



The Hon. Scott Morrison MP
Prime Minister

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EO&E...

PRIME MINISTER: Thank you very much, Laura, and to everybody who is here today.

I, of course, begin by acknowledging the Ngunnawal people, their elders past, present and the future.

Can I also acknowledge any veterans who are with us today, serving men and women of our Australian Defence Force and say to them thank you for your service.

Can I also acknowledge today the beautiful Abdallah and Sakr families on this first national i4Give Day, as we remember their four beautiful angels - Antony, Angelique, Sienna and Veronique - who were taken from us this day a year ago.

I also welcome the very many of my colleagues who are here today. Of course, led by the Treasurer Josh Frydenberg. It is great to have you all here today and I acknowledge you all and the great job you have been doing and I know you will do over the course of this year.

In 2020, I said we would not let this virus break our Australian spirit.

It hasn't, and it won't.

I said we always believed ourselves as Australians to be a strong people but we were about to find out just how strong we really were.

And we did. We found, our generation, the same strength, good humour, resilience and mateship that enabled past generations to rise to the challenges of their time.

Today, Australia stands out across the world in our response to the pandemic.

We continue to report zero or negligible cases in community transmission.

We have mercifully so far avoided a third wave over this summer. We have the third lowest mortality rate from the pandemic among G20 nations.

And our record on saving lives is matched, importantly, by our record in saving livelihoods, where we have outperformed economically the world's most advanced economies.

With more than 90 percent of the jobs lost already back, our comeback has not just begun, it is gathering pace.

As Chris Richardson from Deloitte Access Economics observed earlier this month, 'You'd rather be here than almost anywhere else.'

Now, that is my default setting, I've got to say, regardless of the circumstances and I'm sure it is for most Australians. It's very true now.

But there is still so much more to do, though.

The pandemic is still raging. It is not petering out. The virus has not gone anywhere. Indeed, it is morphing into new and more virulent strains.

So we must remain vigilant.

We have all learned a lot over the past twelve months and we have also led the way in so many areas.

We must take these lessons into 2021 and continue to make our own way through this crisis.

Our Australian way.

That respects our liberal democratic values, our expert institutions, our business-led market economy and the responsibilities and accountabilities of our federal system.

An Australian way where our decisions to protect public health are guided by our respect for science and expert medical advice. And I acknowledge Brendan Murphy who is here amongst us today.

An economic response driven, as the Treasurer and I outlined, by clear principles to navigate uncertainty.

A response that is proportionate, timely, scalable and targeted.

That is aligned with other arms of policy, in particular, monetary policy.

That uses existing delivery mechanisms wherever possible to avoid mistakes and delays of the past.

And a response where emergency measures are temporary and accompanied by a clear fiscal exit strategy.

You can't run the Australian economy on taxpayers money forever.

And finally, a response that lifts productivity to enable the Australian economy to sustain an even stronger growth trajectory on the other side.

But you know, above all, our Australian way depends most on the character and resilience of Australians.

Each of us understanding we have a contribution to make. And for that, I say thank you to the Australian people.

Australians have made the difference.

So to our focus in the year ahead.

There are five priority areas that I want to speak about today in relation to 2021.

1. Suppress the virus and deliver the vaccine;
2. Cement our economic recovery to create jobs and more jobs;
3. To continue to guarantee the essential services that Australians rely on;
4. Protect and secure Australians' interests in a challenging world; and
5. Care for our Country

So let's talk about the virus and the vaccine.

We enter 2021 in a relatively strong position and I acknowledge the great leadership of our Health Minister, Greg Hunt, in taking us through this difficult period.

Our 2020 achievements have bought valuable time on vaccines, to ensure they are safe and can be effectively rolled out across our population.

But even with the roll out of the vaccine, there can be no let-up in the three vital suppression measures that have served Australia so well in 2020 and must be the focus of continuous improvement throughout 2021.

Our international border restrictions and robust quarantine system.

