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**World hungry
for copper**

Singapore leads by example

BY GINA RINEHART

The comparisons between Australia and our neighbour Singapore are striking. Every Australian government leader and business entity should be highly attentive to the differences between the two countries, and should seek to understand them.



Gina Rinehart

Given the recent news that Singapore has the second highest economic growth rate in the world, second only to Abu Dhabi with its very extensive oil and gas wealth, now is a great time to revisit Singapore.

Singapore welcomes investment, makes real effort to minimise red tape (even asking its people and businesses to point out time- or money-wasting red tape if they find it), has low taxes, low crime, enables guest labour, and has no debt. Singapore imports 80 per cent of its food, but still manages to invest hundreds of billions of dollars worldwide on behalf of its citizens.

Despite the country's small size, low population, and lack of resources and local water supply, Singaporeans benefit significantly from the country's policies. Its neighbour Australia is the complete opposite despite wealth generated from vast resources. Why this striking difference? Please read the following points and think of Australia's future!

- We make ourselves less attractive to investment. Think of those 300-plus Australian companies now investing in West Africa, together with multinational companies that have been the largest investors in Australia over decades (e.g. BHP/B and Rio Tinto), that are now making major investments and commitments offshore.
- Australia drowns in red and green tape. 1500 or more permits, approvals and licences are required to start major projects in Queensland, for instance. We have both state and federal environmental department duplication. Small companies, which were once the backbone of Australia, are increasingly finding the load too onerous.
- Taxes make us less competitive. After the introduction of the GST, which was meant to reduce other taxes, we now face a messy MRRT and carbon tax, making Australia even less competitive on world markets. This will greatly affect our own citizens, particularly those on lower incomes. Why so? If you add tax to thermal coal, which accounts for 80-85 per cent of Australia's power generation, electricity prices will rise to cater for the cost increase, hurting those on low incomes the most. And the problem does not stop with our electricity bills going up. Every item that requires electricity, be it for production, distribution or storage, which encompasses most items we use, will rise in price under MRRT and/or carbon tax imposed on thermal coal. This again not only hurts our export competitiveness, but Australians on low and medium incomes, which includes a very large number of people.
- Our crime record is unacceptable: we should all be able to live safely in our homes and suburbs. Taxation monies that should be spent on more, better paid, better resourced and better trained police are wasted – think of the recent federal government wastage on over-priced school kitchens (that don't even cater for pie warmers in winter), expensive insulation bungalows, and dare I repeat, duplication of environmental departments.
- Australia needs guest labour. Just think where Australia could be if we welcomed guest labour, even if limited to hot or remote areas or to unskilled and semi-skilled positions. This should be considered on humanitarian grounds alone. Please consider the terrible plight of very poor people in our neighbouring countries in Asia. We should, on humanitarian grounds, give more of these people the opportunity of guest labour work in Australia, so that they can feed and clothe their families and pay

