



The Hon Keith Pitt MP
Minister for Resources, Water and Northern Australia

SPEECH

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Statement by the Minister for Resources, Water and Northern
Australia,

The Hon Keith Pitt MP

2020 Annual Statement on Developing Northern Australia

Opening remarks

The potential of northern Australia is as vast as the north itself.

The Morrison-McCormack Government believes in this potential and the people of northern Australia.

The north has a vibrant and innovative community, with the capacity to create wealth for all Australians.

It is an honour to stand here today as the Minister for Resources, Water and Northern Australia to deliver this, the fifth annual statement to the parliament, on the progress we have achieved in developing northern Australia.

I would like to acknowledge my colleague, the Hon Michelle Landry MP, Assistant Minister for Northern Australia. Michelle's belief in the north is underpinned by a wealth of experience and deep understanding of northern Australia. She knows and values the immense contribution that the north makes to our national wealth and global significance.

This is a 20 year vision, set out in the 2015 foundational White Paper: *Our North, Our Future*. A strategic policy framework to build a strong, sustainable northern economy and in turn, a secure and prosperous Australia.

We have implemented 45 of the 51 inception measures of the White Paper, with progress evident across the north.

Building on the significant foundation this Government created, we are continuing with dedicated initiatives to achieve the very best for the people of northern Australia.

COVID-19 Response, Fires, Floods and Drought

This year has brought with it some immeasurable challenges – for Australians and for the Australian economy. Prior to the global pandemic, fire, floods and drought took their toll.

The Government responded to this with more than \$3.3 billion to assist farmers, businesses and communities.

This includes funding for five Regional Recovery Officers who are 'on the ground' directly helping the North Queensland flood recovery and rebuilding process.

The coronavirus pandemic caused significant shock to our northern tourism, agriculture, mining exploration and tertiary education sectors.

This Government's rapid response and early investment and support has maintained jobs and services in regional Australia.

JobKeeper has been successful and has supported around 3.5 million Australians in over 900,000 businesses.

And now, we begin the path back to economic recovery.

For northern Australia this means returning our focus to development, bringing forward new economic infrastructure projects, encouraging growth, and creating new jobs.

Our vision is for thriving northern communities playing an even bigger role in our nation's prosperity and economic resilience.

Northern Australia Infrastructure Facility (NAIF)

Established in 2016, the Northern Australia Infrastructure Facility, or NAIF, has driven development across the north.

To date, NAIF has made investment decisions totalling \$2.4 billion in projects, which are estimated to generate around 8,000 jobs in the north. In the last financial year 11 Investment Decisions have been made across a range of sectors such as agriculture, resources and aviation.

Loans provided by the NAIF are helping to catalyse projects and investment in the north.

Just last week, on my behalf, my colleague Senator Sam McMahon announced that the Humpty Doo Barramundi farm in the Top End will receive a second NAIF loan of \$24.2 million to construct a purpose built hatchery to house its saltwater barramundi breeding program. This will be undertaken in partnership with CSIRO, along with further investment in production infrastructure to make Australia more self-sufficient in barramundi supplies. This Australian family business is our most successful barramundi farm going from strength to strength. It is growing over a third of Australia's barramundi and with the aid of its first NAIF loan of \$7.18m, supports 178 jobs in the north.

This second NAIF investment in Humpty Doo Barramundi is a job creator in Northern Australia and will enable total employment supported by the operation to grow to over 500 in the next decade.

Dan Richards, CEO of Humpty Doo Barramundi, says that the support from NAIF as well as the ANZ have been a major boost for the company, and are pleased to be able to make this further investment in producing Australia's iconic salt water barramundi, and supporting jobs for our Territorians.

The provision of NAIF loans have also been useful to help crowd in investors for projects. The NAIF approved a \$10.5 million top up loan for the Kalium Lakes Potash project in Western Australia to assist them to achieve a \$70 million capital raising target. I'm pleased to say that they raised more than what they needed and didn't require the additional NAIF loan to fill the funding gap.

Kalium Lakes' CEO, Rudolph van Niekerk, commented that the additional NAIF loan was an important signal to investors that the project has the backing of the Commonwealth and are now on track for production to commence in September 2021.

Through the NAIF statutory review process we have listened to stakeholders in the north that have said that while it has been a valuable investment tool for projects, more can be done.

On behalf of the Australia Government, I recently announced a number of reforms that seek to turbo charge investment and open up more opportunities for project proponents.

Under the changes, projects will find it easier to get the support they need:

- We're cutting red tape to speed up investment approvals;
- We're expanding eligibility to make it easier for small businesses to qualify;
- And there will be more flexibility and an increased risk appetite, to support projects with the potential to deliver significant public benefit.

These changes come on top of my announcement in July extending the NAIF for five more years — confirming this Government's absolute commitment to driving jobs and economic development for the people of northern Australia.

I would like to extend my thanks to the stakeholders that provided contributions through the consultation process which helped informed the direction of the NAIF reforms.

