
Speech delivered by Mrs Gina Rinehart for the NSW launch of "From Red Tape to Red Carpet ...and then some", Parliament House Sydney

Friday, 24 April 2015

Members of Parliament, distinguished guests, friends,

It's lovely to see so many friends and smiling faces here at Parliament House – especially terrific after such a tough week for Sydney with this weather.

And, on the eve of Anzac Day and this most important milestone in Australian history, I would like to acknowledge the bravery and sacrifices that have occurred, along with some thoughts to better prepare us for the future. Many will be giving speeches on this important subject, but I prefer those speeches from ones who served, even if not in Gallipoli, who better understand, and, who helped get our country to where we are today. I have chosen to quote from a former head of the SASR, and former Governor General, Major General Michael Jefferies, from a speech he gave to the nation to commemorate Anzac Day in 2007:

We remember our service men and women and support organizations' at home; the armoured and infantry divisions; the munition and factory workers and the women's land army. We remember our doctors and our nursing sisters; wonderfully courageous and capable women, some of whom were brutally killed in cold blood at Banka Island.

We remember the wives and young families who struggled in remote areas, on the stations, and farms, and in cities, without husbands and fathers; and for the families who never saw their loved ones again.

And we remember our veterans of the little remembered Korean War, the Malayan Emergency, Borneo confrontation and Vietnam; our peacekeepers and peacemakers with the United Nations forces; our soldiers, sailors and airmen presently serving with distinction in the Middle East – including our casualties in Iraq, and our servicemen and women carrying out wonderful peacekeeping work in East Timor and the Solomon's.

And we think of the trauma of war; perhaps foot rot, beriberi, hunger and thirst; of no sleep; of mud and heat and being permanently wet; of the crump and thump of mortar and artillery; of the crack of the rifle and the chattering burst of machine guns; of being hit, and the 8-30 day carry over the Kokoda track by Fuzzy Wuzzy angels before being properly treated. And of the stench of death, because war is not fun, nor is it pretty.

But then we think of mateship; that indescribable lifelong affinity between fighting men, gained from being totally dependent on one another for survival. Of humour; of rations, water and

sentry duty shared; of being there together through thick and thin. Of the padre standing on a used ammunition box in the quiet of a jungle or desert morning and of young faces expectant, intent and in close communication with their God because there are few atheists in a fox hole! We remember the other great qualities of our Australian servicemen; loyalty, personal and group discipline, initiative, physical and moral courage.

And if we are sensible we remember too that we were lucky at the outbreak of war in 1939, in that we were unprepared for it, and that for two years Great Britain fought virtually alone; yet somehow we were able to win through after a long cruel struggle.

There are crucial and enduring lessons from the sacrifices of our ANZACs and they are these:

First, the security of the nation is its primary responsibility. Capable defence forces can be run down in a year or so but take many years to rebuild, yet in the history of modern war, we have never received more than 6-12 months' notice to fight.

The second is a need to get back to the fundamental philosophy of what a worthwhile life is all about, and what I suggest our ex-servicemen and women intrinsically believed in and fought for.

That is, a spirit of service before self; of being close communities again; in retaining an abiding sense of honesty and fair play in our dealings with others; a firm and practising belief in the essential spirituality of man; a sense of individual and group responsibility; and an absolute conviction that the basis of true democratic freedom has to be clearly understood, nurtured and protected, and when threatened, is worth fighting for, and if necessary, dying.

So on this ANZAC Day - as we look to our future in a rapidly changing, exciting, yet challenging world, let us arm ourselves with the virtues displayed by our ANZAC forbears, and use them skilfully and unselfishly, to go forward as one nation in pride and confidence, to continue to build the kind of country they would want us to have, and for which over 100,000 of our servicemen and women paid the supreme sacrifice.

Lest we forget.

A friend asked me, why did I bother to write this book? I did so because I felt Australia is facing difficult times, and needs business people to clearly speak up, ones who recognise Australia is in record debt, so shouldn't be asking for government to put its hand in our pockets to bail their companies out.

Recently this month, when I was speaking in Melbourne, I commented that unless State and Federal Governments reduce urgently and significantly their regulatory burdens and get far better control of their spending, we risk turning into another Greece. It's not sustainable to continue on this path particularly as revenue is down, our crucial export commodity prices are

very soft, and we are moving towards a larger elderly proportion of people in our country, meaning less working base and more requiring seniors support.

