

AWIC 2016 - PLENARY ADDRESS TRANSCRIPT

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SPEAKER: THE HON STEVEN CIOBO, MINISTER FOR TRADE AND INVESTMENT,

AUSTRALIAN GOVERNMENT

It's indeed an absolute pleasure for me to be here as Australia's Minister for Trade and Investment and to see so many delegates here from Australia who have chosen to take part in this Australia Week in China. It's a tremendous representation of the level of engagement from the Australian business community and I note in particular that many of you are from the small and medium sized enterprises segment of the Australian economy.

It is incredibly encouraging for me to know that you understand the opportunities that are China and are willing to come along and invest your hard-earned cash to be part of this Australian Government Austrade mission, so thank you for coming along.

Can I acknowledge a number of people who are participating in this event and who are here this morning? In particular, can I acknowledge Premiers Annastacia Palaszczuk and Will Hodgman, the Chief Ministers Andrew Barr and Adam Giles who are here with us this morning. Thank you very much for coming.

Can I also acknowledge my parliamentary colleague, the Minister for Tourism and International Education, Senator Richard Colbeck, who's here. He's been leading the tourism and education streams while he's been in China.

Can I also acknowledge the Special Trade Envoy, Andrew Robb, who's with us and of course was my predecessor as Trade and Investment Minister. We're happy to have you with us, Andrew.

Ladies and gentlemen, this is the largest trade delegation that has ever left Australian shores. More than 1,000 delegates, as no doubt you have heard on many different occasions over the past four days, have participated in Australia Week in China.

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It's no coincidence. One of the key drivers of the Federal Government in terms of the mandate that was given to Andrew Robb as Trade and Investment Minister was to ensure that our nation was opened up to the potential of additional trade and investment.

We fundamentally see it as being crucial to the future of our country, to drive jobs and to drive growth. In no small part ... was the rationale behind the engagement that we have with China, with Japan and with North Korea with the understanding that in these times of economic tumult we can't shut ourselves off from the world. We must embrace the opportunities as they present themselves. We must recognise that although we're only a small nation of 23 million people we are a strong economy that has tremendous potential and we need to capitalise on that potential by making sure that we integrate with the global economy.

And frankly, what better place to be able to integrate with the cogs of the global economy than here in China.

The fact that Australia Week in China provided the platform for all of you as delegates to be able to build your networks, to utilise the resources of Austrade, to form relationships that aren't just about people to people links but also embrace business links. This is the great opportunity that I believe you understand and no doubt is part of the reason why you've taken the decision to participate in Australia Week in China.

150 events across 12 cities here in China underscores the Government's commitment to doing what we can to help facilitate you to go about your business.

The rationale for doing it is entirely selfish - selfish because we know that if you do well, as a nation we will do well. If you succeed in doing trade deals, whether it's to invest in China or to build a stronger trade relationship in China, as a nation we will stand taller and our economy will be stronger and we will have a more resilient and robust future.

That's also the reason why the Prime Minister is travelling up to participate in this over the next two days. You don't need an international trip prior to the forthcoming Federal election and to dignify the value of the relationship that we have with China and the belief that the complementarity that exists between the Australian economy and the Chinese economy are so strong that we can be in a very strong economic position and trade position as a consequence of it.

I'd like to touch a little bit on ChAFTA - that's the China Australia Free Trade Agreement. I'd like to acknowledge Andrew Robb. For seven years Australia was discussing with China what we could do around reaching a free trade agreement. It's simply not an understatement to say that the reason we are able to secure this deal is because of the tremendous effort, time, diligence and most importantly vision and belief that my predecessor Andrew Robb had as Trade and Investment Minister.

When he announced in February that he would not be continuing past the next election, it created an opportunity for me to move into the role. What's not lost on me and I think it's good, frankly, for

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Australia that we have a period of succession providing that to me around a range of complex negotiations that we're undertaking with India, Singapore and others.

I want to acknowledge you this morning, Andrew. I think on behalf of the 1,000 delegates that are here, you have established a framework through the China Australia Free Trade Agreement that we know these businesses and others will be able to build upon for decades to come. I would ask you, please, I think it's appropriate at a gathering of 1,000 delegates to thank Andrew Robb.

A lot of applause, mate. A thousand people. I think it's appropriate.

So it's spread across eight different streams as part of Australia Week in China, the agribusiness, financial services, health and aged care, innovation, international education and tourism, premium food and beverages, urban sustainability and water management.

Each of these streams in their own right represents such terrific opportunity for Australian businesses like yours to be able to engage with your Chinese counterparts. In addition to that, there is, of course, the entire investment framework.

