

Minerals Week – Chairman’s Dinner Speech and introduction to the Prime Minister

Good evening and may I add my welcome to the Prime Minister the Honourable Tony Abbott, Industry Minister Ian Macfarlane - who we are very pleased to see back in our sector - (others TBA) Shadow Ministers, Members of Parliament and Ambassadors here tonight.

As always the Minerals Council thanks you for attending our Parliamentary dinner during this busy time of the year.

As devotees of recent Australian political history will recall, this annual dinner has by chance coincided with a couple of seismic leadership shifts in recent years. From memory there have been leadership spills underway during two of the previous four MCA dinners.

I’m pleased to report, however, that we have broken the cycle tonight and will be offering more routine entertainment this evening.

As noted in my remarks this morning, the theme of this Minerals Week is *Regaining our competitiveness*. Our industry is competing globally - for capital and investment, people and product market share. With our natural resources, technical skills and innovation we should be number one – but we’re not.

It’s therefore timely that we hear from our Prime Minister tonight whose agenda to remove the roadblocks to growth and restore predictability are so strongly supported by the industry.

The decision to abolish the carbon tax, which had added \$2.6 billion to the industry’s cost base in the last 2 years, the removal of the mining tax and the urgent streamlining of project approvals are three key initiatives that the minerals industry strongly supports.

As the Prime Minister has said repeatedly, the carbon tax is a case-study in how to damage your economy for little or no environmental gain. It has reduced the international competitiveness of Australian export and import-competing industries by imposing cost burdens that none of their international competitors face. And despite the high cost paid in jobs and lost competitiveness, the environment hasn’t benefitted.

Like other export-focused sectors, the mining industry is looking forward to the Senate acknowledging the 2013 election outcome and voting to abolish the carbon tax. It is disappointing that eight months after the 2013 election the carbon tax remains in place.

The same applies to the mining tax. This impost was introduced based on the false premise that mining was not paying its fair share. This was never the case. Company tax receipts and state royalty revenue has risen in line with profits over the past decade while the biggest investment boom in Australian history has also been underway.

It came as no surprise to hear the eminent economist Chris Richardson comment just prior to this month’s budget that “there is no more important indicator of the health of the Australian budget than the iron ore price.” Strongly performing iron ore, coal, gold and other commodities equals greater revenue for all levels of Government. It’s a very simple equation.

There is no argument that mining has been contributing its fair share to federal and state governments while reinvesting in the new and expanded projects that will continue to deliver for decades to come.

The Government’s solid progress on streamlining Australia’s cumbersome and duplicative project approvals processes will assist this significantly. Through Environment Minister Greg

Hunt, the Government has made important progress in establishing a system that will reduce duplication and speed up approvals without diminishing environmental protection.

Green tape mightn't be a conversation stopper, but with billions of dollars in delayed projects on the line, there is no issue of greater significance to Australia's resources sector.

Similarly, the red-tape reform agenda headed by the Parliamentary Secretary to the Prime Minister Josh Frydenberg will deliver lasting and tangible benefits to the economy.

I should also make mention of the Government's renewed focus on trade led by the Minister for Trade and Investment Andrew Robb. While the free trade deals with Korea and Japan will deliver tangible benefits to Australia's export industries, they also send a powerful signal that Australia is again hungry for overseas business and investment.

The Prime Minister's historic visit to North Asia and China also sent a resounding message to our most important trading partners that Australia is back in the market for foreign investment and new business.

For new minerals projects and expansions, much depends on the signals sent by Government to the global investors and on the decisions that will be made in this place and in other parliaments over the next few years.

Australia is now one of the costliest jurisdictions in the world to do business and has an unfavourable productivity standing.

If we are to expand our economy, Governments of all colours must be in the business of facilitating growth. The Federal Government's reform agenda on taxation, red and green tape, trade and the exploration incentive announced by Minister Macfarlane are good templates for what is needed.

There is always more to be done.

There is an ongoing need to be bold on reform to restore Australia's competitiveness and nowhere is this more important than in workplace relations.

Globally, we are competing against countries that are hungrier than Australia. Hungrier to develop new projects, attract new capital and not yet softened by the years of prosperity the mining boom afforded us.

While enhancements have been made to the Fair Work Act, a root and branch overhaul of Australia's industrial environment is needed.

Prime Minister, the former Prime Minister John Howard was fond of reminding the community that economic reform was like a race with an ever-receding finishing line. He was right.

The reform cart must continue moving forward if we are to re-establish our competitiveness and provide future generations with the living standards that we all currently enjoy.

Prime Minister, the industry looks forward to working with your Government over the coming years to ensure that the benefits of a vibrant Australian mining industry continue to be shared with all Australians.

It is now my pleasure to welcome Prime Minister Tony Abbott to the stage.