I wrote this book, because I have the honour of being one of Prime Minister Modi of India many admirers and friends, and this book echoes his mantra, "from red tape to red carpet" which he is courageously and successfully leading in his country.

Successfully, yes, highly successfully, he has in less than a year of office achieved regulatory, approvals, permits, licences cuts and compliance reductions, and consequently almost doubled India's economic growth, and, enabled his country to enjoy the highest economic growth in the world today.

Why doesn't our country have the sense to do similarly?

We've cut regulations where childcare and charities are concerned, apparently that forms a lot of the cuts of existing regulations that we hear the government has done, but little of significance where our economy, the very thing that drives our living standards, is concerned, outside of course the promised carbon tax and MRRT cuts, that would have been expensive nightmares just to comply with.

In the major change facing our country, the commodity prices crash, why aren't we seeing urgent and significant government burden cuts? The prices for our commodities are international prices which we can't dictate. That is the wall we face, no matter how much more those international prices fall.

All we can do is cut our costs, which should and must include government burdens, if we are to stay internationally competitive and so that more companies are able to sustain their businesses, create revenue, opportunities and employ people. Surely this should be obvious?

But who is speaking out clearly from business about cutting government regulatory burdens, astronomically growing licences charges, and increasingly time consuming hence expensive compliance burdens?

Are our country's business leaders just going to call for more handouts for their failing businesses struggling to be sustainable with the commodities crash? But where can such taxpayer funds come from given our debt and that we're having to borrow money to pay even the interest on our government debt? Government in Australia has become too big, too costly, too onerous.

We need to follow Prime Minister Modis' path and eliminate regulations, such as he's done for those companies employing 100 people or less, and we need to understand that we need to cut urgently other government regulations, licences and compliance burdens.

Right now thanks mainly to our many years of successful commodity exports, we're not yet an

impoverished nation, we are one struggling with too much government caused debt, but do we really want to become a nation from red carpet to red tape? A nation of compliance, not performance? And see our standards of living deteriorate?

Let's not be too arrogant or unthinking to ever forget the outstanding leader, Lee Kuan Yew, a leader we should remember, and learn from, given unlike our country with its mineral resources, water and arable land, Singapore has none of these, was an impoverished country having to import all its requirements, but very fortunate to have had an outstanding government leader, Lee Kuan Yew, who believed in low government burdens and helped to turn Singapore into a country which now enjoys the fourth highest standard of living in the world. He famously said, "Australia faces becoming the white trash of Asia."

Having seen quite a bit of the poverty of Asia, this is something I'd greatly prefer that my country develops the sense to avoid.

I start the book with a few scenes from my childhood.

On the screen is a photo of where I spent a very happy part of my life. The station I loved growing up on, Hamersley Station, in the rugged Pilbara, North-west Australia.

I had, strict and loving, devoted parents, plenty of bush to ride around and explore in, and a dad who changed the fortunes of Australia when he found lots of iron ore! But then had to waste 8 years of his life getting the Federal government to understand that it should raise the export embargo on iron ore, that it had imposed given the government view Australia would be importing ore by 1965. And then had to waste more than another year getting the State government to lift its pegging ban on iron ore to enable titles so the exploration and development could proceed. Media prefers to forget the embargoes, and prefer the line of course everyone knew there was ore there, and dad did nothing for Australia. I don't share this media re-invent, nor does my brave friend John Singleton. John Singleton has been a great friend since I was young, and kindly wrote a comment for the book.

John told me recently, "you know, if your dad hadn't found all that iron ore, you'd have made a really great nurse." But I guess if nursing had been my future, I would not have been standing here in front of you today!

Those of you who've read my first book "Northern Australia and then some," may recall that we achieved a State Agreement for Hope Downs after the passing of my father giving our company title and the security to invest, and later after much work, money and effort started 3 major iron-ore mines with Rio Tinto.

This took an enormous amount of dedication, risk and work and nothing like some in the media like to portray. They seem to think that once you get a tenement, hey presto money flows, nothing could be further from the truth!

Hope Downs boosted the capability of our private Australian company.

And now as the new book shows, we're into a larger project, a mega project at Roy Hill in West Australia's Pilbara. Thank goodness for its lower mining costs and higher grade products, in these difficult times, which will see other companies in this business with lower fe and higher costs, have to stop production, particularly sooner than might be necessary, if government doesn't urgently move to lessen its regulatory and compliance expensive burdens.

