

Speech Given by Mrs Gina Rinehart at the National Mining and Related Industry Day at the Darwin Convention Centre On 22nd November 2014

Chief Minister Adam Giles, Representing the Prime Minister, Natasha Griggs, the Federal Member for Solomon, the Federal Minister for Agriculture The Honorable Barnaby Joyce, distinguished guests and friends, welcome to Australia's Mining and Related Industries Day.

I have often said in defence of our industry that mining is not a dirty word. It is an industry critical to Australia's future.

Mining is the largest earner of export income generating more than \$200 billion in much needed revenue for our country, a country in record debt.

It provides jobs directly and indirectly for Australians including in places where there would otherwise not be work – and mining indirectly employs many people in so many important related businesses.

Take it away, and Australia would be a very different place.

For an industry that delivers so much, wouldn't you think that there would be just a little more understanding and less negativity for what mining contributes to our country?

But there are too few voices speaking up for our industry. Our executives, our employees and our related industries who derive their future from mining, need to speak up.

In the last few days, I have been honoured to attend a number of functions at the G20 in Brisbane, and later functions for various G20 leaders in Canberra and Melbourne. It was an historic moment for our country, and an opportunity to show that Australia is open for investment and business.

The rock-star of the G20 was India's Prime Minister Modi!

He is a fascinating leader.

In his first 100 days in office he took on the bureaucracy improving their lack of work ethic and accountability. He held early morning meetings each day when in New Delhi, to make sure they showed up at work– and then at the end of each day, to ensure they remained at work. Given he started the meetings at 7am and his end of day meetings started at 7pm – this doubled the work hours for the public servants. He even had places where they usually attended long lunches checked to ensure such lunch regime was over. The Prime Minister believes that the public service funded by the taxpayers is indeed to serve the public and to be accountable. Hence he has ensured start and finish times for each public service person is now recorded online, so that every member of the Indian public is able to see if a bureaucrat they are dealing with is at work or not – and if at work can contact them to find out where they are up to with any particular approval or licences.

Prime Minister Modi wanted to provide the opportunity of bank accounts to the poor, who had until then, been denied such access. The Reserve Bank of India said it would be impossible and would take years and argued against the benefits. So the Prime Minister publicly announced that bank accounts would now be available for the poor people of India to open, should they wish. Within months, 74-million people who'd never banked in their life had money in the bank. This added money available for investment and created opportunities for the poor to establish credit and then start their own little businesses.

He boosted small enterprise, and freed bureaucrats time and expense, by making changes to allow any company that employed fewer than 100 staff to be free of government regulation and instead self-regulate, for such companies, no more filling in unnecessary government paperwork or waste of time and money reports to government, or fines for being late, this is what we also desperately need in Australia.

Prime Minister Modi wanted the world to see India differently. He's travelled to every major country to attract investment, making known the saying for his country from "Red Tape to Red Carpet". He recognizes this is the way to improve the living standards of his people. This is a saying we need to learn from and action.

What a powerful message.

While Australia has nothing of India's social challenges, we are similarly blessed with proximity, stability, and natural resources. We need to improve our growth which is happening in The Territory under good leadership, being a noteworthy exception, with the highest growth rate in Australia. We too need to cut away the red tape and roll out that red carpet, to encourage investment, growth, pay back our record debt, provide sustainable jobs and raise living standards.

Recently, the Boston Consulting Group looked at the performance of the major exporting nations and put Australia at the bottom of the list.

We were considered one of the worst performers and losing ground.

Expensive labor and energy costs were significant and so was low productivity.

Despite all the talk of reform, when it comes to international comparisons, Australia is going backwards. We're now bundled in with Italy and France.

The report found, our wages grew by 48 percent from 2004 to 2014, but labour productivity remained virtually flat.

In the same period, electricity costs rose by about 60%.

What has definitely grown though is government imposed costs - regulation and compliance. Deloitte recently calculated that regulation is costing Australia an incredible \$250 billion a

year. That's \$250 billion dollars annually our country, in record debt, can no longer afford. They estimate the red tape industry unproductively employs more than 1 million people nationwide now – and consider this – compliance has become Australia's fastest growing sector!

