

HD Regional Capitals Australia Breakfast

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Speech

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Jamie Briggs: ...getting up to break through the fog and the ice. I know my colleague George Christensen from Mackay just loves it. Every morning, out there in the fog and the ice. And Rowan Ramsey, I notice, is here as well from South Australia, but, 87 per cent of South Australia [indistinct] represent, so it's not a surprise that he has got a few regional capitals in his electorate. Julie Collins, also, from the Opposition is here as well. The Opposition spokesman in fact, so she'll be taking [indistinct]. I have no doubt there will be a press release a bit later.

But, look, thank you very much for being here as part of the festival of the local government in Canberra. Again addressing local government it's great to have you all—sorry [indistinct] McGowan, too, I should note, has just walked in.

So if I've missed anyone else, put your hand up. Ewen Jones. It's very hard to miss Ewen Jones at the best of times. Thank you. So thank you. Ewen from Townsville, who also loves the Canberra mornings.

You are here at an interesting time. Of course, you always- every year would be here people would tell you that, but as a child of a regional capital, I guess, growing up in regional Victoria, in Mildura, it is a great pleasure to address you this morning. I think I understand the challenges the regional capital has had better than most, because I experienced them growing up.

The experience for your regions, of course, is that every single one of you in this room is utterly proud, as you should be, of the contribution you make to our country, and to the fabric of our society. But there are unique challenges in regions, there's no question, particularly keeping up and ensuring that the next generation can continue to develop the region as the opportunities prevail.

In a sense, I think today it is easier for regional capitals to develop than it once was. Certainly, when I was at school, I remember—I'm not that old yet—we ... growing up in Mildura, we had two television stations for most of my youth. We had the ABC, of course, and what was, in effect, WIN TV at that stage.

Now, when I go home and see mum and dad, which is not all that often, they've got the full range of access to communication that we have living in the Adelaide hills, next to a major city. There are greater opportunities through communications and through the flattening of the globe, in a sense, now for regional capitals to take advantage of those opportunities than there once was.

But that doesn't mean that it's easy, and it doesn't mean that there's not more competitive pressures to ensure we can continue to survive. And that's where, I think, there is real opportunity for Federal Government to work with you to develop the infrastructure, and the framework, to ensure that you can

make the most of the chances and the opportunities we have in this, our time, to ensure the next generation can continue to grow more regions, and make the most of our opportunities.

And that's what we've tried to do in this Budget. The Budget is hard. It's asking all Australians to contribute, and I know that isn't easy, and we certainly recognise some of the decisions we made are challenging. Indeed, for local government—we made some difficult decisions for local government and we accept that they are challenging for local government. But we think they're absolutely necessary.

We don't do them out of any sort of sense of joy, a sense of wanting to make people dislike what the Government is trying to do. Indeed, what we are trying to do is earn people's respect, and put Australia on its way stronger path; just what Peter Costello did in 1996. In fact, I think the challenge we have compared to what Peter Costello confronted in 1996 is even more difficult.

I'm sure Peter Costello faced higher debt to GDP percentage in 1996, but he was also at that time benefiting from, or the economy I should say, was benefiting from the changes that had been put in place by successive governments to open up the Australian economy through the 1980s and the early 1990s.

And the productivity increases that were coming through meant that there was—the economy was strengthening, the reforms put in place by John Howard and Peter Costello certainly ensured that we could make the most of those opportunities—certainly in the 2000s when the Chinese started to grow beyond belief. But we face a different set of challenges in 2014.

The economy has been buffeted in recent years by international challenges. We have re-regulated much of our economy, and made it more difficult for us to compete internationally, and we have got a substantial debt and deficit issue to deal with. So the challenge we face is very different. We have a population which is getting older, the call on government services is growing, and we need to ensure that we can have a sustainable budget for the future.

And so we have asked everyone to contribute so we do have a sustainable budget. We can continue to deliver the services that people expect, and the Government wants. We want to be a Government that creates equality of opportunity, not equality of outcome. Governments can never deliver equality of outcome.

They can get people to the start line, they can give everyone the opportunity to compete but they can't ensure the outcome. But what we will do is put in place a structure and a sustainable budget which ensures everyone has the best opportunity to make the most of their talents, and make the most of living in the greatest country on earth.

In that respect, the heart the Budget is ensuring that people have that opportunity with a growth package, very much a focus on our infrastructure needs across the country. This budget contains the biggest spend by a Federal Government in the history of the Commonwealth on infrastructure.

\$50 billion has been dedicated to build infrastructure right across the country. And it is very much targeted at ensuring we've got higher productivity, ensuring we can make the most of our opportunities by creating jobs and putting us on a stronger path to growth. And so that's why we have focused on big projects which—in each capital city across the country, which often get represented as simply about investment in capital city, but very much ensure that your regions can take the advantages of what lay ahead of us.

