

HD Australia and New Zealand School of Government (ANZSoG) China Advanced Leadership Program

WC 1621 words

PD 23 November 2015

SN ForeignAffairs.co.nz

SC PARALL

LA English

CY Copyright 2015. Multimedia Investments Ltd. All rights reserved.

LP MIL OSI [<http://milnz.co.nz/mil-osi-aggregation/>] -

Source: Australian Minister for Infrastructure and Regional Development - Press Release/Statement:

TD Headline: Australia and New Zealand School of Government (ANZSoG) China Advanced Leadership Program

Speech

WTS028/2015

23 November 2015

Thank you for the warm welcome Allan (Fels, Director ANZSoG).

Good morning everyone. I am delighted to have the opportunity to join you for the opening of this year's ANZSoG China Advanced Leadership Program.

Before I begin I would like to acknowledge:

\* His Excellency, Chris Seed, New Zealand High Commissioner to Australia

\* His Excellency Ambassador MA (MAR) and

Earlier this month I was in Seoul for the 25th World Road Congress and I had the pleasure of meeting Her Excellency, Clare Fearnley, the New Zealand Ambassador to Korea.

Australia is one of the world's most dynamic and best performing economies in the developed world and we are fortunate that we are located adjacent to the centre of global growth in Asia.

What makes Australia an attractive investment destination is the combination of our natural resources, as well as the drive and the skills of our people.

Investors can have confidence that they are investing in a country with one of the most transparent and robust regulatory regimes in the world.

This morning I'd like to talk a little bit about our economic performance and how our closer integration with Asia, including of course China, has turbo-charged our industries.

In turn, that dynamic has created a range of investment opportunities that are being enhanced by the Australian Government's pro-business approach to economic policy.

It's a remarkable fact that Australia is now in its 25th year of consecutive growth. That is the second longest continuous period of economic expansion of any advanced economy in the world.

Australia is also one of the few countries in the world to hold a AAA credit rating from all three major rating agencies.

Our growth record is testament to the way Australia managed to reform its economy and develop its links with Asia, as well as supporting the value of foreign capital.

Beginning in the 1980s, Australia effectively opened its economy to the world by cutting tariffs and duties, floating its exchange rate, and creating a more competitive domestic economy.

These structural reforms helped to steel the economy during global downturns, while ongoing reforms in areas like taxation and the labour market have enhanced these efficiencies.

Australia's transition from being a closed and highly protected economy, to an open and globalised economy, continues today under our 'open for business' philosophy.

That philosophy emphasises greater self-reliance at the corporate and individual level. We no longer seek growth through excessive spending and public debt.

The Government is eliminating red and green tape by removing the regulatory barriers that stymie private enterprise. Prior to our election, the Government committed to reducing the cost burden of red tape by \$1 billion dollars every year and we're achieving well above our expectations.

As I said earlier, Australia's record progress has of course benefitted from our proximity to Asia's growth markets. Our strong trade and investment ties with economies such as China and others in North Asia have energised our exports and domestic growth.

Over the last year or so, Australia has intensified its integration with major Asian economies, by reaching historic Free Trade Agreements with China, Japan and Korea.

Together with the breakthrough reached in the Trans-Pacific Partnership Agreement, these FTAs will link Australia's economy to dynamic new markets and enhance investment ties.

The process of integration is continuing well and we are now seeking a comprehensive economic cooperation agreement with India that will promote trade in goods and services as well as enhanced investment ties with one of the world's most important emerging markets.

As the Australian mining industry moves from the construction phase into an era of production, we are pushing to diversify our economy into new sectors and industries.

The income and wealth from the newly operating mines and gas fields is flowing but it's time to look further afield for new investments. That means discovering and developing fresh sources of economic growth.

We believe in the power of foreign investment to create prosperity and jobs through the transfer of skills and technologies and entrepreneurial activity.

Our open for business approach is important in this context.

It has allowed us to identify with what we do best, or better than most, and to prioritise them on a national basis.

Tourism infrastructure, resources and energy, major economic infrastructure, agri-business, and advanced research and manufacturing are our national priorities.

The Australian Government has committed about \$50 billion over the next six years to develop the nation's land transport infrastructure—its rail, roads, intermodals and transport links to ports and airports.

This spending is part of a broader economic program to increase productivity, jobs and national prosperity.

About 90 per cent of Australia's population lives in the major cities and towns along the coastline and about half in Melbourne, Sydney and Brisbane.

In fact by 2055, Australia's population is expected to have grown to nearly 40 million people—an increase of 60 per cent on 2010.