Water

Water is the most precious of our resources — for people, agriculture, aquaculture, mining and energy. As a former sugar cane farmer I know this only too well.

That is why we have committed almost half a billion to water infrastructure and feasibility projects.

Investments include:

- the Adelaide River Off-stream water storage assessment in the Northern Territory;
- \$176 million to build Rookwood Weir near Rockhampton and \$30 million for capital works at Big Rocks Weir near Charters Towers – both of which can start once final approvals are in place.

Frank Beveridge, Mayor of Charters Towers Regional Council, recently spoke about how exciting the Big Rocks Weir's project is, saying "It will double the capacity we have here now. It will create agricultural jobs, industrial jobs and be a catalyst for a whole range of projects in North Queensland."

These projects show that we are actively and strategically working towards securing the water supply infrastructure that is so critical to sustainable development in the north, providing resilience to communities and building greater resistance to climate change.

Partnership with Indigenous Australians

Working in partnership with Indigenous Australians lies at the very heart of northern development.

Last December, the Northern Australia Indigenous Development Accord was established, providing a framework for governments and communities to work together to advance Indigenous economic development across the north.

The Indigenous Reference Group Chair, Mr Peter Yu said "the Accord is a landmark agreement and milestone achievement in moving toward more equitable participation of Indigenous people in the northern Australian economy."

The Accord's work is important to all northern Australians.

We know that Indigenous participation and working even more closely together, is the key to jobs and prosperity.

I'd highlight the Amrun bauxite mine as a prime example of this collaboration.

Developed in partnership with the local Wik-Waya people, the mine is delivering jobs for 400 Indigenous workers and more than \$1 billion for local businesses and suppliers.¹

Critical minerals

This Government has also taken action to support the development of critical mineral projects, especially in the resource rich north.

The Critical Minerals Facilitation Office was set up earlier this year. It's had a busy first few months working with the states, territories and our trading partners to boost exploration, open up new basins and promote downstream processing hubs.

All this results in jobs and export income.

The TNG Limited Mount Peake project in the Northern Territory will produce high quality vanadium, titanium and iron ore, and support 500 jobs during construction and up to 250 during the operations phase.

Arafura Resources is developing a major rare earths project north of Alice Springs. Production from its Nolan's project will be in demand as an important component of high tech permanent magnets and energy efficient electric motors.

The NAIF has approved a loan of up to \$150 million for Strandline Resources to develop one of the world's largest minerals sands project in Western Australia.

The project is expected to benefit the local region to the tune of \$922 million over 25 years and could create up to 315 jobs during the construction phase and up to 190 jobs during the operations phase.

The United States recently committed to developing concrete measures with other trading partners, including Australia, to bring new critical mineral supply online, reinforcing the global importance of northern Australia's critical minerals reserves.

Budget measures

The 2020-21 Budget set out our national path for economic recovery.

And it is a Budget for the north — containing measures worth more than \$4.15 billion² for families, business and communities.

To spur on the 'gas fired recovery', the Budget included an additional \$28.3 million³ to develop five Strategic Basins — including the Beetaloo Basin in the Northern Territory and the North Bowen and Galilee Basins in central and north Queensland.

Development of gas reserves in the Beetaloo Basin has the potential to generate billions of dollars for the Territory economy and over 6,000 jobs at a time when the region needs to make the most of every opportunity it gets to create jobs and attract investment.

This Government knows how important the sector is to the Australian economy, to regional Australia and for the businesses in this sector. A few weeks ago I met a business owner - Steven Burt – Managing Director of Gas Field Services. His business has been operating in the Queensland and New South Wales resources sector since 2007, starting as a team of three.

They now provide a full suite of drilling services, running 12 rigs and employing 76 people, they also employ four apprentices and three trainee drillers. Steven and his team won both the Mining Contractor of the Year and the Safety Award, highlighting their passion and drive for delivery and improvements in safety. We are backing businesses like Steven's, creating jobs and business opportunities.

Communities in Northern Australia will also benefit as part of the \$13.7 million⁴ allocated to CSIRO's Gas Industry Social and Environmental Research Alliance which provides rigorous scientific research to help local communities understand the impacts of unconventional gas exploration and this is so important in our collective journey of a gas-fired recovery. Now, more than ever, is the time to capitalise on the north's advantages in gas, critical minerals and renewable energy sources.

We are also committed to providing cheaper more reliable power and jobs by helping to unlock the economic promise of the North West Minerals Province. The Government has committed further support for the Copperstring 2.0 transmission line project to progress to a final investment decision. This project is expected to provide 750 direct construction jobs providing a much needed boost in employment opportunities for the region.

The Exploring for the Future Program is expanding with a further \$125 million⁵ to map and identify new minerals, energy and groundwater resources along the WA-NT border, and along the NT-Queensland border. Anglo American has cited previous work undertaken by Geoscience Australia through the EFTF program in their decision to take up exploration opportunities in the area.