Australia is a commodity-based economy, and it always has been and it always will be. And in recent years, we've shared the benefits of the growth in one aspect of that commodity-based economy through the mining industry. And, without a doubt, all Australians have shared in the massive growth in the last decade or so in that industry.

But what we now have an opportunity for, increasingly, is to share in the growth in fibre. It's talked about much and talked about often, and many of my colleagues are often talking about it but it's realistic and it's there for us to take advantage of. We are in the best country in the best place on earth right now, and we have the best products to sell right at the right time. And they're in your regions, and your regions have the great capacity now to make the most of what are enormous growth opportunities throughout Asia.

As Asia grows remarkably and like never before in history—not just in terms of population but in terms of those moving from poverty, particularly in China, through to middle-class lifestyles, wanting the same access to services, wanting the same access to the commodities that we enjoy—it is your regions which can make the most of those opportunities.

And what our infrastructure growth package is very much dedicated to doing is building the capacity of our cities, and our infrastructure and frameworks, to ensure that you can make the most of that. And I point to the Perth Freight Link. The Perth Freight Link, which we put in place with the Western Australian

Government, will have a dedicated freight line through Perth for your products to get from our biggest state to market- through the market quicker, more efficiently, and getting them off to where they want to be across the globe.

Australia will never be prosperous selling to itself. Australia will never be prosperous selling to itself. We must sell to the rest of the world. We always needed to sell to the rest of the world, but now more than ever we have a great opportunity to do so. So our infrastructure package is very much dedicated to ensuring, whether it be the WestConnex projects in Sydney, the Toowoomba second range in Queensland, the East-West project in Melbourne, the North-South Corridor in South Australia or the Perth Freight Link in Perth, they are all very much dedicated in ensuring access to our ports, dedicated freight lines, ensuring that our transport industry can move around efficiently, improving motor safety outcomes by taking big trucks off local roads, and that's why I think so much of our investment is so well targeted.

But there is, of course, investment across the regions as well, and one of the things that we've done is doubled, next year, the Roads to Recovery grant to local governments. and I know they're grants that you very much appreciate and use very efficiently. But also we have increased, in the next two years, the Black Spots Funding Program by \$200 million—\$100 million in each of the next two financial years. So it will be \$160 million across the country in the next two financial years, compared to \$60 million which had been allocated for the Black Spots Program.

And this morning I'm announcing that we have indeed amended the Black Spots criteria to make it easier, in a sense, for regional areas, on advice from people like Rowan Ramsey who chairs the South Australian committee and Ewen Jones who chairs the Queensland committee, that regional councils have found it more difficult to access some of the Black Spot funding because some of the criteria lends itself to the amount of traffic, and the amount of incidents that occurred on roads. Whereas we all know in regional areas while you don't necessarily have the traffic, you do indeed have very dangerous intersections which can cause catastrophic events, or sections of roads I should say.

And what we, with this additional money, are looking to do in the next two years is try and address more of the grey spots, if you like, to ensure that we prevent catastrophic incidents occurring and we prevent the accidents in the first place. And we lift the productivity of your regions—the last mile is very important to our logistics chain, we recognise that.

And so what I've done is—and I'm announcing this morning, is reduce the minimum cost benefit ratio from two to one at the moment to one to one. The crash history requirement for black spots will be reduced from three casualties to two casualties in five years, and panels will be able to direct up to 40 per cent of the funding to black spots that do not meet the crash history criterion, provided they have had an independent safety audit. Which will allow more often for your council, particularly, to identify those spots on your roads that you and your locals would know about, to pick the spots, have an independent safety audit, and get access to this funding because of the increase particularly. And I think that will mean that we will get not only a productivity increase in many of your regions by improving some of these roads, but it will also prevent catastrophic incidents where people lose their life or get injured for the future.

So I will encourage you all very much to take advantage of the Black Spots Program. It is a competitive based program in each state and applications are open and are on our website, the application forms, and your local members will certainly be able to help you through that process. But it is a very good program, it's a very effective program for small projects, and I think that these small changes, what they'll do, is allow you and your councils particularly to take more advantage of this additional funding in the next two years to improve your infrastructure around your local areas.

So it is a Budget which is asking people to contribute, but it's a Budget which is focused on growth. It's focused on jobs, and it's focused on ensuring that we get a better productivity outcome for our country by investing in big projects in cities which will improve access to our ports, improve access for your products to market, and will also ensure, throughout the country, that we are improving the infrastructure needs, not just for capital cities but our regional cities, and the regional areas.

We are a large, a very large country, and one of the great privileges of being a Federal Minister or Member of Parliament is you get to travel around it quite often. This year I have been to the Pilbara, I have been to Hobart at the other end, right up to ... shortly going to see Ewen in Townsville, and you get to see and appreciate, I think, each of the different challenges that you all have in your different regions. But one thing, I think, which is consistent and that is that our regions contribute enormously—not just to the economic achievements of our great country, but the social fabric of our country.

