



**Warren Truss**  
Deputy Prime Minister  
Minister for Infrastructure and Regional Development

# Speech

## KEYNOTE ADDRESS ABARES OUTLOOK 2014 CONFERENCE

*Realising the opportunities*

**9.30 am, Wednesday 5 March 2014**

**Royal Theatre  
National Convention Centre, Canberra**

Thank you for the opportunity to speak at the 2014 ABARES Outlook Conference.

It is great to be back. I think the first ABARE Outlook Conference was in 1974 when I was Australian President of Rural Youth and I have been here many time subsequently in all sorts of capacities.

This annual conference occupies an extremely influential place in the agricultural landscape.

This year's conference is about realising opportunities.

We are a new Government with a new vision and regional Australia is strongly represented in the Coalition Government Ministry.

This morning I will outline what the Coalition Government is doing to enable regional Australia to realise the tremendous opportunities within its reach.

### **NEW GOVERNMENT NEW VISION**

As you know, I grew up on the land and I have a great passion for regional Australia.

Australia's farm sector is a massive earner for this country.

Every year our farmers grow around \$50 billion worth of produce.

And the sector directly employs nearly 300,000 people and contributes around 15 per cent of total merchandise exports from Australia.

Population growth, rising affluence in our region and changing diets are creating enormous opportunities for food and fibre producers.

Yet the sector faces many challenges and frustrations, which this Government understands.

That's why we have committed \$320 million to a new drought package for farmers across 70 per cent of Queensland and 10 per cent of NSW.

We have listened to farmers and we still want to hear more from them. We are a consultative Government.

Yesterday you heard from the Minister for Agriculture, the Hon Barnaby Joyce about how to get involved in the Government's *Agricultural Competitiveness White Paper*.

This paper presents a fantastic opportunity for farmers, industry representative bodies and stakeholders to have their say on their future.

We are actively seeking a wide range of views to help identify ways to grow farm profits and boost agriculture's contribution to economic growth, trade, innovation and productivity.

Input from the agricultural sector will help to set a strategic approach so it can better take advantage of the opportunities on offer.

As our mining boom moves to different phases, and the opportunities offered by the rise of Asia increase, realising these opportunities will require the cooperation of governments and industry and harnessing local resources.

April 17 is the deadline for stakeholders to contribute to the Agriculture Competitiveness White Paper.

I encourage everyone with ideas, enthusiasm, knowledge and experience to take an active part in its development.

## **MANAGING OUR FREIGHT TASK**

A report released by ABARES in November last year<sup>1</sup> identified that if our farmers are going to stay competitive in the global market, the infrastructure that they rely on has to be up to scratch.

We know that the agriculture sector faces serious impediments in our current infrastructure system based on lack of planning and funding, as well as badly maintained and ageing infrastructure.

Infrastructure that allows food to be moved cost-effectively and efficiently to markets will be crucial to making the most of opportunities presented by rapidly growing Asian markets.

Australia's freight transport task has quadrupled over the last four decades, and we expect this trend to continue.

Australia's primary industries and agricultural sectors are an important contributor to the national freight task.

The growth trajectory I mentioned will give rise to a range of increasingly complex set of challenges for governments, industry and the community.

Establishing connectivity, which in turn strengthens international gateways, freight hubs, and trade corridors, will become ever more critical to Australia's ability to trade and access international markets.

As you would be aware we have announced an ambitious infrastructure agenda.

Over the next six years, the Australian Government will invest an unprecedented \$35.5 billion in infrastructure projects to build the vital road and rail projects to improve efficiency, boost productivity and drive Australia's economy forward.

Some of these investments include:

- \$1.5 billion to get Melbourne's East-West Link underway, including \$500 million in this financial year to get an early start

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<sup>1</sup> *Infrastructure and Australia's food industry: Preliminary economic assessment P1*

- \$1.5 billion for Sydney's WestConnex, a project twenty years overdue
- \$1 billion to upgrade the Gateway Motorway North in Brisbane
- \$615 million to build the Swan Valley bypass north of Perth and \$686 million to finish the impressive Perth Gateway project
- \$400 million to upgrade the Midland Highway in Tasmania and
- \$500 million to begin a full upgrade of South Road in South Australia.