Of course, mining remains THE most regulated of all industries.

We deal with approvals upon approvals and have to navigate the regular overlapping of all three levels of Government.

We have become a nation of compliance, instead of performance. Regulations are crushing the entrepreneurial spirit of our country. They are sending investment to countries that will then compete against us.

When I was at Port Hedland the day before yesterday, for the two thirds milestone of our Roy hill project, I heard that one Department wants us to spend approximately \$3million to re-vegetate an access road which had cost us about \$12 million to build. Where as the locals don't want the road closed and want to be able to use it after us. Why waste \$15 million dollars? And then how much would it take the government to then rebuild with taxpayers money a similar access road, no doubt much more than this!

Australia needs infrastructure and major projects yet there's some arm of government that adds costs and or slows things down, making this more and more expensive.

I commend the Northern Territory and Queensland Governments for starting to peel away the layers of regulation.

Removing both the MRRT and carbon tax were positive steps but the focus must remain on what will assist Australian companies to export competitively - after all, Australia needs mining and related industry revenue now more than ever.

I say this often and it's true - the world is not going to buy our commodities if they cost more, just because they like Australians!

Governments must recognise this and act to reduce government burdens - especially while commodity prices are soft and continuing to soften. We can't change international commodity prices, and Australians are reluctant to have their wages lowered, so it should be blindingly obvious that we must reduce our costs, so government burdens have to be reduced. But the blindingly obvious will not happen, unless we keep reminding Canberra and our respective state governments, that this is what is needed and wanted.

One of the mining industry's legendary figures, Mark Creasy, the most successful explorer in Australia this century, told the Diggers and Dealers conference in Kalgoorlie earlier in the year, that he's seriously thinking of walking away from exploration because government regulation is crushing. How sad it is, at a time we need more prospectors like Mark Creasy, we are actually turning

them away.

As my father endlessly used to say - minerals don't grow like a crop of wheat each year, more need to be found each year, each decade if we want Australia's living standards to continue
Mark Creasy spoke of how he spends his entire life filling out quote "bloody forms" - and trying to fulfill the excessive requirements of government.

Additional costs are far higher than they were for him in the 80's and 90's and they are mainly from government.

Is Canberra listening to this message? Not unless we as an industry group, executives and employees, actually speak out.

What's needed is a change of culture. Common sense needs to become more common!
There is a giant disconnect between what mining and its related industries do for our country, and the importance of cutting government regulation burdens and why needed, versus what appears in the media.

I doubt anyone really knows how many regulations sit waiting to burden us, or trap us for non-compliance. Only estimates exist.

Senator Cory Bernardi once asked Parliament for an official figure even an estimate, and no-one knew!

If Parliament can't even put a list together, what hope does business have of complying with them all?

But timely comply we must with every single one – or watch out! Sometimes, there's even jail for non-compliance, no matter how unnecessary.

I've spoken of our Roy Hill experience with its 3000 plus approvals and licences.

But at a coal project we used to have 100% of in Queensland, guess how many approvals and licences our staff found were required? Firstly they advised after years of searching, over 3000! But later they found even more. More than 5000 approvals and licences were required. And we're not talking a simple short form. Some of these approvals require thousands of pages to be submitted, a recent approval it was published utilised 500 consultants. If I'd known this beforehand, I doubt I would have even bothered to invest and advance the project.

Contrast the Australian experience to how mining is treated in our competitor nations and we should start to think. Just take for instance the USA, a much more heavily populated and built up country. We're told approvals and licences required for major projects would be less than 100 in total. I've heard as low as 35.

I'm told the B20 when asked to make recommendations as to how to stimulate and improve

growth to raise standards of living, recommended cutting government regulations. But I'm also told, very sadly, some governments didn't want such recommendation. It's time for the industry and related industries to speak up.

Last year, a leading columnist wrote an article calling on Christine Milne to name all the places that she'd be OK with mining taking place. He's still waiting!

Rarely is the anti-mining group challenged to point out how they'd keep society going with all the products that owe their existence to mining.

