

Mrs Rinehart's address at the Red Carpet Investor Forum
Parliament House, Darwin
18th April 2016

Adam, Distinguished guests, friends,

Thank you for the really warm welcome, it is wonderful to be with you all today in very friendly Darwin, I always greatly enjoy my visits here.

It is great to be in the Northern Territory, and to be part of your inaugural Open Territory program, a celebration of business events, sports and cultural activities. In particular I am delighted to have been invited by the Chief Minister, and friend, Adam Giles to be the keynote speaker at the Red Carpet Investor Forum. With one of the best leaders in Australia, one who truly understands economics and the need to make our territory and country attractive to investment, to see Australians benefit from the consequences of raising living standards, I hope we all enjoy our visit to the north, and to this forum especially.

Today, as the Northern Territory's honorary Business Ambassador, let me tell you why I believe that now is the time to be seriously considering the Northern Territory as a choice location for your further business interests.

I understand that many of you already have investments in the Northern Territory as well as other parts of Australia but you are here because you appreciate that the Territory and Northern Australia are at the forefront of development opportunities for particularly investors from Asia looking at possibilities in Australia.

So please let me begin by showcasing this region. This area is not only very friendly, but unique and does indeed represent one of the world's last great development opportunities of scale and it does this all within one of the world's most highly developed countries on the very doorsteps of flourishing Asia. Adam Giles is leading and driving improving regulatory regimes for which I also wish to add my sincere congratulations.

The Territory, with almost 1.4 million square kilometres, represents about one-sixth of the entire Australian land mass. If the Northern Territory was a country it would be in the top 20 in the world in terms of area. Yet the Territory population is merely a quarter of a million people.

As the world's economic power continues to shift towards Asia, and Asians living standards continue to rise, the Northern Territory's location delivers significant advantages.

Australia is one of the few developed economies in the tropics, a region that is home to 40% of the world's population and that currently produces 20% of global economic output.

This is critical to the future of the north of Australia which now sits squarely aligned with, and within the Asian economic region.

By 2030 the Brookings Institute estimate that the Asian middle class will grow from 600 million to almost 3 billion and it is this growth that offers Australia and the Northern Territory in particular unparalleled opportunity.

I know that the Territory has a long standing relationship with Asia, and is well on its way to establishing a place as an important gateway between Australia and Asia with unrivalled proximity to Asian markets and with the benefit of similar time zones for business, and taking only the same time to fly from Darwin to Singapore as it does to fly from Darwin to Sydney.

And with a multicultural community with 23% of the population speaking a language other than English at home, and where 100 countries are represented in the local population, the Territory is well placed to cater to differentiated tastes, preferences and lifestyles.

It has a well-established Chinese community originating as a consequence of migrants coming here in the latter part of the 19th century. Whilst they may have been originally attracted to the territory gold the reality is that they stayed and grew their community. Today the Chinese and Asian community have grown strong and form an integral part of the rich cultural fabric that is Darwin city.

It is notable that these same resources continue to catch the attention of Asian businesses in the 21st century and as this attention diversifies into other sectors such as agriculture and tourism and more we once again see Asian connectivity as the key driver for Northern Australian growth.

NORTHERN TERRITORY ECONOMY

Sitting at the heart of Australia the Territory is rich in energy, agricultural, business and other industries and has vibrant and growing communities. It remains underutilised, relative to the rest of Australia despite its natural, geographic and strategic assets.

Over the last decade, the Northern Territory has experienced a remarkable trajectory of continued growth and it has outperformed the wider Australian economy, with an average annual growth on average one percentage point higher.

In 2014-15, economic growth in the Territory was 10.5 per cent, the strongest growth in Australia with gas, minerals, tourism, agribusiness, health, infrastructure development and services the key contributors to this powerhouse performance.

Australia's history since settlement has always seen us rely on foreign capital to develop and grow. Firstly it was the UK, then the US and Europe with Japan now a key investor in recent decades. It is natural therefore for the Territory to look to the wider Asian region as it seeks the investment capital and partnerships required to continue its development and growth and to build the necessary infrastructure.

ENERGY

Energy has historically been key to the Territory's economy with oil and gas growth being transformative in the last ten years.

