



**Senator the Hon Matt Canavan**  
Minister for Resources and Northern Australia

## **SPEECH**

26 November 2019

Statement by the Minister for Resources and Northern Australia,  
Senator the Hon Matthew Canavan

### **2019 Annual Statement on Developing Northern Australia**

#### **Opening remarks**

The Government's agenda for developing northern Australia is making a real difference to the north's economic development and the lives of its people.

Since this Government's first white paper for Northern Australia just over 4 years ago, we have committed \$2.98 billion in better roads, \$677.7 million to build dams or enhance water infrastructure and \$1.5 billion in investment decisions from the Northern Australia Infrastructure Facility. In addition, the Government has committed \$93.5 million on research and development in Northern Australia and other infrastructure.

Today, I'm proud to say we are drawing closer to full implementation of the measures of the White Paper on Developing Northern Australia, with 85 per cent of the measures now delivered.

Most importantly too is the fact that we have built momentum for our plan. We announced a 20 year plan to build Northern Australia. Over the next year we will finish the first quarter of our plan. Maintaining political support for these development over 20 years was always going to be a challenge but I think we have been successful. In particular, I welcome the fact that the Labor party has maintained a shadow Minister for Northern Australia and we continue to work in a bipartisan fashion to further this nation building agenda.

#### **Infrastructure**

Our investments in 37 different road projects have upgraded 480 kilometres of roads in major transport corridors under the Northern Australia Roads and Beef Roads program. These upgrades directly support communities, allowing efficient and safe transport and freight, as well as creating over 2400 jobs.

Over the next ten years, the \$1.7 billion northern component of the Roads of Strategic Importance initiative will support critical road infrastructure in the north, funding supply chains that reduce business costs and improve productivity and job creation.

Critical road infrastructure upgrades in the Northern Territory will be brought forward under a \$184 million package to improve connectivity for rural and remote communities, including the Outback Way, the Mango Industry Roads upgrades in Litchfield, and upgrades along the Adelaide River to Wadeye road corridor.

In the Pilbara we've begun works on the Tom Price corridor ahead of schedule. I wasn't surprised to hear Karratha Mayor Peter Long say:

The upgrade of this corridor is a vital economic enabler for the mining and tourism sectors in the Pilbara region and is reducing travel times and road closures, improving driver safety, access to healthcare and flood resilience.

That is why facilitating investment in critical infrastructure remains our highest priority.

### **Northern Australia Infrastructure Facility**

The \$5 billion Northern Australia Infrastructure Facility continues to fund important projects across the north, from airport and higher education facilities to new mining and agriculture ventures.

Approved NAIF projects of \$1.5 billion are already estimated to generate \$3 billion in public benefit and create more than 4000 jobs across the north.

We know that the NAIF is making progress because the arguments against it keep changing. A year ago our opponents were saying that the NAIF has not made enough investment decisions. Now that is patently untrue, the criticism is that not enough funds has been drawn down.

I have been the first to say that the NAIF got off to a slow start but the changes to the Investment Mandate 19 months ago have turned things around. We expect another 8 Projects to begin drawing down NAIF funds over the next 6 months. And, there are 29 Projects in due diligence by NAIF suggesting that there is a lot more to come soon.

For example, the \$47.5 million loan for the new floating terminal for bauxite miner Metro Mining on the Skardon River will enable the mine to employ 300 people and support social and economic development in Cape York.

Another major project is the NAIF's investment to help bring electricity to the mines of the Pilbara. The \$90 million loan to Alinta Energy's Chichester Solar Gas Hybrid project will create up to 200 jobs and generate more than \$220 million in public benefit, boosting productivity in the East Pilbara and creating more prosperity throughout the north.

Soon upgrades on one of our first NAIF loans will complete at the Humpty Doo Barramundi farm in the Northern Territory. This project will create 50 additional jobs and provide a direct benefit to the local economy. NAIF's \$7.18 million investment will grow the aquaculture business in the Northern Territory, and help to meet growing demand for seafood in both domestic and global markets.

### **Indigenous Australians as key partners**

Indigenous land interests cover about 78 per cent of northern Australia<sup>1</sup>, so we will not develop Northern Australia without advancing the economic interests of Indigenous people. That is why involving Indigenous Australians has always been at the heart of our agenda. Every NAIF project must show how it provide Indigenous Australians with opportunities, and every road we fund must employ or train Aboriginal people.

For example, in Western Australia, 49 Aboriginal people and four trainees worked on the road upgrades at the Maggie's Jump Up and Wyndham Spur.

The Bow River Bridge project on the Great Northern Highway reached the target of 58 per cent of total labour hours worked by Aboriginal people.