Our high rates of testing, our contact tracing systems and our management of outbreaks in localised hotspots.

And physical distancing and sound hygiene practices.

In 2021, these suppression measures which must be exercised, I stress, in a balanced way to also protect jobs and livelihoods, will be complemented by the COVID-19 vaccines.

This will be one of the largest logistics exercises ever seen in Australia. We will be vaccinating more than 25 million people, having secured over 140 million doses, enough to cover the Australian population several times over.

The TGA recently approved the Pfizer vaccine for people aged over 16 years here in Australia. Unlike other jurisdictions around the world, this was a formal approval, not an emergency one.

We are one of only a handful of countries to have gone through such a comprehensive and thorough level of oversight to ensure the vaccines are safe.

And we have wisely planned for the unexpected.

That is why we took the decision to take out the insurance of securing our own sovereign supply of vaccines, by investing in COVID-19 vaccine production here in Australia.

Australia is one of a small handful of countries, once again, to have sovereign vaccine manufacturing capacity. Subject to TGA approval, we expect to be able to supply COVID-19 vaccines to the entire Australian population through CSL's manufacturing plant in Melbourne.

Today, we are releasing further details of the Government's COVID-19 Vaccine and Treatment Strategy, setting out how vaccines will be rolled out to the Australian people.

Our aim is to offer all Australians the opportunity to be vaccinated by October of this year, commencing in just a few weeks' time.

Our guidance, I stress, is that first vaccinations remain on track to be in Australia, ready for shipping and distribution to priority groups, from late February.

However, the final commencement date will ultimately depend on some of these developments we're seeing overseas, which we will continue to monitor closely and update the Australian people accordingly.

Now, the Strategy is backed by an initial allocation of around \$1.9 billion in new support for the vaccine roll out. This is on top of more than \$4.4 billion allocated for vaccines purchases, medical research and support for our partner countries. It is a big job. This brings the Australian Government's total support for COVID-19 vaccines and treatments to \$6.3 billion.

While working closely with our partners in the states and territories, we are also working with the Royal Australian College of General Practitioners and the Australian Medical Association, the big logistics companies including DHL and Linfox, and general practices and community pharmacies from around Australia to administer the vaccine.

We'll have thousands of points of presence across Australia - Hospitals, GPs, Pharmacies, Respiratory Clinics, Aboriginal Health Services and a specialist surge workforce. This will ensure we get the vaccine to all Australians, including people in rural, remote and very remote areas and others who are hard to reach.

Initially, we will need to prioritise the most vulnerable and those likely to experience a serious disease, as well as frontline health and care workers and other essential service workers.

We will then extend vaccination to the balance of the population as quickly as possible, building towards protecting the entire community by the end of this year.

We want as many Australians vaccinated as quickly as possible and as safely as possible. The COVID-19 vaccines will be made free to all Australians and we strongly encourage all Australians to get vaccinated.

We are working with states and territories and will be providing guidance for employees, employers, customers and industries on the vaccine shortly.

And, as Maris Payne knows and Zed Seselja knows also, we have not forgotten our overseas partners, our family here in our region. The Minister for Foreign Affairs and Minister for International Development and the Pacific are already working with their counterparts on a dedicated vaccines program designed around the needs and health systems of our Pacific family and Southeast Asian neighbours.

On the economy and jobs, the comeback in Australia's economy is already underway and betters the experience of most advanced economy nations in the world today.

Now, Australians are now voting with their feet to join the economic recovery that is occurring here in Australia.

The unemployment rate has fallen from 7.5 percent in July last year down to 6.6 percent in December.

And importantly, the effective rate of unemployment, that takes into account hours reduced to zero and people leaving the workforce, has also fallen to now be in line with the headline rate at 6.6 percent, after hitting almost 15 percent at the height of the crisis.

Almost 800,000 jobs were created in the past seven months and it is very pleasing to see women taking up the majority of those jobs.