ConocoPhillips and INPEX Ichthys Darwin LNG's plant, two of Darwin's most significant multi-billion dollar projects, and the Territories connection to Shell's offshore Prelude project are all testament to the confidence our global investment partners have in the future of the Territory and the importance of the Territories energy assets to regional energy needs.

Once the Ichthys LNG project is fully operational this project alone, one of the largest in the world, will be supplying 10% of Japan's imported energy requirements.

In addition to being near vast offshore gas reserves and the Territory also has high onshore potential with industry estimates showing that the Territory has more than 200 trillion cubic feet of gas resources in six onshore basins, potentially enough gas to power Australia for more than 200 years.

SUPPLY and SERVICES

Servicing and supporting an expanding export market presents an investment opportunity for global players whose energy supply chain will start in the Northern Territory and end in their home country or region.

MINERALS

There is amazing potential for the discovery and development of new mineral resources in this geological region. Past government policies did not help discovery and development, so much potential remains for greater exploration and new discoveries. We may be at a low point in the resources cycle but this cyclical nature has been a constant in Australia's past. The raw materials that Australia has, in abundance, will always be critical to world growth so whilst current conditions may make us cautious, we should also not forget the importance of raw materials for the future.

Currently 10 operating mines in the Territory are producing gold, uranium, bauxite, manganese, silver, lead, copper and zinc and sixteen additional projects are in feasibility, construction or approval processes

Together they involve potential capital expenditure of more than \$7.2 billion

AGRIBUSINESS

Australia's niche and premium food supply offerings from a clean environment are prized around the world and it is no wonder we are currently experiencing an increase of Asian investment in our agricultural sector.

Demand for protein from increasingly discerning middle class Asian consumers, coupled with legitimate concerns about food quality and clean environments able to supply uncontaminated food, opens up promising opportunities to grow and produce food both at scale and niche segments for these markets. The Northern Territory importantly offers not only a clean environment but also untapped arable land with good water resources.

Vast tracts of land available for agriculture have been recently unlocked through changes to the Northern Territory Pastoral Act. Land previously only for cattle use is now available for growing crops and horticulture.

When Seafarm's proposed investment project in the Territories northwest starts producing the many thousands of tonnes of prawns per year to feed a market hungry for fresh produce is realised, it will be a game changer for the aquaculture sector. In addition to the absolutely delicious fresh prawns already available.

Sandalwood, a product with a long history throughout Asia, is another example of a product that demonstrates what can be achieved when the skills and expertise available in Australia's agricultural sector are applied. A high value product being expanded in a scientifically rigorous manner will see Australia being the world leader in this product.

One of the largest sectors in agriculture has been our cattle and beef industry. Operating for over a century, the industry has evolved through a long history of foreign investment in large cattle stations, initially by those from Britain and the US but more recently by investors, and buyers from Asia.

Already the Territory is the world's largest exporter of live cattle and buffalo.

Again, our proximity to Asia gives us a competitive advantage against other Australian jurisdictions in terms of delivering high quality fresh, counter seasonal produce to the markets to our north.

The Northern Territory is also known for producing ultra-luxury goods such as the world renowned beautiful Paspaley pearls, and crocodile skins, for Europe's top fashion houses. Highest quality delicious barramundi fish, mangoes and other tropical fruits, able to be delivered to market within hours of leaving the ocean or farm, will grace the tables of restaurants, hotels and homes in Asia's largest cities.

TOURISM

The Tourism sector has exciting potential with a wide variety of tourism investment opportunities that are unique to Australia.

Territory attractions are especially popular with affluent and sophisticated travellers from all geographies and with the Northern Territory having a long established reputation as a unique tourism destination centred around our extraordinary natural landscapes, friendliness and indigenous culture.

We are home to two of Australia's famous World Heritage tourism attractions: Uluru and Kakadu National Park. If I may, share with you, I was at Uluru only yesterday, with 3 of our fantastic teams for the Olympics. So here we are at one of my favourite places in Australia. If you haven't yet seen, this time of year is a great time to enjoy a visit to Uluru.

