

MEDIA RELEASE

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PM Rudd must not wash his hands of Australia's resource industry

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DESPITE simplistic and misplaced political rhetoric about 'the end of the mining boom', Australia's vast natural resources will continue to attract investment and create new jobs and economic value as long as we present a stable regulatory environment backed with intelligent, considered policies for doing business in this country.

As reported on the front page of today's *The Australian* newspaper, the politicking and delays around the Enterprise Migration Agreement (EMA) for the \$9.5 billion Roy Hill iron ore project in Western Australia represents the epitome of short-sighted, poor governance.

The failure of Labor to actually deliver on one of its few sound policy ideas, actually supported by business, shows the government is too conceited to genuinely support investment and job creation.

It has now been 15 months since Roy Hill was given in-principle approval for its EMA, the time it takes some countries to build major infrastructure projects from scratch, and the Labor Government has still been unable to finalise the EMA paperwork for Roy Hill.

As Australia's national resource industry employer group, AMMA has actively and consistently supported the Roy Hill EMA application because:

- It would provide much-needed confidence to investors that there is a safety net for skills and labour if Roy Hill was experiencing difficulty sourcing its entire 8,500 peak construction workforce in this far remote area of North Western Australia;
- It guarantees up to 2000 local training opportunities and 6,300 jobs for Australian workers; and
- Roy Hill will provide jobs and economic value (royalties, taxes etc) for decades, whereas the EMA is a temporary policy for the peak construction phase only.

When the Roy Hill EMA was first announced in May 2012, current Treasurer Chris Bowen, now-Resources Minister Gary Gray, and then-Resources Minister Martin Ferguson were among those Labor ministers who promoted the EMA as smart, economically responsible policy that would help secure nation-building projects.

Other members of the Labor Government, beholden to trade unions, opposed the policy on ideological and self-interest grounds and were more concerned with the potential political fallout than the benefits new mega-resources projects generate for all Australians.

It is well documented that Julia Gillard's hold on her role required her kowtowing to trade unions. However, the ongoing failure to support EMA policy shows recently resurrected Prime Minister Rudd is equally reticent to putting the national interest before those of financially generous trade unions that determine patronage and representation within his party.

This is particularly disappointing given the government taskforce that recommended EMAs as a necessary, sophisticated and smart policy that would prolong the strength of mining investment in this country, was established during Mr Rudd's first term as Prime Minister.

Mr Rudd is wrong to wash his hands of the future of a resource industry that provides jobs to 1.1m Australians and has \$293 billion worth of projects planned and under construction. He is wrong to declare the resources boom is over because it is politically expedient to focus on protectionism and industry assistance in other areas. Acting like the boom is over could make it a self-fulfilling prophecy.

This week the Labor Government also forced wider questions about foreign investment and foreign workers onto the agenda. In the modern media age, news of these borderline-xenophobic remarks

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from a government pandering to ill-informed union backers travels quickly through the international investment community and can have a profound impact on our global standing.

These important questions for our future place in the global community deserve to be properly considered and debated, not thrown up as off-the-cuff election campaign rhetoric.

In the meantime, whichever party wins government should finally sign-off on the Roy Hill EMA and let them get on with the task of creating jobs and building value for Australia's future.

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