90 percent of the jobs lost to COVID-19, as I said before, had returned by the year's end.

Our participation rate has recovered and reached a record high of 66.2 percent.

While consumer and business confidence has recovered as restrictions have come off and this will be further supported by the vaccine rollout.

Our task now is to continue our economic recovery by sticking to our Economic Recovery Plan and, importantly, exercising the fiscal discipline necessary to ensure that we do not overburden future generations and continue to spend taxpayers' money wisely.

We are not running a blank cheque budget.

While our medium-term strategy remains to stabilise and reduce debt, low interest rates are alleviating debt servicing pressures as lower rates not only apply to new issuances but our pre-existing debt as it rolls over.

Because our debt is getting cheaper to service at a faster rate than it is getting larger, that means our net interest bill will decline as a share of the economy. We've got this.

As this chart shows, our \$251 billion in direct economic support, unprecedented in this country, while largely delivered in 2020, has a long tail in providing ongoing support. It's put gas in the tank.

Treasury analysis has shown that our direct economic support measures are expected to result in economic activity being 5 percent higher in 2020-21 and 4.5 percent higher in 2021-22 compared to if no support was provided at all.

Now, we know that our temporary JobKeeper payments and our many other supports have helped to boost families and businesses balance their balance sheets by more than \$200 billion. This has been a game changer like no other we have seen in this country, JobKeeper, for millions of Australians.

It saved not just livelihoods, it saved lives.

There is now a large sum of money available to be spent across the economy and that is what is going to help to create jobs and maintain the momentum of our economic recovery and that is where it needs to be right now, those funds - in Australians' pockets.

Indeed, in 2021, the Government will continue putting more money back into Australians' pockets, protecting more of what they've earned, to support their families and businesses.

The legislated Low and Middle Income Tax Offset, the tax cut from 26 to 25 percent for small and medium businesses. Full expensing for new business investments, creating jobs, and our loss carry-back, providing a much needed cash flow boost for those businesses who continue to do it tough.

And from today, the first round of JobMaker hiring credit claims can be lodged.

It is important to remember, employment of those aged 15-34, as you see in this chart, remains 3.3 percent below pre-COVID levels, while those aged over 35 are back at their pre-COVID levels.

Working through the National Cabinet in 2021, this will be a year of generational change in our skills and vocational education sector.

This is a big piece.

It includes:

- \$4 billion to help employers retain and take on new apprentices and trainees through wage subsidies, with support for up to 100,000 new apprentices.
- Our national \$1 billion JobTrainer Fund is providing over 300,000 training places to help reskill workers for the COVID recovery.
- A new skills agreement to provide more transparency and better link funding to actual skills needs will be done this year.

Minister Cash is going to be very, very busy.

We are also providing for up to 30,000 more university places and 50,000 more short courses this year.

In the Parliament, we will be seeking that support for the changes we believe are necessary to help businesses to put more people back into work in the post-COVID recovery for the changes we need to make in industrial relations.

Nearly \$29 billion in infrastructure investment will hit the deck this financial year and next. That includes bring forwards as part of our pandemic recovery plan, which will especially assist rural and regional communities, including our new road safety initiative, which I know the Deputy Prime Minister is especially passionate about. Investments made through the national water grid will add further to this effort.

Our economic recovery plan, I should stress, is underpinned by something incredibly important, and that is delivering affordable and reliable energy in a way that positions Australia to be successful in the lower and ultimately net zero emissions global economy of the future.

Our goal is to reach net zero emissions as soon as possible, and preferably by 2050.

But when we get there, when we get there, whether in Australia or anywhere else, that will depend on the advances made in science and technology needed to commercially transform not just advanced economies and countries, but the developing world as well.

Science and technology will, as it always has in these areas, set the pace and in the developing world this is important because it is in those countries that dominate the emissions horizon.

