterans' Affairs, working with passion and commitment for the men and women who put their lives on the line keeping our nation safe. And as the minister for the Anzac Centenary, Ronno presided over the commemoration of our most momentous anniversary last year - at Gallipoli and around the world, cherishing and burnishing that heroic national foundation story.

Finally as Special Minister of State Ronno laid the groundwork for one of the great reforms of our government - the reform of the Senate voting system, so that from the next senate election it will be Australian voters who decide where their preferences go, not preference whisperers and the secret group voting tickets.

I also want to pay special tribute to Sharman Stone, who is stepping down after tirelessly representing the people of northern Victoria through the good times and the tough times

of fire, flood and drought over 20 years. As a scholar, as a minister, as a passionate advocate for her constituents in the electorate of Murray, Sharman has demonstrated her keen intellect, strong social consciousness and indomitable energy and she will be sorely missed. Thank you Sharman.

Each of these leaders have made stellar contributions to our national life, and our efforts to make Australia stronger and more successful, as a society and as an economy -- more innovative, more entrepreneurial, more resilient, more diverse. This is the great cause of everyone in our party. The party of enterprise.

Our side of politics understands what it means to back yourself, to invest, to create jobs. To put everything on the line and when things don't work out, to pick yourself up and have another go. Our members are from every walk of life -- we are a true grassroots political movement -- from businesses big and small, to farmers, professional people, the military, police. There is no profession, no occupation, no line of business that is not represented in our ranks.

So when we discuss our economic plan for our nation's future, there are backgrounds and views brought to bear in our party room and in our Cabinet that reflect Australia's and our party's rich diversity. I am privileged to count in my Cabinet an abundance of talent from Victoria -- Mitch Fifield, Kelly O'Dwyer, Josh Frydenberg, Greg Hunt.

And new to the ministry, Scott Ryan, Dan Tehan, Alan Tudge. And the Nationals' Darren Chester brings a voice for Gippsland to the Cabinet as Minister for Transport and Infrastructure. That is a powerful roll-call -- a big Victorian contingent; a talented Victorian contingent; a tribute to this party and this division of our party, a Victorian contingent that contributes great intellectual and policy heft to the task of delivering victory at the election later this year.

And of course I want to acknowledge and welcome our extended Victorian team: Russell Broadbent, Sarah Henderson, Kevin Andrews, Michael Sukkar and Jason Wood and of course the newest member of our team, James Patterson. And let us not forget Mr Speaker - Tony Smith. Tony Smith has brought a dignity, a calm dry wit --- and when the need arises a flash of steely discipline -- to that most important national office. Tony is a great credit to our party and our parliament and our nation and I thank him for his work.

It was Isaac Newton who once wrote: if I have seen further it is because I have stood on the shoulders of giants, and all of us in politics should acknowledge that.

At a big function last night, which I know many of you were at as well, we paid tribute to John Howard as we mark the 20 year anniversary of the election of one of the most successful and effective governments in the history of our Federation.

When I became Prime Minister I said the Howard Government was the gold standard, and I meant it.

And so we acknowledge the other Liberal giants, led by Menzies, on whose shoulders we stand -- including from the Victorian Division: Peter Costello, Peter Reith, Richard Alston, Kay Patterson, David and Rod Kemp, to name but a few. They are our foundation, of the great values and success of our political movement.

Now my friends we are at a pivotal moment in our history as we transition from an economy that has been fired up by an unprecedented mining construction boom as we transition to the new economy of the 21st century.

In this election year, there is only one central issue – whether we complete our transition to the new economy or we allow Labor to kill off that opportunity. This transition is one I've consistently talked about for years. It is clear that in order to succeed, in order to remain a high wage, generous social welfare net, first world economy, we need to be more innovative, more competitive, more productive.