In addition to these commitments, the Australian Government will invest record amounts in major regional, including \$6.7 billion on the Bruce Highway and \$5.6 billion to finish the four-laning of the Pacific Highway.

We are working with the Queensland Government on one of Queensland's highest priority road infrastructure projects — investing \$700 million in the Toowoomba Second Range Crossing.

The tendering process has begun what will be one of the first public-private road infrastructure projects in regional Australia.

The Second Range Crossing will help drive Queensland's economic growth by creating jobs and providing a gateway to the state's resource-rich Surat Basin and the agricultural food bowls of the Darling Downs.

We are contributing another \$508 million to upgrading the Warrego Highway west of Toowoomba.

There will also be:

- \$400 million for the Western Highway in Victoria, with another \$150 million for the next 21.5 kilometres of the four-laning work in the pipeline;
- \$337 million for the Great Northern Highway in Western Australia, stretching from Perth to Darwin; and
- \$33 million for the Outback Way, traversing WA, the Northern Territory and Queensland.

We are locking in the future of the Roads to Recovery Programme for a further five years, with \$1.75 billion of funding.

Roads to Recovery provides vital funding to local governments for the maintenance of the nation's local road infrastructure

The Government has committed \$300 million to the Black Spot Programme addressing road sites that are high risk areas for serious crashes.

In addition, we will launch our new \$300 million Bridges Renewal Programme to restore dilapidated local bridges.

These are tangible measures to making getting freight from the regions to market in Australia or around the world in the most efficient and competitive way possible.

## CRUCIAL ROLE FOR RAIL

Ambitions for Australia's future include building the freight rail infrastructure of the 21st Century.

The Government has committed \$300 million to finalise the plans, engineering design and environmental assessments to get the Inland Rail project underway.

Inland Rail has long been championed by Coalition Governments and is a project close to my heart because I have a strong personal commitment to regional development.

It will bring new life and new opportunities to communities and districts along the route through regional Queensland, NSW and Victoria.

It will help to grow the wealth of regional Australia in the eastern states and create flow-on benefits throughout Australia's economy.

It will position our transport network to do the heavy lifting required to meet Australia's growing freight transport task over the next 50 years.

Inland Rail will provide long-term capacity for the Melbourne to Brisbane corridor, and greater efficiencies will reduce the terminal-to-terminal transit time to less than 21 hours — seven hours faster than the current route.

In the short-term, Australian Rail Track Corporation's investments on the coastal route between Sydney and Brisbane are addressing the immediate needs of rail freight on the east coast.

Inland Rail will transform the movement of freight in Australia's eastern states and provide regional communities with cost-effective access to metropolitan markets and east coast ports.

And it will open up significant commercial opportunities and new industries for regional centres along the route such as freight hubs, storage and handling.

Indications are that by 2050 Inland Rail will reduce the truck task for agriculture alone by over 100,000 semi-trailers, helping to make our roads safer and ease congestion.

The line is also projected to generate 10 million tonnes of new coal and mineral freight, opening mining industries in locations like the Surat Basin to develop their full potential.

This greater capacity will flow-on to other regional industries, helping them to tap into global supply chains and capitalise on the opportunities presented by new and emerging national and international markets, particularly in Asia.

The Government is also looking at ways to leverage additional benefits from the Inland Rail project. One way to do this is through our commitment to investigate the infrastructure required for a new 24/7 rail freight link for the Port of Brisbane.

This link could support rail freight between the Port of Brisbane and the future Inland Railway, which would be particularly important for the agriculture and minerals sectors in northern NSW and southern Queensland.

## **INFRASTRUCTURE, PRODUCTIVITY AND REFORM**

While we know we need to invest in infrastructure, and the projects I have mentioned indicate we are doing so, the Government's capacity to fund it is being challenged.

