

# Transcript of Q and A Session - Foreign Correspondents' Association Newsmaker Lunch

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## Prime Minister

### Sydney

Subject(s): Asylum seekers and immigration; China; Japan; Trade; Fiji; Federal election; First female Prime Minister; New Zealand

HOST: Thank you very much, Prime Minister. I might kick off the Q and A session with the first question. You mentioned several of the economic indicators of the Australian economy. There is this 21 years of constant growth, relatively low unemployment rate, very low public debt level.

There are, as always, several factors that led to this success and I guess there was also some luck in it, but I would like to focus on one factor that Australia can influence and that is population growth, mainly fuelled by immigration.

So I'm wondering what you think - how dependent the Australian economy is on future population growth and thus immigration, and I guess you also have some idea how big Australia can get?

PM: Thank you. Thank you for that first question.

We are, of course, a nation of migrants, and we very successfully managed a very, very sizable post-war migration program.

I am one of the products of that post-war migration program and if we took a walk down any of the streets of Sydney today, we would meet so many other Australians whose family story is about migrating here, either in recent years or the earlier generation of their family migrating in the post-Second World War period.

So we will continue in the years to come, in my view, to be a nation that welcomes migrants and particularly welcomes skilled migrants, and we continue to operate quite a sizeable immigration program.

We have put the focus on skilled migration and I think that that is appropriate. It's appropriate for our economic needs.

And our focus too is on permanent migration; on having people come to Australia and join our nation.

We have very good rates of having people come, become permanent residents and then become citizens.

I think one of the ways in which we offer citizenship, the citizenship ceremonies we have around the country, are a special way that we mark the entry of people into being full members of the Australian nation.

So, we will continue to see immigration, it will be important to our economic growth.

It won't, of course, be the dominant part of our economic growth. We will have an economy with many sources of strength, but migration will still play a role.

In terms of estimating population numbers for the future, I'm not one that says you need to set a target.

I think what you've got to do is manage your migration program in line with your nation's needs, which means that there will always be some year-by-year adjustments.

What I've always thought was important was to have a sense of settlement patterns and one of the things that I think particularly the NBN will do and the focus we've brought to regional Australia is we will see more diffuse settlement patterns than we have in the past, where overwhelmingly migrants have come to our biggest cities and indeed for some migrant groups they've overwhelmingly settled in one part of those cities.

QUESTION: How do you view Australia's strategic position in the trying of China, US and Australia? You have allowed US marines to be stationed in Darwin. More marines are coming to Australia.

Will that be a big part of your discussion in China, and I know China looked quite critically at that situation last year.

Will that be important in the view of the North Korean tensions as well at the moment?

PM: The stationing of the marines in Darwin is not news, certainly not news to China, and I've attended international meetings with Chinese leaders since that announcement was made. Indeed, I've attended a number of them.

I don't view us as being in a position where the strong relationship we have with China, the strong and growing relationship we have with China, is somehow in contest or in contrast to the relationship we have with the United States of America where we have both the bonds of history and today's friendship and our outlook for the future.

I think to put Australia in that position misunderstands our position, but I think it actually misdiagnoses the nature of the relationship between the US and China.

And one would say for very different nations with very different cultural outlooks and very different political systems, that the US and China have shown the maturity to manage their relationship and manage it well.

Inevitably there is some strategic competition but overwhelmingly this relationship between the US and China has been managed well and my view is that it will continue to be managed well in the future.

In those circumstances, for us, we will continue to do what we've done for some period of time, to tend to our friendship and alliance with the United States whilst growing our relationship with China.

On the deployment of the marines in Darwin, this is a decision that I took as part of taking a new step forward in our ongoing alliance with America.

We made sure that we briefed our regional partners about it. Overwhelmingly it was well received in our region of the world.

People do understand that having those marines there means that we can engage in joint exercising and work on things like humanitarian relief. And all too often in our region we are called to each other's aid for humanitarian relief.

So I think the perspective on those marines is not as dramatic as sometimes the media reporting would lead you to believe.

We're talking about exercising for six months of the year in what is a good environment to exercise in, that it is a very hard environment so when you're trying to breed up very tough marines, it is a good place to go exercising, and so it suits the United States and we were happy to accommodate them.