We know it ... that's just about everything.

Plain and simple, ours is an essential industry.

The publicly funded CSIRO recently conducted an opinion poll asking Australians about their attitudes to mining.

It found most people appreciate the money the industry brings to the country, but, many would rather mining just not happen!

The survey revealed people felt quite strongly that the country was too dependent on mining. We know, the truth is, the Australian economy is very dependent on the success of the industry. It's our biggest earner by a massive margin.

But let's contrast Australian attitudes to those in Asia.

To our north, Australia is the envy of the region given our amazing resources.

When I talk to business leaders in Asia, they can't believe our negativity and the lack of understanding of what should be basic common sense.

Our neighbours are pro-mining and somewhat perplexed at why Australia makes it so hard for itself to compete.

I have long promoted with the team from ANDEV, Australians for Northern Development and Economic Vision, for the establishment of special economic zones for our country. India is one of many countries who already have such successful zones.

Let's not forget we have to find ways to bring in revenue to pay down that record Government debt – with a billion dollars of more borrowed money in interest every month and our population ageing. All around us, Special Economic Zones are seeing incredible results.

Just this year, Japan dedicated 6 new zones. South Korea has 8 economic growth zones. Malaysia has successfully supercharged its southern Iskandar region through the policy. China in various regions has successfully been doing it for decades.

Australia seems to watch this happening without realizing we should do the same.

With our country in record debt and so much of the country waiting for investment - we need to grow smarter.

Those in the mining and related industries, need to stand up for our sector, speak out, and encourage change, to enable us to follow Prime Minister Modi's message – from Red Tape to Red Carpet.

The Chairman of Shell Australia said recently, activism and anti-mining propaganda was “fast becoming one of the greatest challenges facing Australian growth”.

Andrew Smith blamed what he called university students with degrees in activism for whipping up public outrage that threatens to bring the nation to a halt.

The anti development message is winning. Australia needs everyone in this great audience to stand-up and speak out, and get others in the industry to do likewise.

I doubt we have ever seen so much misinformation and negativity towards Australia's most vital industries ...and when they can't win on facts, they get personal.

My question to the short-sighted is, do you really think we could survive without mining? If they are honest, the answer is no.

Politicians from all our major parties should be wise to this ill-informed propaganda and always weigh up what's in the best interests of the entire nation. But they need our help.

Australia needs to be buzzing with activity. That will bring more taxation revenue to better support our increasingly older population and provide better senior care, health and hospital facilities. And we must do more to adequately provide for our military and their families, and internal security. We should be able to safely walk the streets at night, like our neighbours in Singapore can.

It's time for action on getting the country moving - reducing government regulation and taxpayer expenditure.

Not much seems to be happening in West Australia outside of our major investment. It was amazing to be at Roy Hill these last few days and travel though Asia these last few months, seeing our partners, financiers, markets and other related businesses and government reps, to witness the Australasian enthusiasm for our mega project. Our partners continue to be impressed at the pace of our major Australian project. To be ahead of our already aggressive schedule is quite rare for a major Australian project. Our media should be making it known that the mega Roy Hill project is actually ahead of it's very fast paced schedule, which is great news that this can be done in Australia. But no, little if any mention of this important news, just trees wasted on things that don't matter, and personal attacks on any who don't follow their propaganda.

We're ahead in marine works, and more than 200 km of the 344 kilometre independent railway is laid, and the whole railway earth works is complete. More than 2 million tonnes of high grade ore are stockpiled, ready for railing and shipment.

We currently engage close to 200 companies in related industries with work on Roy Hill and many of them are small businesses across the country.

Mining couldn't happen without these vital related industries. On top of our own workforce of 7200, many more tens of thousands of people can link their employment and revenue to Roy Hill. But the question is, where are the next generation of projects like Roy Hills? The next major mainland projects, for our very high cost country, over burdened by government?

So, for mining and related industries day, Please remember and deliver widely, Prime Minister Modi's message – from red tape to red carpet. Australia, let's follow this outstanding leader who's already shown this works in his home state. We sure need to, and with more people speaking up, can do it too!