Such intense urbanisation is putting pressure on existing infrastructure in the form of congestion, and all the economic inefficiencies that creates.

At the same time, the freight task is growing rapidly.

Over the years to 2030, total domestic freight by road, rail and sea is expected to grow 70 per cent.

Innovative financing and the role of the private sector in major projects represents two important features of infrastructure investment in Australia.

Put simply, the public sector cannot afford to carry the whole financial burden to build the infrastructure pipeline.

Public Private Partnership deals have brought to life the added innovation and efficiency that the private sector can bring to projects. An estimated \$60 billion worth of infrastructure has been developed in Australia using the PPP model.

Concessional lending is another innovative technique that is seeing some application in Australian projects.

For example, the Australian Government has committed to providing a concessional loan worth \$2 billion to help New South Wales complete the nation's largest urban road project, WestConnex in Sydney.

Access to finance is also made easier in Australia because of its sophisticated financial system, notably in asset management.

The superannuation or pension funds have been investing in infrastructure for almost 20 years. During that time, they've built up a lot of expertise in negotiating major deals and making significant investments with a good rate of return.

A good example is the China Merchants Group \$1.7 billion stake in the 98 year lease of the Port of Newcastle, along with fund manager Hastings.

Allied to innovative financing is Australia's track record of major privatisation projects, which began in the 1990s.

Recent privatisations have included Australia's major airports, the Port of Brisbane, [Queensland Rail](#), the Sydney Desalination Plant as well as the Ports of Botany, Kembla, Newcastle and now Darwin.

The Australian Government has created the Asset Recycling Fund that encourages state and territory governments to privatise their existing infrastructure and invest in greenfield projects.

The initiative has a fund of \$4.2 billion, which provides incentive payments worth 15 per cent of the sale proceeds of the infrastructure, under the proviso that the sale is used to create greenfield infrastructure sites.

We have also taken other steps to encourage investment in infrastructure.

Through the white paper Our North, Our Future we have taken bold steps to develop the vast undeveloped northern half of Australia, from Broome in the west to Cairns in the east.

We've also established a Northern Australia Infrastructure Facility worth \$5 billion to provide concessional lending for projects.

Indeed, earlier this month, potential investors attended a forum in Darwin facilitated by Austrade in close cooperation with the governments of the Northern Territory, Queensland and Western Australia.

The forum showcased about 100 new projects ready for investment.

In an increasingly inter-connected world it is rare for investors to be presented with high-performing yet relatively untapped markets with investor-ready projects and collaborative opportunities in place.

Northern Australia is one of very few such markets remaining globally: a frontier market full of possibility yet situated firmly within the safety and security of a successful advanced economy.

At the same time, the G20 has established the headquarters of its global infrastructure hub in Sydney, and Australia chairs the body.

The hub provides an inside track to understanding the needs of global infrastructure demands.

In addition, the Agricultural Competitiveness White Paper complements our work in the north and the push to liberalise trade.

The Government spent months listening to the challenges farmers are facing and where improvements can be quickly made to deliver success.

We are investing \$4 billion in our farmers targeting five key areas which include a fairer go for farm businesses, building the infrastructure of the 21st century, strengthening our approach to drought and risk management,

making the farming sector smarter and accessing premium markets.

In closing today I would like to congratulate ANZ School of Government and the Organisation Department of the Central Committee of the Communist Party of China on the ongoing success of the China Advanced Leadership Program.

The programme allows us to exchange ideas and provides an opportunity for senior and up-and-coming Chinese decision makers from central and provincial governments to connect with their Australian and New Zealand counterparts.

I know that you have a very busy three weeks ahead of you and I wish you well with your discussions.

Thank you for your time.

—

NS gdip : International Relations | e512 : Physical Trade | gpol : Domestic Politics | e51 : Trade/External Payments | ecat : Economic News | gcat : Political/General News | gpir : Politics/International Relations | gcntsu : Continuing Education | gcrpln : Career Planning | gedu : Education | gjob : General Labor Issues

RE austr : Australia | china : China | nz : New Zealand | brisbn : Brisbane | sydney : Sydney | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia | nswals : New South Wales | queensl : Queensland

IPD Asia Pacific Region | Australia | Banking and Finance | Business | Economics | Energy | English | MIL Oil-Energy Sector  
OSI | MIL OSI | Open Source Intel | Pacific Region

PUB Multimedia Investments Ltd

AN Document PARALL0020151123ebbn0002p

© 2017 Factiva, Inc. All rights reserved.