It is that transition which will deliver our children and grandchildren the great jobs they deserve not just today, but tomorrow and for years to come. This is the most exciting time to be an Australian. The opportunities have indeed never been greater, but success is not guaranteed. That is why we are directing every lever of government to ensuring Australians can make that successful transition. That is what the next election will be all about. Who do the people trust to steer the course to a secure, prosperous and exciting future?

Under my government and our economic leadership we are seeing strong confidence and growth - 3 per cent real GDP growth last year; over 300,000 new jobs created - the highest since 2007, well before the global financial crisis. And the keys to continuing that successful transition are technology, innovation, investment, infrastructure and open markets

So it was in December we launched our Innovation and science Agenda - \$1.1 billion committed to bring more Australian ideas to market, incentivise entrepreneurs and invest more in education and research and ensure that our researchers collaborated more with industry and business, so that more of the fruits of that research translated in to jobs and opportunities here at home. As part of that agenda, we are making it easier for start-ups and innovative small businesses to access early stage capital, making it easier for more to access government contracts, making it easier for them to take great ideas to market and to grow.

We launched our Defence White Paper –investing \$1.6 billion over 10 years in local industry to build skills and drive competitiveness while harnessing Australian innovation and expertise. And right across the defence White Paper, in the tens of billions of dollars in expenditure to ensure our armed forces have the capabilities to keep us safe in the years to come, we are ensuring in so far as we can that every dollar we spend will be spent in Australia. Because we build our security not simply by giving armed forces, our armed forces the physical capabilities, the physical assets they need, but by building the Australian industries and the Australian technologies that will create them. So both in terms of the capabilities and the investment, an industry that knows we are behind them. The defence White paper is a plan not simply for strategic security but for economic security in the decades before us.

In the face of concerted Opposition from the Labor Party and the union movement we drove the China Free Trade Agreement legislation through Parliament and over 85% of Australia's goods will enter China duty free as a result. We have continued to invest in water infrastructure to ensure our agricultural exporters get the best out of our Free Trade Agreements. We are supporting record levels of infrastructure through a \$50 billion infrastructure package – and Infrastructure Australia's rolling 15 year plan gives certainty to industry, to promote private investment, and ensures funding is directed to infrastructure that delivers real tandem economic benefits.

Now as part of that plan we are committed to supporting high quality transport projects here in Victoria.

I spoke earlier of our commitment to the East-West Link. Well that will have to wait for the arrival of Premier Matt Guy. In the meantime, the Treasurer and I have written to our counterparts, Andrews and Pallas, to advise them we cannot allow the \$1.5 billion previously earmarked for the East-West Link to be left sitting idly in the state's accounts - or artificially propping up the Labor Governments Budget.

We need to put that money to work. Accordingly, we are prepared to commit the \$1.5 billion held by Victoria, plus all interest earned, to these land transport infrastructure projects that have been identified in Infrastructure Australia's Priority List.

\$500 million towards the Monash Freeway upgrade.  
\$350 million towards the Western Ring Road upgrade;  
\$220 million towards the Murray Basin freight rail upgrade;

All of them requiring a matching contribution from the Victorian Government.

We will also fund two sub-packages as part of that \$1.5 billion to improve economic development in cities and in regional Victoria: \$340 million collectively towards Rural and Regional Highways promoting safety right across the state. \$75 million towards smaller Urban projects to relieve congestion.

One of the projects funded will be a \$10 million Commonwealth commitment to upgrade The Great Ocean Road.

The aim of all of these projects is consistent and follows the direction and the planning of our government, driving economic growth, improving productivity, making it easier for business to move goods around the city and state, enable Victorians to get where they need to go with less disruption and inconvenience.

Better transport infrastructure is vital to our economic success.

In the 21st economy, however, human capital is our most critical asset. Enabling the skills, talents and ingenuity of our people defines our future success. That's why we're determined to continue to improve workforce participation.

We're introducing a \$3.2 billion child-care subsidy making it easier for parents, particularly those on low incomes to go back to work. This should bring the equivalent of 20,000 full time workers back into the labour market. We're investing \$322 million in the Transition to Work program to improve the work readiness of young people aged 15-21.