The high cost and length of time taken to deliver projects as well as the \$1 billion red and green tape burden are leading to reduced productivity, higher taxes and fewer employment opportunities.

Without significant reform and investment in infrastructure, the economic and social prosperity of Australia will be under threat.

Our aim is a well-planned infrastructure pipeline, as well as innovation and flexibility in maintaining the appropriate levels and channels of funding to deliver the right project at the right time.

That is why the Government announced an overhaul of Infrastructure Australia's structure and priorities to support better planning and give greater certainty to investors and the construction sector.

Infrastructure Australia is tasked with developing a 15 year infrastructure plan based on national, state and local infrastructure priorities, to be revised every five years.

A key plank in the Government's approach is maximising private sector investment in infrastructure.

We need to work in partnership with the private sector to deliver the infrastructure our society expects, our industries need and our people deserve.

And moving forward, we need to identify the right projects that will best contribute to Australia's productivity growth over the next decade and beyond.

## **GLOBAL OPPORTUNITIES**

You have probably heard Prime Minister Abbott say that Australia is open for business.

Australia is open for business — in local, regional, national and global marketplaces.

Being open for business means forging new partnerships, and further developing existing international trade relationships to open up export markets and opportunities for producers and manufacturers.

Building stronger trade relationships in Asia was a key election commitment and part of the Coalition's plan to build a strong, prosperous Australia.

We cannot afford to miss the opportunity to drive our comparative advantages in food production to help our agriculture sector become the 'food bowl of Asia'.

Australia has recently concluded negotiations for a Free Trade Agreement with the Republic of Korea, our third-largest goods export market and fourth-largest trading partner.

As part of the agreement, tariffs of up to 500 per cent will be eliminated on key Australian agricultural exports such as beef, wheat, malting barley, sugar, dairy, wine, horticulture and seafood, as well as resources, energy and manufactured goods.

These outcomes are comparable to the commitments Korea has provided to the United States of America and the European Union.

We are also committed to strengthening other trading relationships within our region by working to conclude negotiations with Japan and China as soon as possible.

Our negotiations with Japan will help to manage its food security objectives, and negotiations with China offer the opportunity to tap into a growing middle-class and the demand for the high-quality agricultural products that Australia is known for.

## **NORTHERN AUSTRALIA**

Being open for business also means opening up Northern Australia, with its vast untapped resources and location on the doorstep of Asia.

This too has been a part of the Coalition's national vision for a strong national economy.

Located within my department is the Office of Northern Australia, whose work is broadly focused on building the capacity of the north, including for future commercial agricultural development.

I can report on several areas of work being progressed.

Last month I released a study of land and water resources in the Flinders and Gilbert river catchments undertaken by CSIRO.

The study shows that up to 50,000 hectares could be irrigated – potentially producing a wide range of crops.

The results are exciting and timely and inform a number of important processes including:

- the Queensland Government's decision to review water allocations in the Gulf catchments
- plans for a megafarm in the Gilbert catchment combining sugar, guar and cattle in an integrated energy and food project and
- the White Papers on Agricultural Competitiveness and Developing Northern Australia.

Other very important work being undertaken by CSIRO is to analyse cost savings in the northern Australia livestock transport sector.

Even a minor change like co-locating spelling yards with roadhouses so that cattle and drivers can rest at the same time can significantly reduce travel times and overall costs.

While the work is focused on northern Australia, it already includes all of QLD and is now being extended to all the southern states and territories.

I recommend that you take a look at the findings.

## **CONCLUSION**

Thank you again for the opportunity to address the ABARES Outlook Conference.

I hope I have imparted a sense of how important regional Australia is to me personally and to this Government.

Australia faces significant challenges over the coming years.

While our exports are set to grow, we need to lift our productivity rate substantially so Australians can continue to enjoy the living standards we are used to.

This Government recognises the role regional areas can, and must play, in overcoming Australia's national challenges and driving economic development as well as building stronger regional communities.

Thank you.

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