QUESTION: You have talked about deepening the relationship with Asia and Japan has expressed to enter the TPP and going strengthen the tie with United States and Australia and other Asian countries.

How do you relate your policy towards China and TPP negotiations as Australia hasn't given consent to Japanese entry to the negotiation? And what would be the obstacle for you?

PM: Sure, we are involved in a wide range of trade discussions and we take the view that we would have liked to have seen more progress in the Doha round in the global trade discussions.

Our Minister for Trade, in an intrepid and determined way, continues to press for that. But of course there have been some major obstacles with pressing the Doha round to conclusion.

We therefore pursue trade talks in a variety of multilateral and bilateral settings.

We continue to have discussions with Japan about a bilateral FTA. We continue to have discussions with China about a bilateral FTA.

We have signalled that we want to be involved in the Trans-Pacific Partnership and we are involved in those discussions.

We've welcomed the expression of interest from Japan.

We think that this has to be an ambitious, high level agreement, so we want to see every nation that expresses a wish to join meeting that aspiration of an ambitious, high level agreement.

And if Japan is entering these talks with that aspiration, then we will be very welcoming of Japan's involvement.

Of course this is something that needs to get the consent of all TPP countries in the same way that the entry of Canada and Mexico required that consent.

QUESTION: Thank you Prime Minister. Japanese Prime Minister Shinzo Abe recently revealed his views on national security in East Asia. He said the Japanese need to be part of the democratic security dialogue which is Australia, India, Japan, United States and Hawaii in a form of diamond shape of the security cooperation that can contain China's military expansion in the region.

So what do you think of this idea and have you discussed it with Mr Abe?

And also there is some ongoing dispute between China and Japan, such as the territorial row over a group of small islands in the East China Sea. Are you going to discuss this particular issue with President Xi Jinping while you are in Beijing?

PM: Thank you for the question. I have had the opportunity to speak to Prime Minister Abe by telephone and to congratulate him on his election and we did briefly, as you can in a telephone call, canvass a range of matters.

The strength of our friendship with Japan is of long standing and certainly as Prime Minister I have sought to nurture that.

And I think the fact I was the first foreign leader to visit Japan after the devastating tsunami was noted in Japan.

Certainly an amazing experience for me to see the stoicism and bravery of the Japanese people in those circumstances, and I was pleased that a visit at that time was so welcomed when of course there was so much concern about the people of Japan but also the aftermath of the nuclear incident, that by being physically present, I could show that it was possible for people to visit Japan and that I was more than happy to do so.

On security perspectives, we do not believe in a containment policy in relation to China. That is not our outlook. That is not the outlook of the United States of America.

What we want to see is a prosperous China, increasingly engaged in our region and in the world. We think that that is good for China, it's good for the region, it's good for the world.

We have a dialogue with China on security questions, military-to-military dialogue, and of course we have ongoing defence dialogues with Japan as well. And so we will continue to nurture both of those very important relationships to us.

On tensions, the tensions that there have been around the islands – the tensions involving Japan and China – our view is that peace and security in North Asia is pivotal to all of us, it's pivotal to Australia.

Not only do we have big economic ties to China and Japan and of course to other parts of North Asia, we've literally got tens of thousands of Australians who live in that part of the world.

So peace and security in North Asia is of pivotal importance to us.

We don't take a view on the contending territorial claims, but we do, and in all of our dialogues, we will advocate for peaceful resolution and for the work of diplomacy to ease these tensions.

QUESTION: I would like to ask a question on a slight change of tack on Fiji.

The Australian Government seems to have been relatively quiet on the dumping of a constitution drawn up by an independent expert in favour of one written by the Prime Minister and his Attorney-General, unelected military ruler, arguably.

What is Australia's position on this new constitution under which some people say a constitutional coup has gone on and no free and fair election could ever be held?

And is Australia's sway in that part of the world waning a little as China ups its investment right across the Pacific?

PM: On the constitution, we understand that there were some civil society concerns about the draft of the constitution; that's a dialogue for the people of Fiji to have

Though of course, the way in which the constitution was discarded was concerning to us, but we did understand that there was civil society concerns with its contents.

For us, we continue on Fiji to have the same outlook that we've had for a long period of time, which is that we must see a return to free and fair elections, and we stand ready to assist with preparations for those elections, for the conduct of those elections.