In Australia, we will do this by investing and partnering in the technology breakthroughs needed to reduce and offset emissions in a way that enables our heavy industry in particular, industry more broadly, jobs and living standards, especially in regional Australia, to continue and to keep energy costs down.

In Australia, my Government will not tax our way to net zero emissions. I will not put that cost on Australians and I will particularly not ask regional Australians to carry that burden.

Getting to net zero, whether here or anywhere else, should be about technology not taxes and high prices.

In Australia, we're not waiting on this, we're getting on with it.

Emissions fell by 3 percent in the year to June 2020, to their lowest levels since 1998, meaning we are now nearly 17 percent below 2005 levels. These are the facts. Now, this compares to reductions of approximately 9 percent on average across the OECD, 1 percent in New Zealand and less than 1 percent in Canada. So we're not waiting.

This year our \$18 billion technology investment roadmap gets going, and I commend Minister Taylor for the great job he has done in pulling this together. With a \$1.9 billion commitment to develop clean energy technologies such as hydrogen, green and steel and CCS.

And we are taking the roadmap global, pursuing ambitious partnerships with countries like Japan, the US, the UK, Korea and Singapore.

We are implementing our multi-billion dollar energy and emissions reduction agreement with NSW and other states are following.

Agreements are in place to accelerate major transmission projects in NSW and Tasmania, with Victoria and South Australia to follow this year.

We are building Snowy 2.0.

We are rolling out our \$200 million program to build new diesel storage facilities.

The Beetaloo strategic basin plan has been released, with four more coming. The pipeline market will be further improved as will the liquidity of the Wolumbilla gas hub. All important changes.

Affordable and reliable energy is also the cornerstone of Minister Andrew's \$1.5 billion manufacturing strategy.

Now, this plan focuses as you know, because I spoke to it here, on the priority areas of resources technology and critical minerals processing, food and beverage, medical products, recycling and clean energy, defence and space.

Our priorities are clear. We're investing, we're encouraging others to do the same.

This will be backed up by the implementation of our \$5.3 billion Digital Business Plan that will accelerate 5G application development, build the digital skills of our SMEs, strengthen our cyber security and expand the Digital Identity Program.

And, of course, we will continue to work across government to cut red and green tape, and that includes the single touch approvals for environmental assessments with state governments that are before the Parliament.

Guaranteeing the essential services Australians rely on has always been a passion of mine, and you will recall it, from when I spoke about it as Treasurer. The economy is for something and it provides the services Australians rely on.

In 2020 our health, disability, aged care, social services and education systems successfully adapted to a new COVID operating environment, and I thank all of those Australians who made that possible, from the front line to those in the management offices.

Everybody had to change a lot and they had to move fast and they did an extraordinary job and they were aided by significant federal funding to help them get that job done and I know it was appreciated. We were doing our bit and they were doing their bit.

Now, this will continue as we manage the ongoing impacts of COVID-19.

But this will not, through the pandemic, interrupt our pre-pandemic agenda of the investments to guarantee the many essential services that Australians rely on.

The additional funding for public hospitals and schools, that's continuing. Guaranteeing Medicare and the listing of affordable medicines that save lives through the PBS. Record investments, that continues.

And the continuing to roll out the NDIS which, by the way, now has approximately 412,000 participants – an increase of around 100,000 participants over the past 12 months. That's what getting on with the job looks like in a pandemic and I commend Minister Robert for leading that process.

In 2021 our Government will deliver step-change reforms in important services areas. Aged care, mental health, while continuing the work of Closing the Gap for Indigenous Australians.

In this year's Budget, we will deliver the Government's response to the Aged Care Royal Commission's Final Report, a Royal Commission I initiated.

This response will add to the significant steps already taken, including an additional 59,105 Home Care Packages I have announced and out in place since I announced the Royal Commission. That's a 47 percent increase in in-home care places since we announced the Royal Commission. It's around tripled since we first came to Government.

