



ABARES - Outlook Conference 2018

Infrastructure for Agriculture - Investment Priorities

Global demand for food and fibre is increasing

- ▶ Population increase. 9 billion mouths to feed by 2050
- ▶ Improving standards of living in developing economies = increasing demand for higher protein foods.
- ▶ Australia is well positioned geographically to benefit from increasing Asian demand.
- ▶ Sectors that have focused on research and development continue to show productivity improvement.



No guarantee that Australian farmers will benefit from this opportunity

- ▶ Competition from other agricultural exporters is increasing each year.
- ▶ Productivity improvement in some sectors has flattened or even reduced.
- ▶ Production costs, particularly overheads are increasing in Australia at a faster rate than our competitors.



Governments at all levels have often tried to pick winners by supporting specific industries and geographic areas and even with the best of intentions this has often not been successful

Government investment should be focused on enabling globally competitive sustainable agriculture

- ▶ Cost effective efficient infrastructure
- ▶ Research and development in concert with industry investment.



How should governments invest in rural / agricultural infrastructure ?

Recommendation 4.1:

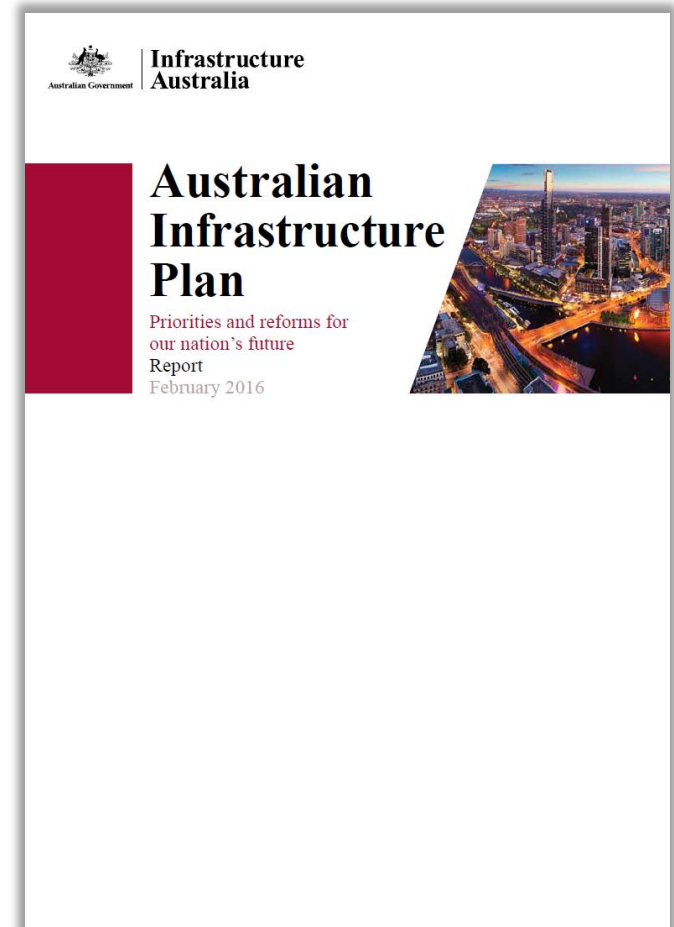
State and territory governments should deliver long-term regional infrastructure plans.

These plans should:

- Identify gaps in infrastructure networks and identify priorities to support productive regional industries;
- Be developed with involvement from all levels of government to help coordinate investments and remove duplication;
- Provide transparency for the private sector to allow for government funding to be leveraged and private investment to be maximised; and
- Assess the potential for regions to ease pressure on our largest cities.

Recommendation 4.2:

The Australian Government should prioritise investment in regional infrastructure where the population is growing quickly and where the bulk of our regional economic growth can be found. Efficient, liveable and productive regional hubs should be considered national economic assets and be a key priority of every level of government, including capitalising on opportunities to develop the north.



What are the specific areas of focus?

“ give us all weather roads, reliable phone services and high speed internet access and we will develop the north”

- ▶ All weather road access. First and last mile issues remain
- ▶ Telecommunications and high speed internet .

IPL list of rural and regional projects and initiatives

Projects

- ▶ Inland Rail (Melbourne to Brisbane via inland NSW)
- ▶ Myalup-Wellington Wellington Water Project WA

Initiatives

- ▶ New England Highway upgrade (NSW)
- ▶ Eyre Infrastructure Project (SA)
- ▶ (Iron Road)
- ▶ Improve road access to remote WA communities (WA)
- ▶ Provision of enabling infrastructure and essential services to remote NT communities (NT)
- ▶ (Wadeye, Tiwi Islands, Jabiru)

Initiatives

- ▶ Upgrade Tanami Road (NT)
- ▶ Lower Fitzroy River water infrastructure development (QLD)
- ▶ Northern Adelaide Plains water infrastructure development (SA)
- ▶ Hawkesbury-Nepean Valley flood management (NSW)
- ▶ Connect gas suppliers to eastern gas markets (National)

Challenges for policy development that encourages efficient and sustainable investment in agriculture?

- ▶ Taking a long term view - prioritising need and economic opportunity over short term political opportunity.
- ▶ Continuing requirement for R and D investment
- ▶ Supply chain opportunities
- ▶ Restrictive red and green tape
- ▶ Security of tenure and minimising sovereign risk
- ▶ Climate volatility.