We believe that Commodore Bainimarama needs to be held to his promises and accountabilities about having those elections, and that they need to be held on time and properly done.

So we will continue to press for that and to raise our voice in forums, including the Pacific Island Forum on those matters.

In terms of China's engagement in the Pacific, as China's role, China's weight and power continues to rise, then of course it will have stronger and more diverse relationships around the world, including in the Pacific.

We want to see countries around the world working for aid and development in the Pacific. There is a lot to be done.

We believe that that aid and development money needs to be the subject of proper accountability and transparency, so people can see the work that is being done.

So once again we think that there are ways of working together, working together in the Pacific, to see much needed economic development, and we believe our focus has to stay on seeing a return to true democracy in Fiji.

QUESTION: Prime Minister, thank you very much for coming. We have just realised that you are the first serving Prime Minister since Bob Hawke talking to us, so this is a truly historical moment.

Prime Minister, in your past career you had a reputation as being a compassionate lawyer with a high level of empathy and humanity. These days you govern over what some describe as one of the harshest and most inhumane asylum seeker policies in the western world.

Looking at your political, current political situation, one could say that you were at best moderately successful in appealing to the racists in the suburbs of Australia, and to those people who believe what's actually written in The Daily Telegraph.

But one could argue that you certainly, that with your policy of being even tougher than John Howard, that you certainly alienated even your staunchest supporters on the more progressive side of politics. In retrospect do you think that was a smart strategy, a smart move?

PM: The only thing that our asylum seeker and refugee policies are about is deterring people from risking their lives by getting on boats, combatting people smuggling which is a transnational crime; trying to profit on human need and human misery, in the same way in which the international drug trade seeks to profit from human misery, in the same way in which human trafficking seeks to profit from human misery. And honouring our obligations under the Refugee Convention of which we are a proud signatory.

So these are the things that drive our policy settings: the Refugee Convention, stopping people getting on boats and risking their lives, combatting a transnational crime.

This is not an easy policy area and if one looks around the world, whether you turn your eyes towards Europe or whether you turn your eyes towards Canada or other countries, you see nation states are struggling to work out the best set of policies in asylum seeker and refugee policy area.

And I think that's because there are contending considerations. People want to be compassionate. We are a very compassionate country. We settle large numbers of refugees. Per head of population we settle them in extraordinarily large numbers.

So we can very much hold our heads up high in the world as a compassionate country.

But we don't want to see anything in our domestic policies which would facilitate bad people making money, or cause people to believe that they will get a better future if they risk their lives on a boat.

And for all of us in Australia, including some of our nation's most progressive elements, I think that there has been a recognition about the real dangers and real tragedies that come when people do get on boats.

So in those circumstances, we turn to the best experts for advice: to a former head of our Defence Force, to a foreign policy expert, to a refugee expert. And we said as a Government we would enact their policies in full.

And when you strip their policies right down to their underlying essence, it is that you should get no advantage for having paid a people smuggler and having got on a boat, and I think that is a compassionate underpinning.

I think it's morally right. I think it's practically right to say that you should not give people an advantage because they've got on a boat.

So that is how we're operating our policy now. I think that stands very well alongside Australian values and Labor Party values.

We've been stopped from enacting some of it by the cycle of negativity in Australian politics, but I think the report we received was good advice and the right policy way forward and that's why we're determined to keep trying to implement it all.

QUESTION: Prime Minister, I will ask a follow-up on that. Australia is getting a very good international press at the moment, but this issue around boat people gets you very negative press.

Reputational damage is being done to Australia and the national debate seems to be very ugly at times.

You hear it on talkback radio; you hear it on the streets when you go out and vox-pop people.

Do you take a measure of responsibility for that, for when you said at the Lowy Institute in 2010 that political correctness should not constrain this debate?

PM: I think if you walked out on the streets of London and asked people what they've thought about the various waves of asylum seekers coming through into the UK; you've seen numbers of Albanians and people of other ethnicities come through into the UK.

I think if you stood and vox-popped on the streets of London, if you did it in France, if you did it in much of Europe, you would get a variety of views expressed, some of them quite harsh views about the people who are seeking asylum.

I think that is the nature of the debate is democracies about refugee and asylum seeker issues so I don't think that that is an Australian phenomenon, I just don't.