In telecommunications we've eliminated around 3,000 mobile blackspots nationwide, through round one of our program, with an additional \$60 million invested in round 2. We're investing \$7.8 billion in the NBN this financial year, which means by June 2018, three in four Australians will have access to the NBN.

And you know after six years of Labor Government, after so many billions of dollars of waste, after so much fibre-to-the-press release, do you know how many premises in Victoria had been connected to the network in built up areas? Slightly more than 5,000.

Our government has worked hard to turn around that abysmal performance. And I would acknowledge which five of my successors, minister for communications, those of us that have been involved in big projects will attest; the melancholy experience of life is that bad projects generally get worse, generally they get a lot worse. We are turning this very bad project around. We can't recover all of the money Labor lost but we are improving it in terms of performance and delivery. As of last week, 385,000 premises in Victoria have

access to the network and we have increased the number of connections in built-up areas by twenty fold.

We are establishing a new \$1 billion Clean Energy Innovation Fund, I want to acknowledge Greg Hunt for his leadership in putting that together. Investing \$100 million every year in cutting-edge Australian clean-energy technologies and business to ensure we not only drive jobs and innovation but also play our part responsibly and effectively in reducing carbon emissions.

The Budget we will hand down on May 3 will include changes to our tax system designed to generate jobs and growth; promote investment, innovation and enterprise. But overarching all of this, however, is a fundamental truth -- governments at all levels, and all Australians concerned for the future economic security of our country, have to accept the reality that we must live within our means.

This Budget will not be about a fistful of dollars. It will be about prudence, fairness and responsibility to our future generations.

As we learned at COAG last week the States are keen for the Federal Government to raise taxes for them to spend - but have no interest in raising taxes themselves. The upshot was a revealing moment of great clarity. The Premiers don't want to raise taxes to pay for their spending. Well, neither do we. So that's clear: we all have to live within our means.

The only way to ensure we have great jobs in the future, to ensure we have the revenues that will enable us to deliver great schools and great hospitals, is to have a strong and successful economy. Excessive taxes, excessive debt, serve as a handbrake on economic growth.

Everything we're doing -- innovation, competition, trade, investment and infrastructure -- is focused on powering economic growth. If we don't keep building constantly on this plan for that successful economic transition to the new economy, our economic growth will stall, jobs will go and opportunities will be lost to others.

We hear almost nothing of Mr Shorten's plans for the economy. All we hear of are his plans to spend more money... but he can never explain how he intends to pay for it.

and that is the fundamental test for Mr Shorten -- the numeracy test, if you like that he can no longer shirk: How is he going to pay for his \$51 billion of unfunded promises? Higher taxes? More debt? Or both?

If he cannot come clean on that, it's a sure sign that he's learned nothing from Labor's failures in six years of government. As Paul Kelly wrote this week, his is basically the

Gillard agenda with a new coat of paint.

Bill Shorten cannot be trusted with this nation's finances. On so many levels, Labor under Shorten is a risk to our economic advancement.

Right at the heart of the economic reform we need is restoring the rule of law to the labour market. And two major pieces of legislation will address this. One is the Registered Organisations Bill which anticipated most of the recommendations of the Hayden Royal Commission by requiring unions and employer organisations to have similar rules of transparency, and accountability as apply to corporations.

You would think that Labor would welcome the chance to restore confidence in the union movement, so damaged. And yet three times now Labor supported by the Greens and crossbenchers have blocked this law in the Senate.

They've also blocked legislation to re-establish the Australian Business and Construction Commission to restore and enforce the rule of law in the construction industry.

And, what is at stake here, is economic reform is critical to the nation's future.

You in Victoria know better than most the impact of industrial disruption by construction unions. Who can forget the ugly spectacle of militants laying siege to the streets of the city during the Emporium dispute?

Construction is a vital industry for our future. It employs more than a million workers. A competitive and productive construction sector is critical if we are to have the infrastructure of the 21st century at a price the Australian taxpayer can afford.