The EFTF will include minerals, energy and groundwater components in its examination of various areas. The ACIL Allen completed a study of return on investment from the work of Geoscience Australia on these three components of EFTF funding totalling \$45 million. ACIL Allen found returns of between \$446 million and \$2.5 billion which includes a return to Commonwealth revenues of between \$92 million and \$632 million.

Further investments to support healthy oceans, Commonwealth National Parks and digital connectivity are being rolled out.

Relief and Recovery Fund

The Relief and Recovery Fund is continuing to provide a much needed boost to the north.

We are supporting essential air services, connecting Cape York and the Torres Strait Islands, Darwin and Jabiru to West Arnhem Land, and Port Hedland through to the Pilbara region.

We are maintaining our vital agricultural exports sector by supporting a Darwin-Brisbane flight and Brisbane-Hong Kong flight via Cairns twice a week.

And there's further relief that has been provided across regional arts, tourism, zoos and aquariums, and Indigenous arts centres, among others.

The Government has also fast tracked many projects to accelerate recovery and keep the northern economy strong.

The Roads of Strategic Importance program has been fast-tracked over the next 12 months to help stimulate economic activity and road building jobs across the north. Such as \$13 million to fund developments on Rockhampton to Yeppoon Road and \$9.8 million to upgrade two of the Northern Territory's main freight routes, the Barkly and Stuart Highways.

Our investment in 38 road projects have upgraded 500 kilometres of major transport corridors under the Northern Australia Roads and Beef Roads program — 25 are complete, 11 underway and the final two to commence shortly. Upgrades directly support communities, efficient and safe transport and freight and are expected to create over 2,000 jobs across the three jurisdictions.

Research

We are continuing to explore northern Australian agriculture, health service delivery and Traditional Owner-led development research through the \$75 million Cooperative Research Centre for Developing Northern Australia.

The CRC for Developing Northern Australia provides valuable information and data gathered from sectors and stakeholders across the region, that helps shape the ongoing development of Northern Australia.

To date, 40 research projects worth \$35 million have been cooperatively commissioned.

Moving forward

I am now focused on the next phase of development under the 20 year framework of the White Paper on Developing Northern Australia.

Going forward, we will build on what has been achieved over the last five years as well as the measures announced in the Budget to implement our JobMaker Plan.

The northern economy is still developing and the Morrison - McCormack government is committed to supporting this important region and generating jobs. Strategic investment will result in significant change and large productivity gains for our nation.

The next phase of the northern agenda is an opportunity to create more jobs and more business opportunities through capitalising on the assets of the north – its land, water, minerals, energy and people.

We have been listening to stakeholders and are considering options that build on our industry strengths and capitalise on opportunities for growth.

The next phase will have a singular focus: the same focus of creating jobs in the north.

This is a resilient region that continues to grow and adapt, building on traditional industries, while being strategically placed at the forefront of contemporary and emerging economies.

The untapped potential, abundant resources and increasingly diverse population makes this a critical nation-building economic development agenda.

Concluding remarks

This Government continues to deliver the practical policies and programs which are making a real difference to the people of northern Australia.

Every day we work to:

- create jobs
- foster economic growth that is both enduring and sustainable, and
- contribute to the development of regional communities.

And we do this with the cooperation and goodwill of the people of northern Australia.

Their hard work, their fortitude and their capacity to stare down drought, flood and pandemic is why they, and the north, are so important to our nation's future.

The people of the north learn these lessons early in life, resilience and acceptance of the situations and tough conditions in which they live work and play.

I can assure this Parliament, and all those in northern Australia, we will continue to represent you and work even harder for you.

As Minister, I am proud to serve this great part of Australia and its people.

And I wish to acknowledge the dedicated support of many.

My colleague Assistant Minister for Northern Australia, the Hon Michelle Landry MP, for her constant support through tireless community engagement.

The Minister for Indigenous Australians, the Hon Ken Wyatt AM MP for his contribution to the critical role of Indigenous economic participation in developing the north.

The members of the Ministerial Forum on Northern Development.

Glenys Schuntner, as Chair of the Advisory Group on Northern Australia.

Peter Yu for his invaluable work as chair and the insight of members of the Indigenous Reference Group.

The efforts of the team at the Office of Northern Australia, based right across the north.

Much has been achieved.

As always, there is more to do, but the people of northern Australia are up for the challenge.

We will continue to make progress and make the very most of the opportunities and promise the north offers for the entire nation. Because if it is good for the north, it's good for Australia.

Thank you.

Footnotes

¹ <https://www.pm.gov.au/media/boosting-indigenous-participation-northern-development>

² <https://www.minister.industry.gov.au/ministers/pitt/media-releases/budget-invests-more-4-billion-northern-australia>

³ <https://www.minister.industry.gov.au/ministers/pitt/media-releases/budget-invests-more-4-billion-northern-australia>

⁴ <https://www.minister.industry.gov.au/ministers/pitt/media-releases/budget-invests-more-4-billion-northern-australia>

⁵ <https://www.minister.industry.gov.au/ministers/pitt/media-releases/budget-invests-more-4-billion-northern-australia>