A key focus of our response to the final report will be growing and upskilling the aged care workforce. Workforce challenges are some of the biggest challenges Australians face economically and it is essential to both our economic agenda and services delivery agenda to meet demand.

COVID has only strengthened my commitment also to mental health and suicide prevention 'towards zero' goal.

This year, there will be a new National Agreement on Mental Health and Suicide Prevention. And I am greatly encouraged by the strong support I am receiving from premiers and chief ministers on this as well. We're looking forward to moving on with those issues as soon as we're able to come to agreement on those matters.

It will provide the foundation for a comprehensive, coordinated, consumer-focussed and compassionate mental health and suicide prevention system as we learn the lessons of COVID.

And after bringing together a landmark new National Agreement on Closing the Gap with peak indigenous groups - that was a big change - later this we will release those fully funded, further implementation plans that put that Closing the Gap agenda into place.

To protect and secure Australians interest has always been a core, if not the most important, objective and responsibility of the Federal Government. It is made even more difficult in the challenging world in which we live.

The challenges of COVID-19 are not only testing us at home.

Australia must use its agency to shape the world in our interests .

This starts in our own region.

This week I will join our Pacific family Leaders at the Pacific Islands Forum, where we can speak to another strong year of delivery in our Pacific Step Up program, led by the Minister for Foreign Affairs and the Minister for the Pacific.

The same is true for our engagement with ASEAN, which sits at the heart of our vision for the Indo-Pacific.

With Indonesia, we will continue to implement our new IA-CEPA economic partnership agreement and provide support with their vaccine programme.

We have also recently upgraded our relationships with Vietnam, Malaysia and Thailand just last week and have a new digital commerce agreement with Singapore.

For the third year in a row, I have been invited as a guest to the G7 Summit, which will be held in June in the United Kingdom.

This is an important recognition that Australia's contribution is valued.

Co-operation between like-minded liberal democracies, market economy nations has never been more important than it is today.

That is why I asked Mathias Cormann to be Australia's candidate for the role of Secretary-General of the OECD. And we're doing pretty well.

As the world grapples with the recovery from COVID-19, this grouping, the OECD, of 37 market-based economies has a fundamental role to play in keeping markets open, bolstering the rules-based system and modernising rules for the digital economy.

The geopolitical environment will remain very challenging.

I am confident that our alliance relationship with the United States, which will turn 70 this year, will grow even stronger in partnership with the Biden Administration.

The defence relationship will remain the bedrock of that partnership, as we know, and our commitment to playing our part is reflected in our pledge to invest \$270 billion on defence capability over the next decade.

Our work in the Quad, which embraces the US, Japan and India, has been deepened and broadened, as evidenced by mine and Minister Payne's recent visit to Japan.

Our cooperation with Five Eyes nations has also grown, extending into new areas of common interest, particularly with the Treasurer's involvement, areas in the economy and technology.

We need to work with close partners to develop and protect sensitive critical technologies, including quantum computing and artificial intelligence.

We will also need secure critical minerals supply chains for the new clean energy technologies of the future.

The evolution of the United States relationship with China will shape the geopolitical environment in the foreseeable future, as it indeed has in the past.

For our part, we remain committed to engaging with China.

Our peoples have benefited greatly, both ways, from the depth of our economic ties.

But it's not surprising that there will be differences between two nations with such different economic and political systems.

Our task is to ensure that such differences do not deny Australia and China from realising the mutual benefits of that partnership, consistent with our own respective national sovereign interests.

China's outlook and the nature of China's external engagement, both in our region and globally, has changed since our Comprehensive Strategic Partnership was formed and going further back than that, certainly in the decades that have led up till now.

We cannot pretend that things are as they were. The world has changed.

An enduring partnership requires both of us to adapt to these new realities and talk with each other.

That begins with dialogue at both Ministerial and Leader level.

A dialogue focussed not on concessions but on areas of mutual benefit, committed to finding a way for our nations and peoples to beneficially engage in the future.