And the Broome-Cape Leveque Road Project has 20 full-time Indigenous workers, and at least 20 per cent of subcontract works are being undertaken by Aboriginal businesses.

Construction work on the NAIF upgrade of the Connellan Airport, the gateway to Uluru, has achieved 8.9 per cent Indigenous employment.

The NAIF recently approved a loan of \$12.4 million for the Australian Aboriginal Mining Corporation to develop the First Iron Project in the Pilbara.

There's no doubt the northern agenda is delivering strong outcomes for Indigenous Australians, but there's no room for complacency.

I look forward to continuing to work with the Indigenous Reference Group to the Ministerial Forum on Northern Development to deliver more outcomes.

### **Water**

Water is the lifeblood of the north's agriculture sector.

To date, we've committed almost \$700 million to water infrastructure, feasibility studies and water security projects in northern Australia.

For example, we have fast tracked the business case development so works can begin at Hells Gates near Charters Towers.

The government has delivered our election commitment to establish the \$100 million National Water Grid Authority to ensure future water security for regions such as northern Australia.

The north's agricultural production is worth \$8 billion a year and accounts for more than 13 per cent of Australia's \$58.9 billion agricultural production<sup>2</sup>.

Following on from the northern Australia water resource assessments led by CSIRO, we have invested in further water studies, including \$3.5 million for the Northern Territory Roper River water resource assessment, \$6.5 million to assess the Great Artesian Basin, \$2 million for a business case for off-stream water storage on the Adelaide River, and \$182 million for the Hughenden Irrigation Scheme.

### **CRC for Northern Australia**

Our Cooperative Research Centre for Northern Australia is driving research critical to wealth creation in the north like health service delivery, food production, aquaculture, and Indigenous-led business.

So far 35 projects, for which the \$9 million contribution from the CRC has leveraged more than \$20 million in co-contributions, are engaging over 150 project participants across the north.

Last month I was in Darwin to announce the centre's largest investment to date, \$1.2 million for the north's own tropical rock oyster industry. This project will transform the native, wild-harvested oyster industry into a sustainably farmed and commercially viable sector, creating jobs in remote northern communities.

### **Resources**

The resources sector remains the economic powerhouse of Northern Australia, with over half of the north's economic activity coming from resources.

This year we have seen further investment to create more jobs in that sector. After a long battle, finally the Adani Carmichael mine has begun. This exciting project will open up the first coal basin in Australia for 50 years. There are 6 mines proposed mines in the basin and together they could create 16,000 additional, direct jobs in mining.

But there are opportunities for even more development. The Browse and Scarborough gas projects have been excellent progress over the past year and I continue to push titleholders to develop our oil and gas resources for our nation's interests. Together these projects would unlock over \$51.8 billion in capital spending in Western Australia over the life of the projects, and 5000 construction jobs and 1320 ongoing operational jobs for the Western Australian economy. In addition they will contribute almost \$100 billion in direct and indirect taxation and royalty payment to the WA and Commonwealth Governments.

In the Northern Territory, drilling has begun over the past year on Australia's most promising shale gas play. Shale gas has brought cheap energy and manufacturing jobs back to the US and it has the promise to do the same for Northern Australia. Geoscience Australia estimates that there is enough gas there to power Australia for 200 years.

We are working with the Northern Territory Government to accelerate development of this nationally significant resource.

## **Conclusion**

Finally, I wish to thank the staff of the Office of Northern Australia for all their hard work, especially former head, Mr Mark Coffey, for his leadership in recent years, and the first CEO of the Northern Australia Infrastructure Facility, Ms Laurie Walker. They both made an enormous contribution to the development of the north and should be proud of the progress they have helped achieve.

But our job isn't done yet.

The development of Northern Australia is being led by so many businesses, leaders, community organisations and local councils. Many of them are here tonight.

They are working for the betterment of their communities. But by building Northern Australia they are helping our whole country. Northern Australia makes up more than half our nation's exports and produces double its population share in economic output.

It makes sense for all Australians that we continue to invest in a part of that country that has produced so much and has the potential to do so much more.

Thank you.

**ENDS**

## References

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<sup>1</sup> National Native Title Tribunal – notes and source: Data provided by the National Native Title Tribunal. 10% of land in Northern Australia is covered by non-ALRA statutory land rights regimes, however this largely overlaps with native title.)

<sup>2</sup> Notes and source: Upper bound calculations. Estimated using Statistical Area Level 4 (SA4) geographical boundaries and some of these SA4 regions encompass an area greater than the official northern Australia definition. ABS, Value of Agricultural Commodities Produced, Australia, 2017-18