

MEDIA RELEASE

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Federal budget must support resource industry growth

AUSTRALIA'S resource employers will look to this week's federal budget to support the industry in making a significant, long-term contribution to Australia's economic and social wellbeing.

The national resource industry employer group, AMMA, says our parliament must deliver a fiscal framework that restores confidence in Australia as a competitive destination for investment in natural resources.

"Australian industries need confidence that the federal government can chart a course to budget repair by addressing serious expenditure issues and positioning Australia on a fiscally strong road to growth. The 2015 budget is an opportunity to deliver these conditions," says AMMA chief executive Steve Knott.

"Despite the recent intense focus on the ups-and-downs of commodity prices and the transition out of a record investment and construction phase, the extraordinary contribution of the resource industry to Australia has decades to play out.

"Any fiscal approach that overreacts to the investment downturn in our sector would be misguided. The significantly increased production capacity across key export commodities will deliver increased national revenues for many years to come."

Recent [KPMG research](#) shows that Australia is the largest global exporter of iron ore in the world, with \$74.8 billion produced in 2013-14. Together with our main competitor Brazil, Australia will likely hold 90% of the seaborne iron ore market share by 2020.

Liquefied natural gas (LNG) will also play a major role in Australia's export future. The \$16.4 billion worth of LNG exports in 2013-14 is expected to surge as a number of new major LNG projects on the east and west coasts enter operation in the next 12-24 months.

Despite this, as other resource-rich nations ramp up their own production capacities Mr Knott says Australia must become a more attractive place to secure new investment and do business.

"We look forward to a federal budget that is treated on its merits and assessed by the parliament in a manner that allows the government get on with rebuilding a strong economy," he says.

"However, budget certainty is only one of the measures needed to ensure Australia is a globally competitive place to do business.

"More broadly, it is critical that our regulatory environment encourages greater investment and exploration in new resource projects that will create employment opportunities and solidify Australia's long-term export capacity.

"A major part of this is fundamentally reforming our workplace relations system. Australia's resource employers cannot continue to work within an uncompetitive framework that delays new projects, adds millions to their delivery costs and stifles workplace productivity.

"If all our parliamentarians play their role in effectively building both a strong fiscal outlook and competitive regulatory environment, our resource industry can and will continue to be a major economic pillar and a key driver of increased living standards throughout the community."

For more information on AMMA's campaign towards a more competitive and productive workplace relations system, visit www.amma.org.au/backontrack.

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