Now we, of course, Australia is open to such a process.

We will continue to create new opportunities for our exporters and I know Minister Tehan is chomping at the bit, already out there, via a free trade agreement with the United Kingdom and their potential involvement in an expanded Trans Pacific Partnership. And I thank Minister Birmingham for the great job he has done in setting up all of the opportunities for Dan to now go and complete.

It is also about accelerating our negotiations on an ambitious and comprehensive agreement with the European Union, especially targeting barriers for agricultural goods.

And, as always we will keep Australians safe.

Countering the threat of terrorism and extremism with stronger laws and record investments in our key agencies.

Countering the threat of foreign interference and espionage in defence of our national sovereignty.

Keeping our borders secure and taking down organised criminal gangs.

And protecting families, businesses and national infrastructure safe from malicious cyber activity with our record \$1.7 billion investment in cyber security. It is a big agenda.

Finally, caring for our country. For millennia, Indigenous Australians have lived the principles of caring for country.

I believe those principles must underpin how our Government exercises our environmental stewardship.

In addition to carrying on the work on:

- emissions reduction;
- climate resilience;
- implementing our export ban on waste plastic, paper, glass and tyres and;
- rolling out \$600 million in funding for new and upgraded recycling facilities around the country to build a world-class waste management sector.

This year we will turn the spotlight on agriculture and the environment - soils, water and oceans.

Australia's soils are estimated to store some 3.5 percent of the total global stocks of soil organic carbon against our 5.2 percent of global land area.

Native vegetation clearance and poor soil management have, and continue to result in, the loss of soil organic carbon. That's what makes the National Soils Strategy so important.

The Strategy will be delivered as part of the 2021-22 Budget the Treasurer will hand down later this year. It will include practical actions and focus on the development of a national monitoring program to assess the condition of Australian soils, research and development, and to assist with implementation, capacity building and extension.

It will be a fitting legacy to the great work and advocacy of our former Governor-General, and national soils advocate, the late Major General Michael Jeffery.

The National Soils Strategy is one pillar of our Ag2030 plan that's backing the sector's ambition to be a \$100 billion industry.

The importance of investing in the health of our soil, water and landscapes was borne out by the recent independent review of our national environmental legislation, and by the findings of the Bushfires Royal Commission.

While we have always contended with extreme weather, our new normal is increasing and more severe droughts, floods, fires and storms. We will continue to harness the natural resourcefulness and innovation of Australians to ensure we adapt and build resilience to these challenges.

This will be a project that both Minister Littleproud and Minister Ley will work on together.

In 2021, we will also continue the roll out of the \$1 billion 'Phase Two' of the National Landcare Program that supports regional communities through controlling weeds, improving soil health, fencing off sensitive waterways and remnant vegetation, and re-planting species. Practical stuff that makes a big difference.

2021 will also see the first phase of our healthy oceans plan, giving effect to our commitment to sustainably manage 100 percent of the ocean within our national waters.

The ocean supports almost 400,000 jobs in Australia.

Our unprecedented \$1.9 billion commitment to reduce runoff and pollution flowing into the reef, control the Crown of Thorns starfish, and deploy cutting-edge science to secure the reef's resilience to marine heatwaves is more than just a drop in the ocean.

100 percent of fisheries managed by the Australian Government have a sustainable management plan in place. And we are supporting our Indo-Pacific neighbours to manage waste, protect coral reefs and mangroves, and crack down on illegal fishing.

Ladies and Gentlemen, you have been very patient. Despite one of the toughest years in our nation's history, Australia stands strong at the start of 2021.

There is still much to do, but we know our comeback is underway.

The actions we take this year will continue to recover what has been lost and enable us to build again for the future.

In 2021, I am supremely confident and optimistic that we will continue as a people to make our own Australian way through the challenges ahead and that Australians will once again emerge stronger, safer and together on the other side.

Thank you very much for your attention.

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