QUESTION: [Inaudible]

PM: Well, what leaders can do and what I have always done in this area is not focus on or seek to demonise the people who are looking for asylum, but to deal with the policy principles. And the policy principles, I think, very clear.

You should not get an advantage from having engaged in forward movement and forward movement.

It is not right or defensible that someone who can pay a people smuggler gets an advantage over a person who cannot pay a people smuggler.

Now, to get those policy settings right, in our new neighbours, whether it's Indonesia or Malaysia, there are many people with legitimate refugee claims, we have made available more places because we do think people with legitimate refugee claims should find a re-settlement opportunity in the world and Australia can step forward and offer more of those re-settlement opportunities.

But we don't want there to be any level of encouragement for people to get on boats.

QUESTION: Prime Minister, when you took the very unusual step of announcing the elections nearly eight months before the poll date, you promised at the time not to test Australians' patience in 2013 after a bruising 2012 and you said that the elections, this cycle "would give shape and order to the year rather than devolving into constant campaigning".

Firstly, do you feel that you and your Government have lived up to those promises? And in light of what's gone on since that announcement, do you feel it was a mistake to announce the election so early?

PM: No I don't. I think it was important that Australians knew what the shape of this year would be.

People, when they're thinking about these issues, often don't, in my view, correctly war-game what the alternative would be.

The alternative to us having fixed the election date, in my view, would have been fevered speculation day after day about when the election was going to be with shrill calls every second day for the election to be now.

I think I would have found it quite hard to jump in a car and go to work without people chasing me down the street to see whether or not I was going to the Governor-General's.

So, we would have seen pages and pages of newspaper coverage, hours and hours and hours of TV and radio time devoted to what ultimately is a futile pursuit which is trying to predict the election date.

We've cleared that out of the way.

What I want to fill the space is what I've talked about today, and what I've talked about in January, which is the genuine contest of policy that the election in September should be about.

Who has got the better blueprint for this nation's future; who's got the best personal capacity to deliver that blueprint for the nation's future. That should be what the contest is about.

Now, I freely admit that some of the space that was vacated because it wasn't full of election coverage has been filled with other unproductive things.

I very frankly said that my political party put in an appalling performance in the last sitting fortnight and unfortunately that took a lot of space.

But as I've said in this speech, now we are beyond that leadership debate.

Now we are beyond the crazy nonsense people have had to listen to in the anti-carbon pricing campaign.

Now we've got the time between here and the election day to have that genuine policy dialogue.

As that time works through, I will be doing what I need to do properly as Prime Minister.

I will go to China tomorrow. I will come back from China and endeavour to wrangle premiers and chief ministers into important positions about the long-term future of education in our country at the Commonwealth Heads of Government meeting.

We are preparing a Budget. We are preparing a Budget in difficult circumstances in terms of the revenue challenge, but we are doing that with our eyes firmly on the capacities our nation will need to seize the best of opportunities for the future.

So that's how I should be using the time. That's how I will use the time.

QUESTION: Prime Minister, some of the Australian media and some of your parliamentary colleagues to me seem to be extremely or incredibly hostile to you as a person when I watch the discussions.

How much do you think of this is based on misogyny?

PM: I don't know whether, if you can deal with that in generalisation. I'm not sure that you can.

I've been very clear as Prime Minister that when I see old-fashioned attitudes, close-minded attitudes, when I see sexism, when I see misogyny I'll be very clear about calling it out and naming it for what it is.

I think what I would say about being the first woman to do this job is a broader point, which is it's not been ever the norm in our nation before for people to wake up in the morning and look at the news and see a female leader doing this job.

For all of the years before, you would see a man in a suit. I am not a man in a suit, and I think that that has taken the nation some time to get used to.

I think it's probably still taking the nation a bit of time to get used to. I think it's the same sort of journey that many other nations around the world are on, and it speaks really to the changing nature of our times, and the forward progress for women in societies like ours.

But it's got some uncomfortable moment as long the way, there is no doubt about that, and I feel one of the things that will certainly happen, having had the first female Prime Minister is it's going to be easier for the second and then it's going to be easier again for the third, and then everybody will get over it and forget about it and no-one will even bother to comment anymore whether the images of leadership in our nation that particular year are images of female leadership or male leadership.

