

MEDIA RELEASE

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Roy Hill investment a positive in challenging environment

*Statement from AMMA Chief Executive Steve Knott
(Australian Mines and Metals Association)*

Hancock Prospecting securing full financial backing for its massive Roy Hill iron ore project is a welcome development for the entire Australian resource industry.

The \$10 billion Roy Hill project will create significant economic and employment benefits, employing 3,600 people during construction and 2,000 once operation commences in 2015.

Hancock Prospecting is also demonstrating a strong commitment to local suppliers. Contracts with local mining and related sector companies will significantly extend the employment and economic benefits of this important project.

19 commercial banks and five export credit agencies are contributing more than \$US7bn to the mine, rail and port project. Hancock Prospecting and its Chairman Gina Rinehart are to be congratulated for navigating the challenges of brokering such a massive deal and bringing investment of this scale to Australia.

However, securing projects of this magnitude cannot be taken for granted and difficulties in attracting investment to our shores need to be acknowledged and addressed.

Over the past two years, more than \$150bn worth of resource projects in Australia's investment pipeline have been delayed or cancelled, with investors not progressing critical job-creating projects such as the \$45bn Browse LNG plant, BHP Billiton's \$30bn Port Hedland outer harbour, and the \$20bn Olympic Dam expansion.

Everything that we can do to improve our nation's competitiveness and secure further investment of this size is critical.

Australia's resource employers have consistently warned that unbalanced workplace laws, high-costs and over-regulation are pricing our country out of the resource investment market. It is now 30% more expensive to build a resource project in Australia than in Canada, one of our closest competitors.

The first step in reversing the drain on Australia's competitiveness and helping more companies follow Hancock Prospecting's lead in bringing new investment to this country, is ensuring key policies the Abbott Government was elected to implement are passed.

Beginning to restore stability to our workplace laws, removing the anti-business carbon and mining taxes, reducing unnecessary red tape and returning law and order to our construction sites will help attract greater investment to the resource industry and keep this vital cog in Australia's economic wheel turning.

Opposing the policies that will improve Australia's competitive standing and international confidence in doing business in this country, threatens to send a clear message that global investment and the jobs it creates are not welcome here.

MEDIA: Contact Kylie Sully on 0409 781 580 or kylie.sully@amma.org.au