You know, so often in Australia I get frustrated from time to time with the complaints about inwards investment into Australia. We know that that investment into our nation is making our nation stronger. That investment drives capacity building. It drives opportunities for our businesses to continue diversification. It creates employment opportunities as we enmesh more with countries like China and others and are then in a position to export additional goods and additional services.

But it's not a one-way street and part of the message I'd invite you all to be ambassadors around is the fact that Australia can also invest in China.

Yesterday I had the opportunity, and I touched upon this last night, to open Goodman's Qingpu Centre, a logistics centre of some 110,000 square metres, and their 41st logistics centre of Australia, at a total investment of some \$7.5 billion here in China. That's the kind of Aussie expansion that we can see in markets like China. It ranks up there alongside Swisse and Blackmores and Bellamy's, to name but a few of the poster children when it comes to our trade relationship.

I hope, looking across the sea of faces in this room, that there will be many more poster children in years to come, about successful integration and nothing would make me happier, and I know Bruce Gosper from Austrade as well, than to know that perhaps that deal that secured your future was a deal done here as part of Australia Week in China.

With respect to financial services, it's part of the exciting growth that is taking place in the services sector because as we continue to engage with the world we can't just focus on the traditional industries of resources and energy; we've got to look at the opportunities that exist around services.

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Financial services, which accounts for about 3% of Australia's employment and around 9% of our GDP, represents a real opportunity here in China and it builds upon other service provision around, for example, health and aged care.

As a nation, we are strong when it comes to accreditation systems in health and aged care. We have some of the best approaches when it comes to design and construction of aged care and health facilities. Why not export that knowledge to the world? Why not be in a position to invest in a major market like China?

Similarly in the tourism front - we know there's tremendous potential. Around 100 million Chinese are tourists on an annual basis. Around 40 million of them travel medium to long haul distances, of which Australia is one. Out of that 40 million, around 1 million visit Australia. That's tremendous success. We've seen an increase in spend of some 18% and an increase in the average length of stay of some 11% but frankly it's just the beginning.

If we're going to be able to capture a larger slice of that market over coming years, then we need to boost our hotel stock, we need to boost investment in tourism infrastructure, we need to drive reasons for people to continue to come and visit Australia, and Richard Colbeck has been at the forefront of that message.

Five years ago, our market share of outbound China was a little over 4%. Today it's around 2.5%. So we need to strike out more because if we had maintained market share that would represent an additional \$4.7 billion of expenditure in Australia.

So that's part of the focus that I and Richard have, to make sure that we take what we can get when it comes to market share around the tourism industry and drive the investment to make sure that we have the opportunity to do that.

Similarly in terms of international education. We know that there are terrific potential for us to be able to drive education services exports alongside those of financial services and alongside those of health and aged care.

In agribusiness, we've seen significant investment in Australia and those of you who are part of the clean and green process of producing Australian food and beverage, especially the premium content in the stream that's got nearly 300 delegates participating in it, recognise the huge level of demand here in China for that high quality Australian produce.

The fact that we can offer tracking from the farm gate to the plate, an assurance in a market that sometimes is concerned about the quality of the foodstuffs they have, is another strong platform for us to market ourselves into the future.

So ladies and gentlemen, we have a great story to tell as a nation. Your participation in Australia Week in China presents an unrivalled opportunity to build networks through the critical mass that we

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have. Your participation in Australia Week in China I hope will pay dividends for a long time to come because it is a strong and clear signal that we are incredibly focused on building on this relationship and maximising the opportunities that flow from it.

Recognise that your government, the Australian Government, is focused on greater engagement. I've been having meetings with a variety of my counterparts and talking about opportunities for additional expansion in our trade relationship and additional investment.

One of the areas that people are particularly excited about is our vision for Northern Australia - 44% of our land mass, 60% of our average annual rainfall, of which we capture 2%. Some 18 million hectares of arable land which can be developed if we provide the catalyst to bring forward investment in infrastructure that will unlock those assets and unlock the potential of Northern Australia.

That's part of the reason why Josh Frydenberg, the Minister for Northern Australia Resources and Energy, is also travelling up and participating alongside the Prime Minister and Richard Colbeck, Andrew Robb and me - to make sure we continue to sell the investment message and to unlock the potential of Northern Australia, because that trade, that investment, that will provide growth for our country for decades to come.

So with those few remarks can I just officially open this, the opportunity for all 1,000 delegates to come together? Can I thank you again for taking a leap of faith and investing your hard-earned cash in participating in Australia Week in China?

I sincerely hope that at a political level, between the State Premiers, the Chief Ministers and the Federal Government Ministers as well as, of course, the Prime Minister, we provide the leadership and the direction through Australia Week that you're looking for to capitalise on the opportunities.

Thank you so very much.

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