

Article for Northern Economic Zone for “The Australian”

Let us bring in workers to a special northern zone

Australia needs urgent solutions to avoid an economic implosion, says a group of leading mining and other executives from around Australia.

What occurred in the last mining boom is happening again too fast. High wages due to scarce labour during construction don't just risk turning companies away from making future investments in Australia - the types of investment that provide long term jobs - they push up prices for everyone else. People not in the mining sector especially feel the pain when interest rates rise in a two pronged economy. These are some of the concerns expressed by this executive Group.

The executive group has called for a special Northern Economic Zone stretching across the North of West Australia, Northern Territory and Northern Queensland, where companies can bring in temporary labour to our remote North for construction periods only to alleviate this pressure. Other benefits such as lowering personal taxation for Australians willing to work and live in these Northern regions is also promoted by this executive Group, to encourage domestic migration to Northern areas, and reduce the pressure on capital city infrastructure and escalating land and home prices. The Group highlights that people living in the North have to endure conditions not faced by people in the South of Australia, excessive heat for long periods of time, cyclones, multitude of snakes, distance from city life and amenities and usually their families, so, according to the Group, should receive additional incentives, such as reduced personal taxation, to encourage more people to live in the North.

The deal Rio Tinto recently signed with Chinalco to develop the huge, high quality Simandou project in The Republic of Guinea, is indicative of future global mining investment flows unless Australia can remain cost competitive when exporting to world markets, says Hancock Prospecting Pty Ltd Chairman, Gina Rinehart. “In coming years there will, regrettably, be less long-term mining related jobs in Australia because of the shortage of short-term construction labour willing to work in remote and often harsh areas, and our high tax rates reducing Australia’s competitiveness and because in combination with this, we are rapidly facing losing the freight advantage Australia has enjoyed for decades. This is due to the fact 400,000 DWT ships are being built, and ports are being modified in “our” Asian markets to handle these bigger ships, which will reduce our freight advantage. We must not forget multi-national companies make their investment decisions based on rates of return, and our exports have to be able to compete on world markets, investments aren’t made and our commodities are not bought, on the basis of loyalty to Australia.” Mrs Rinehart said.

Various industries in Australia already make use of overseas countries labour without restriction - for example, sending work overseas to India and the Philippines and elsewhere in Asia where labour costs are lower. The group argues mining companies should be allowed to hire short term workers from overseas for the construction periods

only, for say up to two years nine months, thereby increasing long term job prospects in Australia, rather than becoming uncompetitive and these jobs heading overseas to countries like Guinea and other countries in Africa.

Whilst the group expected some resistance initially, they asked to present their argument for policy change that would increase Australian employment, including indigenous employment in Northern areas, over the long run. "Actually we hope for Labor's support - it would mitigate the risks Australia currently is facing for long term employment, and relieve the pressure thousands of small business employers face whilst trying to continue in business, businesses serving our communities, but unable to compete or having great difficulty competing, for labour with the mining industry. Sure, construction represents a short term boost to employment - but if companies are forced to choose lower development cost countries as they are doing, we can't rely on our resource base as a "she'll be right" trump card - these projects and jobs will head overseas to Australia's detriment. This is about protecting Australian long term jobs, revenue, and living standards for the future. Complacency and lack of action won't protect Australian jobs, revenue and our future." said Ron Manners, Chairman of Mannkal Economic Education Foundation.

The group is commissioning a study to encompass these issues and the benefits to the wider Australia of a Northern Economic Zone.

This study would encompass too the benefits of removing or reducing payroll tax in the Northern Zone to encourage companies to hire people and other ways to retain Australia's competitiveness through welcoming capital investment in our remote North.

The following senior executives are supporters of the need for action to protect Australia's competitiveness and benefit Australia's economic future and the need for the establishment of a Northern Economic Zone in Australia's North.

Greg Anderson
Managing Director
Minetec Communications

Lachlan Broadfoot
Chief Operating Officer
Salva Resources

Mick Caratti
Chairman
Lycopodium Limited

Barry Humfrey
Chief Executive Officer
Humfrey Land Development

Chris Codrington

Director
NCS Communications Pty Ltd

Mark Creasy
Principal
MG Creasy

Faith Dempsey
Managing Director
TransCoal Pty Ltd

Brian Elloy
Director Technology
ATI Solution Group

John Featherby
Chairman
Hartleys

Peter J Fitzpatrick AM
Managing Director
Crusader Management Group Ltd

Jan Ford
Chairman of the Port Hedland Community Progress Association
(Nominee for the West Australian Business Woman of the Year)
Pilbara Chair of the Real Estate Institute
Jan Ford Real Estate

Gastomo Galati-Sardo
Managing Director
United Industries WA Pty Ltd

Dave Garcia
CEO
Merton Group Ltd

Barbara Grieve
CEO
AXCEN Australia & China Business

John Hearne
Manager WA
Coffey Mining

Barry Humfrey

CEO & Director
Humfrey Land Developments

John Innes
Director
Inputs Pty Ltd

Norman Johnson
CEO
Johnson Enterprises

Ian Kent
Managing Director
Mitchell Corp

Michael Kiernan
Managing Director
Stirling Resources Limited
Executive Chairman
Swan Gold Mining Limited

Imants Kins
Executive Chairman
E Com Multi Limited

Dominic Lalor
Director
Thai Australian Resources Company Limited.

Peter Macey
Chairman & CEO
Australasian Resource Consultants Pty Ltd

Ron Manners
Chairman
Mannkal Economic Education Foundation

Craig Marshall
Managing Director
Empire Oil & Gas NL

John McRobert
Managing Director
The Brisbane Line Inc Pty Ltd

David McSweeney
Chairman
Avalon Minerals Ltd
Chairman

MSP Engineers Ltd
Chairman
Aspire Mining Ltd
Director
Bauxite Resources Ltd

Hans Mende
President
AMCI Group

John Meyer
Managing Director
Fairfax IS PLC

Hugh Morgan AC
Principal
First Charnock Pty Ltd & Board Member of an International Advisory Board.

Dennis T R Morris
Avian Mining

Paul Mulder
Managing Director
Alpha Coal

Ian Plimer
Director, CBH Resources Ltd
Director, Ivanhoe Australia Ltd

Greg Poland
Managing Director,
Strzelecki Group of Companies

Graham Reveleigh:
Managing Director
Gulf Mines
Chairman
Bounty Oil and Gas NL
Director
Hill End Gold Limited

Georgina Rinehart
Chairman
Hancock Prospecting Pty Ltd & the Hancock Prospecting Pty Ltd Group

Michael Ruane
Director
Reward Minerals Limited

Tony Sage
Chairman
Cape Lambert Iron Ore

David Saxelby
Managing Director
Thiess Pty Ltd

Bert Stahr
Chairman,
Moonraker Pty. Ltd
Austral Dutch Kaolin Pty. Ltd.

Mr Ken Stapleton
Director/Principal
MineOp Consulting Pty Ltd

Peter Tierney
Director
Spinifex Contracting

Tad Watroba
Executive Director
Hancock Prospecting Pty Ltd

Karl Wentzel
Director
Wen Trading Pty Ltd

Andrew White
Managing Director
Modern Industries Holdings Pty Ltd

and others, including David Humann, Vince Hyde, Tim Humphries, Nicholas Van Der Sluys, John Hancock and Bianca Rinehart.