There is often focus, too much focus, on our big cities. But so much good comes from our regional capitals, and that's why I think this group is an important group; and it's great to see it's growing, and it's great to see that each representative of cities across the country, because each state has important regional capitals which contribute so much to each state's growth, each State's opportunities and overall

our country's prosperity. So thank you for being here this morning, thank you so much for listening to me and I'm very happy to take questions, Rob, if that's what the [indistinct].

Compere: Thank you for that address Minister. Minister indicated, he is more than willing to take some questions from the floor at this stage, so if you could just identify yourself and the city that you represent. Thank you.

RON UROVICH: Thank you, Minister. Mayor Ron Yuryevich, City of Kalgoorlie or the Gold Capital of Australia, as we know it, and also chair of West Australian Regional Cities. Thank you for your words in regards particularly to the contribution of regional capitals to the economy of Australia, and we agree totally with you there. I would also like to thank you for the Stronger Regions Fund, and put you on the spot there and ask you what are the best projects, in your view, that can be accessed through the Stronger fund?

Jamie Briggs: Thank you for the question. We are shortly likely to [indistinct]- we are shortly going to announce the Stronger Regions Fund criteria and process. It begins next July, so we will obviously have the intention of having projects announced before or around the budget next year, so there will be an application process later this year when we've released the guidelines in the very near future. But we've said from the election campaign, really, right through that the criteria will focus on trying to meet growth, and trying to invest in productivity, lifting a project. So we still maintain a very strong commitment to that.

We want particularly to focus on areas of disadvantage, create more opportunities where we can, where there's high unemployment, particularly youth employment. So we are very much focused on that, and we're also focused on ensuring that with each application there's a commitment from several levels of government, if I can put it like that. And so there is 200 million each year is not insubstantial but it's not, across the country, a huge amount either. So we're still trying to nail down—the Deputy Prime Minister and I are still trying to nail down exactly the criteria, the application process; but it is not far away and it will be obviously advertised across your local government areas.

But again we're looking to grow our economy, we're looking to create jobs and be stronger into the future.

Compere: There's a question over the front here.

Question: Thank you, Mr Chairman. Minister, what is the anticipated timeframe for reviewing regional development in Australia, and could you give us an indication on the types of principles that will be used in the review and what the outcomes may be?

Jamie Briggs: Well, it has been under review and the outcomes will be announced very soon.

[laughter]

Compere: Take a question from table 5, I think it was, Gordon Bradbury.

Gordon Bradbury: Gordon Bradbury, Lord Mayor of Wollongong. Minister, with all respect, there was an interesting contradiction in what you had to say and I just wondered if you might tease it out for us a little, inasmuch as you were saying how you're focused upon the capitals in terms of the infrastructure spend and somehow or other it's going to benefit us all. Could you just tease that issue out a little bit more for me, because I just don't quite understand how the WestConnex in Sydney is going to benefit the Illawarra, and more specifically my city of Wollongong.

But I would like some clarification around that, and also just to highlight the fact that in lots of ways here you have a port, Port Kembla, and its connectivity is extremely important in the light of your observations about the future of the economy of being—for commodities and their export or sale to the world. And I suppose there's two prongs to that, so the first one is how is the cities, the major capitals in their infrastructure spend going to benefit us in the regions? And secondly, how do you reconcile what you said about commodities and the issues at Port Kembla, those sorts of contradictions? You know—

Jamie Briggs: [Interrupts] I'm not sure where the contradiction was on Port Kembla but [indistinct]

Question: [Interrupts] Well, in terms of commodities and assets.

Jamie Briggs: Taking it in the Tony Jones tradition, I will take that as a comment. But in relation to WestConnex, I find it hard that you can't connect the logic of a stronger economy not benefiting our regions. I find it difficult to understand the logic in that.

I mean, that's sort of an argument that in the last 10 years, because certain parts of Western Australia and Queensland, in particular, have had a growth in their mining industry, the rest of the economy hasn't

benefited from it. Of course it has. Of course it has. And our living standards have grown exponentially, because certain parts of our economy have grown.

Now, that doesn't mean other parts haven't gone through some challenges, but if the economy is performing better overall, then every region is lifted. But particularly what we've done is if you're making your capital cities move better, products from your region are getting to port—sorry, getting to port happens a lot easier, and more efficiently, and costs less, which means that your producers get better value for their products.

So there's absolutely benefit from it in two ways: benefit from investment in our cities to make our cities work better, it absolutely helps our regional areas; it grows our economy quicker, it benefits all our regions, and ensures that you get product to market more quickly, more efficiently, and cheaper.