Cruise shipping also plays an important role in the Australian tourism industry with the Australian cruise shipping industry growing in popularity, and enjoying visits to Darwin.

Darwin's place in this \$3.3 billion Australian cruise sector is an important one – we are Australia's major northern gateway port and are often either the first or last Australian port of call for many visiting vessels.

The 2015 to 2016 summer season has been the busiest on record for Darwin with 48 cruise ship visits, and with our incredible scenery, warmth of friendship, fresh produce at restaurants, and more, the outlook for the foreseeable future is very positive.

Darwin Port is capable of receiving ships of all sizes, from the most boutique expedition vessels carrying no more than 100 guests in ultimate luxury, to the legends of the oceans, like the Queen Mary 2 and the 168,000 ton Ovation of the Seas, which is bringing up to 4,200 passengers in February next year.

This is the largest ship to ever visit Australian waters and Darwin is well placed to meet her needs.

Darwin has a well-established 24 hour international airport providing a gateway to Asia and the world and I know that the Territory sees great opportunity for investment in new aviation services, particularly direct links to North Asia and the airport has recently been through a \$60 million upgrade.

INTERNATIONAL EDUCATION

Australia is the third most popular destination for international students particularly from across the Asian region.

Charles Darwin University is the nearest Australian University to Asia and over the last decade has doubled its intake of International students.

It is globally recognised in three world University rankings and last year, the University's international growth strategy won it the Australian Government's National Export Award for Excellence and Innovation in International Education.

NORTHERN AUSTRALIA

As you may know, having spent my earlier years very happily on stations in Australia's northern outback, I am passionate about Northern Australia and its future potential. My first book, which was also launched in Darwin, is called "Northern Australia and then some." My book and one since, calls for less government regulation, less approvals, permits and licences, and onerous compliance, and less government other financial burdens. After the launch I well remember a terrific and delicious Chinese dinner with Adam Giles and some of his colleagues, and have admired his sense and leadership, hard work and enthusiasm ever since. The northern region generates 60% of Australia's export earnings and I strongly believe we need to further capitalise on the abundant opportunities this region offers. With Australia's record debt, this would provide a real driver to better ensure that we leave the next generation a sustainable and growing economy that will meet their needs and aspirations. Rather than what Australians have become known for practising" thank God for the next generation as they will inherit our nation's debt!"

The potential for economic development in Northern Australia is undeniable, and I am pleased that developing Northern Australia has been understood and well represented in Canberra by one of our leading politicians, Andrew Robb, who served our country very well in his then trade and investment portfolio, well recognising Australia must make itself attractive to encourage investment. And similarly, the honorary Barnaby Joyce, who has visited the territory with me, and remains an enthusiastic supporter of the territory. As said, but it's worth repeating, I am also greatly encouraged by the outstanding leadership in the Northern Territory under Adam Giles, who has a genuine and strong commitment to do better for his territory.

The 20 year plan for developing Northern Australia, released in June last year by the Federal Government provides a recognition of this potential together with the \$5 billion dollar Northern Australia Infrastructure Facility, which I understand will be further covered in more detail later this morning. May I also throw in a suggestion, let's also look at what the NSW government is successfully

doing in New South Wales, selling old government infrastructure so more funds can be made available for more needed infrastructure. Where something has been shown to be a good idea as it works, be it the incredible growth of Singapore under Lee Kuan Yew, the world's currently fastest economic growth, under Prime Minister Modi, with his cutting red tape, leadership, or special economic zones around the world, where less government red tape is a feature, let's copy success.

The Territory government is additionally using its own \$1 billion infrastructure fund and another \$1.2 billion has been allocated to improve key roads, aviation, research and development; cattle supply chains and to position Northern Australia as a leader in tropical health.

CONCLUSION

The Northern Territory has some of the most compelling and attractive investment opportunities not just in Australia but in Australasia, and perhaps in the world, and under good leadership is seeking investors able to see how these opportunities can develop over future years.

I urge you to take this opportunity to look seriously at investment in the Northern Territory. I know the Territory government is committed to working closely with investors - this is a real opportunity; the Territory is open for business and I hope you can grasp some of the myriad of possibilities available.

Thank you