

Rinehart urges miners to speak up

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HANCOCK Prospecting and Roy Hill chair Gina Rinehart says the “anti-mining” message is winning out in Australia and urged executives and employees to speak up.

Speaking at the Mining and Related Industries lunch in Darwin on Saturday, Rinehart emphasised the importance of mining to Australia.

“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?” she said.

“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.”

Rinehart also praised Indian Prime Minister Narendra Modi, describing him as the “rock star” of the G20 and a fascinating leader.

She noted his work in improving work ethic, accountability and boosting small enterprise by the removal of red tape in his first 100 days in office.

“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 had changed from ‘Red Tape to Red Carpet’,” Rinehart said.

“He recognises this is the way to improve the living standards of his people. This is a saying we need to learn from – and action.”

While Rinehart acknowledged Australia didn’t face the same social challenges as India, she said the removal of red tape would encourage investment, boost growth, pay back government debt, provide jobs and raise the standard of living.

She slammed Australia’s expensive labour and energy costs and the increase in government-imposed costs through regulation and compliance and cited a Deloitte report that put regulation costs in Australia at \$A250 billion annually.

“We have become a nation of compliance, instead of performance,” Rinehart said.

“Regulations are crushing the entrepreneurial spirit of our country. They are sending investment to countries that will then compete against us.

“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!”

Rinehart urged for a change of attitude in Canberra, but said miners needed to drum up community support.

"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," she said.

She also cited a recent CSIRO poll asking Australians about their attitudes to mining, which found that while respondents appreciated the income, most would have preferred mining did not occur.

"The survey revealed people felt quite strongly that the country was too dependent on mining," she said.

"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."

She said Australians' attitudes were very different to those in Asia.

"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," he said.

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

Rinehart said Australians needed 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," she said.

"The anti-development message is winning. 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."

Hancock's \$10 billion Roy Hill project is now more than two-thirds complete and is ahead of schedule.

First ore on ship is due by September next year.

GINA KEEPS ROY HILL ON TARGET

JASMINE NG
DAVID STRINGER

GINA Rinehart, Australia's richest person, is not fazed.

Iron ore prices may be at a five-year low, and tipped to fall even further but she is still pushing ahead with plans to export the commodity next year from her new \$10 billion Roy Hill mine in Western Australia.

"We don't like the ore price going down, but we're in the lower quartile" of production costs, Mrs Rinehart, chairman of Hancock Prospecting said this week.

Her comments came just hours after BHP Billiton CEO Andrew Mackenzie called an end to the era of "massive expansions of iron ore".

Global mining giants, including BHP and Rio Tinto have spent \$140 billion in recent years expanding their iron ore capacity.

UBS analyst Daniel Morgan said next year is not an ideal time to add new supply.

"The market is pretty well supplied for the next few years," he said.

The largest producers are targeting record shipments, betting the increase will offset the plunging prices and force less competitive mines to close, including production in China.

"Our view is that there's a sustainable long-term iron ore demand," said Barry Fitzgerald, CEO of Roy Hill Holdings.

"The market economics will always demonstrate ultimately the high-cost producers will need to exit the market and therefore leave us among the other low-cost producers as one of the last people standing."



NO SLOWDOWN: Gina Rinehart at the Roy Hill mine in Western Australia this week.

Gina Rinehart slams 'negativity' regarding mining industry

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"For an industry that delivers so much, wouldn't you think there would be just a little more understanding and less negativity for what mining contributes to our country?": Gina Rinehart said in a speech in Darwin on Saturday.

Photo: Joe Armao

Gina Rinehart has attacked the "negativity" she says the mining industry is regarded with, considering Australia couldn't "survive" without it.

"For an industry that delivers so much, wouldn't you think there would be just a little more understanding and less negativity for what mining contributes to our country?", Mrs Rinehart said in a speech in Darwin on Saturday.

Mrs Rinehart, 60, whose Hancock Prospecting company is behind the \$10 billion Roy Hill iron ore mine under construction in Western Australia, said the mining industry was "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", she told the Mining and Related Industries annual lunch at the weekend.

"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," she said.

Mrs Rinehart, who is a significant shareholder of Fairfax Media, publisher of *The Australian Financial Review*, and [who three weeks ago quit the board of Ten Network](#), said there were too few voices speaking up for the mining industry.

Mrs Rinehart pointed to Indian Prime Minister Narendra Modi, whom she described as the "rock star" of the G20 and "a fascinating leader". In particular she highlighted his achievements in boosting small enterprise and freeing up small businesses from regulation.

She said Australia should follow Mr Modi's mantra of "Red Tape to Red Carpet", to cut away regulation and facilitate investment and growth, and provide sustainable jobs and improve living standards.

In Australia, regulations are "crushing the entrepreneurial spirit" of the country, she said.

While she said the government's removing of the Minerals Resource Rent Tax and the carbon tax were positive steps, the focus must be on helping Australian companies export competitively, especially when commodities prices are softening, she said.

Mrs Rinehart pointed to the example of Roy Hill, which required more than 3000 approvals and licences, while major projects in the US require less than 100 and some as few as 35.

She said Australia needs to "grow smarter" to encourage investment and the mining industry.

"Those in 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," Mrs Rinehart said.

She referred to Shell Australia chairman Andrew Smith, who said recently that activism and anti-mining propaganda was fast becoming one of the greatest challenges facing Australian growth.

"The anti-development message is winning," Mrs Rinehart said, calling on Australians to "stand up and speak out" for the industry.

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Mrs Rinehart said the Roy Hill project was ahead of schedule, with more than 200 kilometres of the 344-kilometre railway laid and more than 2 million tonnes of high-grade ore stockpiled ready for railing and shipment.