We'd hoped that after the Royal Commission the case for restoration of the ABCC would be irresistible.

But Labor, the Greens and most of the cross bench have continued to say no - the CFMEU they assure us, are fine fellows. Only this week, we had the spectacle of the Labor member for Bendigo, Lisa Chesters, standing shoulder-to-shoulder with the CFMEU's John Setka at a union rally.

Have they not bothered to read the mountain of evidence uncovered by Justice Heydon? Don't they care about the impact on the Victorian economy of the intimidation and disruption of the construction sector through unlawful industrial action?

Do they care only about the CFMEU's campaign chequebook?

As of this week, 108 CFMEU officials are before the courts with over 1000 separate charges relating to breaches of the industrial law. Two-thirds of those proceedings relate to unlawful behaviour here in Victoria. The damage to the economy, the Victorian economy, the national economy is utterly unacceptable.

Only this week, the Fair Work Building and Construction lodged a claim against the CFMEU over a coordinated industrial campaign that put at risk the delivery of more than half a billion dollars' worth of construction projects, including four hospitals and an aged care facility.

Now that cannot be excused or dismissed by Bill Shorten. This industrial bullying is penalising the Victorian economy, it's imposing unnecessary and mounting costs on the taxpayers of this state.

And that is the risk with Labor. No matter what the findings of successive inquiries, and no matter how many CFMEU officials come before the courts, they wilfully ignore this blight on our economic performance and are determined to do nothing about it. And when they are not appeasing trade union supporters, they favour policies which will disrupt the economy and obstruct our successful economic transition.

Let's be quite clear about this:

Labor's policy to increase capital gains tax by 50% and to ban negative gearing on all assets other than new dwellings will, and are clearly designed to, reduce investment, entrepreneurship, materially reduce the value of residential property - Australia's largest single asset class, reduce the availability of rental properties and increase rents.

Labor clearly wants people to invest less, to take less risk, to borrow less, to build businesses less, to create less jobs – and let me assure you they have the policies to do just that. Shorten cannot be trusted with the economy. His clumsy protectionism on the steel industry would put at risk billions of dollars of Australian exports, the integrity of our free trade agreements and it is no wonder his front bench is already distancing themselves from his reckless policy on the run.

We cannot allow Shorten, Labor and their union backers to stand in the way of advancing this nation's long-term economic future.

Having secured reform to the Senate voting system, we are recalling senators on April 18 to give them three full weeks, if they choose to use them, to reconsider their opposition to the ABCC and Registered Organisations Bills.

We will not allow Bill Shorten's backward-looking Labor Party to use the Senate to block legitimate and necessary economic reform.

Innovation, technology, investment, infrastructure, free trade -- these are the keys to unlocking exciting new opportunities for Australian business, the exciting new opportunities for Australian jobs, the future for our children and grandchildren.

There is a way to a successful 21<sup>st</sup> century economy and we are on that road led by a Coalition Government, we are on that way, but Labor is threatening to stand in the way and block it. Their policies would block the path to entrepreneurship, they would undermine investment, they would deter employment, they would undermine the chance for our children and grandchildren to seize the opportunities of this the most exciting time in human history.

They are stuck in the past clinging to their old out of date Labor Union paymasters. We have a strong case my friends, because what we offer Australians is a clear vision, every measure, every policy, counting towards the achievement of the great jobs, the great opportunities of the twenty first century, built on the absolute philosophical foundation of our Party.

Which is after all a party committed to freedom. We believe deep in our DNA, that the job of government is to enable Australians to do their best, to enable them to use that freedom, that ingenuity, that entrepreneurship to invest to employ and to grow. Then they will create the successful future we all depend upon.

They will create the opportunities, they will seize those opportunities. Labor is promising a restriction on economic freedom of a breadth and scope we have not seen in generations. I know that we will keep Australia safe from Labor when we return our government at the election this year.

Thank you very much.