And in respect of Port Kembla, if there are particular issues with connectivity and infrastructure needs we are always happy to work with the New South Wales Government to improve the infrastructure needs to get that to and from our ports.

The New South Wales Government yesterday announced a substantial amount of spending in the budget, I know they've got a study, I think, into the F6 as part of improving the network to the south as well. But, I mean, we are absolutely committed, particularly through the Asset Recycling Initiative, to look at getting more infrastructure spending throughout our country to improve our networks, so we've got better productivity, higher growth and more jobs.

Compere: We have a question from Barry.

Question: Barry Omundson, the CEO of Mackay in Queensland. Minister, you've talked about the infrastructure and growth—are you aware that the regional capitals are growing faster than the national average? And if so, on that basis how do you think we should then manage that growth so we don't make the same mistakes that our capital cities have made?

Jamie Briggs: Well, I hope you're growing faster than the average, that's terrific if you are. Of course, we want you to continue to grow quicker, and I sense you're talking about population growth as well as—look it is, that is always a challenge in ensuring that you've got the infrastructure in place to help in the—you know, before you have to, in a sense, retrofit.

With the Western Sydney package what we've done, in relation to the second Sydney airport, is spend quite a substantial amount in the next decade, \$3.5 billion to put in the road network in place before the growth has been achieved in that part of Sydney. That's obviously related to a big investment, and a big decision in relation to an airport. But it is important that state governments particularly think through, when they're, you know, putting more growth areas into regional capitals.

And we've got this challenge in my own local electorate, in Mount Barker. I know Mary Anne Ferguson at the back has been dealing with this for some time, where there has been substantial amount of additional land opened up—opened for housing and growth which, you know, we welcome.

We need to grow as a country and as an economy but, you know, there is a reasonable criticism that there hasn't been enough investment in infrastructure to support that in the first place. And that makes it difficult not only to manage as far as the existing network and existing infrastructure are concerned, but it also makes it harder to manage with your population and your people, because they get frustrated by it.

So it's a good question and there's no simple answer to it, other than, you know, we need—and I think state governments are getting better than this in different states particularly, that they plan regimes, consider what infrastructure needs are before, or alongside at least, with their planning decisions.

Compere: Yes. I think we have one last question—no right down the back.

Question: Jackie Fristacky, City of Yarra [indistinct]. Thank you for your address this morning. One of the key things on infrastructure is, of course—sorry, on our GDP, is of course the high rate of unemployment by young people, and you have gone into a lot of policies and you are [indistinct] to encourage young people [indistinct] employed, not being able to contribute to GDP, that is the main problem.

And you will find baby boomers like myself in the trades, the [indistinct] relates to apprenticeships and how you're going to enable young people to get into those schemes, and stay in those schemes, where the mentors are not necessarily there. And in that vein, on investment which supports GDP, it doesn't help, in Victoria, having investment in something like the East West Link, which has got a negative cost-benefit and which doesn't look at the effects of [indistinct] activity in Melbourne.

Jamie Briggs: Thanks, Jackie. The City of Yarra, is that right?

Question: [Indistinct].

Jamie Briggs: That's a terrific regional capital. [Laughter]. Look, Jackie my good friend Senator Scott Ryan, who's a constituent of yours, tells me often about your long and ardent support of the East West Link, so I appreciate the fact you've asked a question of it. The East West Link doesn't have a negative cost-benefit ratio at all, in fact it's a very positive cross-benefit ratio and it will be a very good project for Melbourne. It will transform Melbourne, it will open up the two **million** people who live in the eastern suburbs.

I know they're a bit away from you where they are Jacqui, out in the eastern suburbs there, but it will allow them greater access to and across Melbourne; it will ensure better access to the port for all those farmers in western Victoria, and those great regions like Mildura, to get their product to market. So we are absolutely committed to the East West Link. I appreciate you giving me the opportunity to sell its benefits.

In respect of youth unemployment; it is a big problem, it is a growing problem. It's a big challenge of our economy, absolutely. But it's a—what we've done, in the sense of apprenticeships, is the reforms that Christopher Pyne is putting in place in the higher education field actually open up, for the first time, use of the government loan system for a much broader range of tertiary education, including trades. So that will give more young Australians access to apprenticeships in the future.

The challenges with people retiring are absolutely real, you're dead right. That was why I mentioned that in my remarks, is that we face an economy which is being re-regulated, making it more hard to compete on a global—in a global economy, and we're trying to address that with specific legislation.

We're facing an economy which is aging rapidly, which means we've got less workers and we've got a higher call on government services. And there are challenges in ensuring young people get access to jobs, and that's we are very much focused on earning or learning in this Budget. We want young Australians to either be working, or at school, in some form or another.

Compere: Thanks, Jamie.

Jamie Briggs: No worries. Thank you.

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