



Senator the Hon Matthew Canavan

Minister for Resources and Northern Australia

2016 Annual Statement

***Our North, Our Future* White Paper on Developing Northern Australia**

11 October 2016

I'm very proud as the Minister for Resources and Northern Australia to give this first report on our progress implementing the White Paper on Developing Northern Australia: *Our North, Our Future*.

Our great nation is a country of contrasts and diversity, and this government is determined to ensure we reach the full potential inherent in all parts of Australia. Our northern development agenda is a nation building project.

Northern Australia is already an economic powerhouse for Australia. Our government believes that the north's proximity to world economic growth has created an unprecedented opportunity to invest in the north, and by doing so make returns for all Australians. That is why we have released the first ever White Paper to develop northern Australia.

While I have the great honour of delivering this first update, I only have that honour thanks to the drive and determination of others. I especially want to credit Senator Ian Macdonald for his tireless and successful efforts to put northern development on the nation's agenda. Also to Warren Entsch and the members of his Parliamentary Committee whose report, *Pivot North* helped guide the policies in our White Paper.

Today I want to talk mainly about what we are doing because we have made significant achievements and the people of the north want action not just talk. Twenty-one of our policy initiatives are complete and much progress has been made on many others. We are taking action and we are on track.

I am pleased to report we are building roads and major economic infrastructure in the north. Our plan helps the north unlock its inherent advantages in land, water and people by building infrastructure and supporting business development.

On launching the White Paper last year we announced more than \$6 billion worth of investment. Over the past year we have begun allocating that to specific projects that have begun.

We have announced funding for specific projects worth more than \$350 million as part of the Northern Australia Roads Programme. This includes road investments to better connect Kununurra to its closest port at Wyndham, supporting the Ord irrigation scheme and helping to facilitate more than \$1 billion worth of investments in aquaculture in the Northern Territory.

Other road projects include upgrading the Barkly, Flinders and Capricorn Highways in Queensland —key freight routes linking important inland resources and agriculture areas with coastal ports; sealing the Hann Highway in Queensland to create a more reliable inland route from Cairns to Melbourne; realignment at Coongan Gorge on the Marble Bar Road in Western Australia; and flood immunity improvements at the Adelaide River Floodplain on the Arnhem Highway in the Northern Territory.

We have announced that we will continue the sealing of the Outback Way which runs from Winton in Queensland to Laverton in Western Australia, establishing an east-west link across our nation. This decision is emblematic of our need to think more “east-west” while developing the north, not just “north-south”.

We’ve been working hard to identify investment priorities to improve the northern beef industry’s productivity and resilience through the \$100 million Northern Australia Beef Roads Programme, with three successful round table meetings of key representatives from the cattle and transport industries in Rockhampton, Kununurra and Darwin.

The CSIRO’s innovative Transport Network Strategic Investment Tool, TraNSIT, has modelled more than 60 proposals submitted by stakeholders. I am looking forward to the announcement of successful projects very shortly.

Sixty per cent of Australia’s rainfall falls on the 40 per cent of our land mass that represents northern Australia. Yet only around 2 per cent of that water is used at the moment. We have a great opportunity to expand food production in Australia and that opportunity will be concentrated in the north, given that many of the more fertile areas in southern Australia have already been developed.

That is why we have committed \$174 million to invest in specific water projects in the north. This includes our 2016 election commitment of \$130 million to co-fund the building of the Rookwood Weir on the Fitzroy River, a project that could kick-start an agricultural boom in Central Queensland in a water catchment that is the second largest in Australia - behind only the Murray-Darling.

We have committed other funding towards the planning that is needed to build more water investments. This includes the Lakelands Irrigation project, the Nullinga Dam near Cairns, the Hells Gate Dam and Burdekin Falls Dam wall raising near Townsville and Urannah Dam. It also covers funding to explore water development options in the Northern Territory and expansion of the Ord scheme through the raising of the Lake Argyle spillway and development of irrigated agriculture on the Keep River plain.

The CSIRO is leading work on foundational land and water resources assessments in the Mitchell River catchment in Queensland, in the Fitzroy River catchment in Western Australia, and in the Darwin region using \$15 million from the Australian Government. This follows assessments completed on North Queensland's Flinders and Gilbert Rivers in 2014.

This government's direct investments in infrastructure in the north will be complemented through the \$5 billion Northern Australia Infrastructure Facility. I recently had the pleasure of formally launching the Northern Australia Infrastructure Facility, or NAIF, in Cairns, coinciding with the first meeting of the NAIF Board. The board held its second meeting in Western Australia just last week.

The NAIF is one of the White Paper's long term initiatives and it's now open for business.

The NAIF will offer up to \$5 billion in concessional finance to encourage and complement private sector investment in economic infrastructure that benefits northern Australia. Investment will be spread across the three jurisdictions in northern Australia.

The independent NAIF Board is responsible for determining eligibility of projects under the NAIF, guided by an Investment Mandate.

The board is chaired by Ms Sharon Warburton, who is joined by six other directors with extensive experience and expertise across a range of sectors, including infrastructure, government, finance, construction and law, and who are passionate about the development of northern Australia.

So far, the NAIF has received numerous enquiries about project funding, and of these, one project is undertaking due diligence and another 13 working towards a formal investment proposal. These projects represent a total investment of over \$10 billion.

Not all will receive assistance, so I encourage others to bring forward their ideas for vital northern Australia infrastructure projects.

It was also my pleasure earlier today to announce the appointment of Ms Laurie Walker as CEO of the NAIF. Ms Walker is highly experienced, with

key leadership experience in banking and finance organisations including ANZ and the Commonwealth Bank.