QUESTION; Prime Minister, my question is about the energy trade between Australia and China. Australia is regarded as a stable supplier of LNG, for example, and steaming coal.

The global supply situation is evolving, for example, the United States will possibly be an LNG supplier from 2015 into the Asian market. And in Russia, for example, the first visit by President Xi overseas was to Russia where he oversaw the signing of some strategic, what they call, breakthrough energy agreements between the Russian oil and gas companies and their Chinese counterparts.

Given that context, are you concerned about the competitive threat posed to Australian LNG exports, and is greater energy cooperation on your agenda in China?

PM: It's a competitive world and you're right, the amount of competition in the energy sector is getting stronger and stronger and more and more acute.

So what that means is that you've got to be very good at what you do.

I am very confident that we can be very good at what we do. I think we're very good now and we are always going to have to look for the innovations that make us an even better quality supplier.

One of the things that I think in images of mining, if you ask people their images of mining, I think there would be two common misunderstandings people would make about the Australian mining situation.

Number one, people would tend to think it is a far bigger share of our economy.

People would think it's sort of 30 per cent or 40 per cent of employment. Of course it's not.

Mining is, employment-wise, a smaller share of our economy; obviously a big share of our exports.

So we are a diversified economy, but mining is going to continue to be important to us.

The other image issue I think people would get wrong is they would get an old-fashioned image about men in hard hats and blasts and dirt and all the rest of it.

Of course, some of those images hold true today, but people would underestimate the degree of technological innovation that has revolutionised mining, that you can have someone staring at a computer screen in Perth controlling a huge piece of equipment in the north-west.

What that means is we can always get better and better and better at what you do, and that is going to be a challenge for us in being competitive in what is going to be I think an increasingly contested and crowded marketplace.

QUESTION: [Inaudible]

PM: Certainly, whenever I go overseas, one of the topics we talk about is energy and our status, really given the size of our country as an energy superpower.

QUESTION: Hi, Prime Minister. As you say, the Australian dollar high, becoming a problem for Australian trade into Asia or into the globe.

Obviously, we believe The Australian published you agreeing to Shanghai in April to sign agreement between China and Australia currency agreement and we've heard that that agreement has been postponed. Would you please confirm with me?

PM: There was story in The Australian newspaper, that's true, speculating about what I may or may not do when I am in Shanghai.

I know I'm going to give the answer that frustrates journalists more than any other and that answer is; you are going to have to wait until I am in Shanghai.

JOURNALIST: Prime Minister, a lot of the jobs that Labor has created have been taken up by New Zealanders, yet they still complain that they are being treated like second-class citizens here because of certain rules that were changed in 2001 which I'm sure you are across.

In your eyes, what contribution do New Zealanders make to the Australian economy? And secondly, what's stopping repealing the legislation that John Howard introduced in 2001?

PM: Our relationship with New Zealand is one of family. It's ANZAC for a reason and that does tell you something about our relationship with New Zealand.

And as a result because of the relationship between Australia and New Zealand, New Zealanders have more access, better access to the Australian labour market, and better access to Australian benefits and supports than any other nationality.

That will continue for the future, but unfortunately the answer to your question is we've got no plans to extend it for the future.

These are issues that continue to be the subject of discussion between us and New Zealand, but I'm not in a position to say we've got any immediate plans for change.

We think the benefits that are provided do support New Zealand people in Australia.

There were some issues when former Prime Minister John Howard and former Prime Minister Helen Clark entered into that agreement.

We think many of those issues would still be relevant to considerations about repealing that agreement and repealing that legislation, so I've had this conversation many times with Prime Minister Key and I will see him again, actually he will be at the Bo'ao Forum, too, so I will have the opportunity to say hello to him there.

And I'm sure he will continue the case for change, but I'm not in a position to say that we are going to move on that area.

JOURNALIST: Would you agree that New Zealanders contribute more to the economy than what they [inaudible]?

PM: Well certainly New Zealanders, the New Zealand contribution to the Australian economy, it's individuals who come here, who work hard who build much of their lives here and many of them do go on to become Australian citizens. Not always, many of stay as permanent residents and then take the opportunity to go back and forth a fair bit.

There's a huge contribution from New Zealanders into our economy and there's a huge benefit bestowed by Australia on New Zealanders by giving them that preferential access to our labour market and to our social security system.