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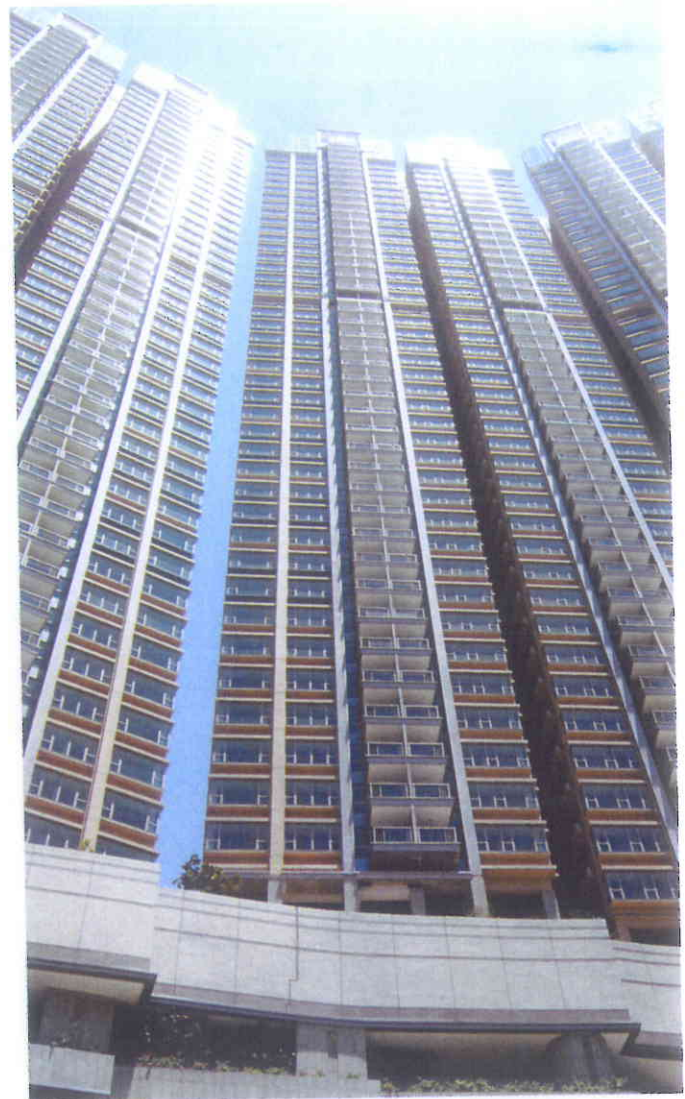
for medical and other pressing needs. Singapore, Dubai and even Europe have had guest workers for decades. Also, think about the lack of adequate services for our own war veterans, the elderly and the disabled, and how much better their lives and their carers' lives would be if we gave guest workers temporary visas to assist.

- Skilled guest labourers are also badly needed in Australia. Media reports mention almost daily that major projects are being delayed due to lack of skilled labour and long delays in processing guest labour visas.
- Australia has too much debt. We live beyond our means and continue to discourage and delay business development that could provide more revenue. We'll continue to grow debt for our children to be burdened with until our attitude changes. Even Britain is waking up to this and has been forced to make expenditure cuts. Britain has recognised, as we should, that adjustments must be made to live within its means and grow the revenue base.

With good, responsible government, less tax, policies to welcome investment, and less red and green tape, Australia could be in Singapore's position over time. We could even hold hundreds of billions of investment funds for our citizens like Singapore's Temasek and GIC funds. Attitudes need to change before we can achieve Singapore's fortunate and compelling position.

It would be helpful if media reporting in Australia also considered the reasons for the stark contrasts between Australia and Singapore. Those media members who visited Singapore three or four decades ago and saw how poor the country was back then, should analyse why Singapore is now in such an envious position just decades later. Informed and objective analysis is required, rather than superficial reporting on hotels, weather, and restaurants, and Singapore's littering and fashion policies.

In recent weeks, for instance, brief media reports mentioned Rio Tinto and China entering a joint venture together to explore and develop mineral areas in China. There has been no thoughtful analysis of the likely consequences of more and more mineral projects being developed in China. For a start, should such projects proceed, they would take up a considerable portion of Rio's investment capacity, leaving less available funding for Australia. Yet the importance of this wasn't publicised by the Australian media. Similarly, Rio's ~ \$3.5 billion initial investment in metallurgical coal in Africa received little media consideration. Given that this is just the



Singapore's impressive skyscrapers.

purchase cost, more funding will be needed to improve and expand such a large coal opportunity, which supports more Rio involvement in Africa in competition with Australia. Why aren't there more headlines and articles asking why Australia isn't as popular for investment among multinationals and even our own companies? What will this mean for Australia's future?

What can we do as members of the public? Consider becoming a member of ANDEV (Australians for Northern Development & Economic Vision), at least as a first step. ANDEV's website is www.andev-project.org

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