Ms Walker understands the challenges facing infrastructure investment and is committed to supporting economic growth across northern Australia. She will relocate and live in the Cairns region for this role. She will be based at the NAIF headquarters in Cairns but will work with stakeholders across the north.

Along with the NAIF we are working to attract interest in the north from major investors. Last year we held the first Northern Australian Economic Forum in Darwin. The forum opened a window on the scope and scale of opportunities for investment, particularly in agribusiness and food, resources and energy, infrastructure, tropical medicine and education – all areas where Australia can excel.

Since the forum, several international investors have made return on-site visits.

We have established a Major Projects Approval Agency in Darwin to create a 'single point of entry' for investors dealing with regulatory requirements. We have also shifted the Office of Northern Australia from Canberra to Darwin.

The Australian Government is committed to advancing research and science in Australia and bolstering our health security.

Northern Australia's unique position also gives it natural advantages when it comes to education and research. We are investing \$75 million in a Cooperative Research Centre to conduct research and development with a focus on agriculture, food and tropical medicine. The CRC will be based in Townsville and further details about its governance will be released shortly.

The government will provide \$2 million over two years for the Tropical Disease Research Regional Collaboration Initiative. Just last Friday, we announced that Darwin's Menzies School of Health Research has been selected to advance research into the prevention, detection and treatment of multi-drug resistant malaria and TB. The Menzies School will work with the Burnet Institute as well as partners in Indonesia, Malaysia and Papua New Guinea.

The north will only truly achieve its potential with the participation of all its people, including Indigenous Australians. Northern Australia is home to 30 per cent of Australia's Indigenous population. So any plan to develop the north must also create opportunities for Indigenous Australians.

The government is supporting a small number of land tenure pilots that broaden economic activity on land and demonstrate the benefits of reform to

investors, Indigenous peoples and other stakeholders. Five pilot projects across the three northern jurisdictions have already been funded.

We have also invested \$12.4 million in an Indigenous Ranger program for the north.

Tourism is a strong industry for northern Australia and it is experiencing a resurgence thanks to a lower dollar and more flights to Asia. We have established a new \$13.6 million Northern Australia Tourism Initiative under the Entrepreneurs' Programme to help small and medium businesses in the tourism sector take the next step in their business plans.

Northern Australia is also important to the ongoing development of our defence partnerships. Military exchanges and postings between Singapore and Australia are important to both nations and to the local economies of the north.

In May 2016 the government announced Australia and Singapore will jointly develop military training areas and facilities in Australia, enhancing Singapore's training opportunities.

The total outlay from Singapore is up to \$2.25 billion, with approximately \$1 billion to be invested at each Shoalwater Bay Training Area and the Townsville Field Training Area and environs.

Changes to Australia's work and holiday visas are also helping the tourism, hospitality and agriculture industries in northern Australia achieve greater access to work and holiday visa holders, thus reducing labour shortages and the cost of seasonal labour in northern Australia.

With the release of the White Paper the government made a real commitment towards developing northern Australia; and since that time we have developed further our policies for the north.

The government's first ever City Deal under its Smart Cities Plan has been announced with Townsville, the largest city in northern Australia.

We have also announced \$100 million to increase exploration for minerals and resources in northern Australia. Geoscience Australia estimates that around 80 per cent of Australia remains under-explored for minerals and most of this in northern Australia.

This is of special importance for the north given that more than 50 per cent of its economic output is thanks to the resources sector. We need a strong mining sector for a strong northern Australia.

These investments we are making are building on an already successful, thriving and productive northern Australia. Too often people assume that

northern development has failed in the past. That is bunkum. Cairns, Darwin, Townsville, Kununurra, Broome, Mackay, Rockhampton and the regions in between are all testament to what we have already built in the north.

As a nation we should be proud of this progress because we benefit from what has already been achieved. The north is home to just over 5 per cent of our population but accounts for almost 12 per cent of our economic output.

Our plan builds on this success, and re-invests in a part of our nation that is already punching above its economic weight.

More than in the past, however, northern Australia now has the proximity to economic growth that creates opportunity for even bigger things for our north.

By 2030 more than two-thirds of the world's middle class will be in Asia. And, even more relevant for the north, the percentage of the world's population living in the tropical region is expected to grow from 40 per cent today to 50 per cent by 2050. Northern Australia's time has come.

This growth in our region promises to deliver dividends for all Australians. More than half of Australian exports leave from ports in northern Australia. We all own a stake in seeing the successful development of northern Australia.

Our northern policy is an unashamedly regional development policy. Through developing the regions of our north, we can take pressure off the development of our major southern cities, while giving young Australians new opportunities for making a living and raising a family in northern Australia.

The success of our policy will not be delivered by the government in Canberra but by the people who live and work in northern Australia. Our policies aim to attract investment, invest in infrastructure and unlock the potential of the north's abundant land and water resources.

It will be the dynamic people of northern Australia that create jobs, found businesses, start families and nurture communities. As a government we can only create the foundation. It will be the more than one million people of northern Australia who build the house.

That is our vision for northern Australia - that through our focus and our policies we provide the tools to our north to make it a magnet for the entire country. Our goal is that in the future people will be attracted to stay in northern Australia and move to northern Australia because of the opportunity that it manifestly presents.

If we are successful at that, it will benefit all Australians.

We have made a good start, but there is much more to do.

I thank the people of northern Australia for their continuing support and involvement in this nation-building endeavour. The White Paper is the catalyst to help build the foundations to make the most of that hard-working, determined and optimistic outlook, which will ultimately enhance the north.

All Australians will be more prosperous as a result.