HPPL achieved tenements for Roy Hill in January 1993, almost a year after my father's passing in 1992.

Roy Hill, after much risk, work and expense is now a project that is nationally significant and of major regional importance. Many companies benefit from related work for Roy Hill.

Roy Hill is one of the largest mainland projects in Australia right now – and it is achieving a number of firsts.

We have achieved the largest debt financing in the world for a mainland mineral resource project - with financing from 4 Asian ECAs, plus EXIM of the USA, plus the 11 largest banks, indeed a grand total of 19 major banks. Thanks to these funds, we have the world's largest bucket wheel reclaimers at both port and operating mine. We are leading the way with our technology at our remote operations centre, ROC where our headquarters for Roy Hill are.

We have the largest commercial deal between Australia and South Korea in history, and, the fastest iron ore loading conveyors in the Southern Hemisphere. This will be the largest single iron ore mine in Australia and, we believe with our dynamic schedule, the fastest mine operation to hit 55 mega tonnes per annum of product. Another first! And we do all of this despite many onerous government regulations, approvals, permits, and licences - more than 4000 of them - and that's not counting even more for construction.

I'll leave them scrolling on the screen, Red for Federal Government permits, Blue for State Government requirements, and Yellow for local Government.

If we want to see Australian commodities continue to be able to be competitive on the world stage and support a myriad of related industries we need to urgently and significantly cut government imposed regulations, approvals, permits licences and compliance costs. This applies to all industries that need to compete internationally. It should be obvious, that non export industries can pass on the burden of these government costs to the poor old Aussie consumer and via less profits and dividends to shareholders, and this is what happens, we all effectively pay, but what happens when competing internationally is different, there's only so much that can be passed onto international customers of these government cost burdens, before international consumers buy cheaper elsewhere.

Remember, one third of Australia's exports and revenue are from iron ore and coal alone and

both have devastated prices now. This is hurting related industries, the budget and blowing out our government borrowings. We are fast approaching uncharted territory with Australian debt. This is an urgent problem for the country and it should be a priority in Canberra. But, let's be frank, unless business leaders and others interested in the future of our country, clearly speak up and point out why regulations, licences, permits and compliance burdens must be urgently and significantly cut, little but continuing lip service will occur. To Australia's detriment.

And sadly, tougher times are ahead, if we don't do something to reduce onerous government burdens urgently and significantly. As I said at a recent awards night in Hong Kong, while I displayed most of the government approvals, permits, licences list, for Roy Hill, importantly, I repeat pre construction!, I say most, as ran out of time to display all in my approximately 15 minute speech!

Roy Hill has never had it easy. Way back in March 1992, after I became chair of our private family group, together with my chief geologist, Richard Paquay, we visited Roy Hill, after I learnt that BHP had dropped it. Anyone could have done this and applied for tenements others chose to drop. The land was open for applications. They just didn't choose our path.

When I requested my Australian company to apply, our technical staff, consultant and executives, were against Roy Hill. They warned in writing against pursuing, after all, BHP, arguably the most experienced company in iron ore in the Pilbara, had dropped the tenements. Roy Hill was not seen by executives, technical or consultant, as an opportunity, but rather the very opposite, they were supporting BHP's views that Roy Hill was not an opportunity, so don't pursue. It takes years of expenditure and work to determine whether a tenement is an "opportunity," very few are, and money spent is lost, and many changing outside factors apply, such as currency and ore price movements.

The ore found by BHP in their initial exploration at Roy Hill was low grade. Even after HPPL was granted Roy Hill, advice continued to "drop the tenements."

I was the youngest in the company at that time, but I had my father's enthusiasm for Northern Australia, so after my father's passing, we achieved some of the previously BHP Roy Hill tenements. We couldn't afford all.

And even though our company was very short of cash, with liabilities and contingent liabilities and litigation to defend, we took Roy Hill on, virtually from scratch, other than BHP's initial exploration, entailing less than 20 drill holes.

Only a few years later we had to lose half of the Roy Hill tenements we'd applied for, as we didn't have the funds to meet the government obligations.

Today, we're approaching 80 percent complete, and much to the upset of the naysayers, on budget and not behind schedule, quite rare for major projects in high-cost, declining-

productivity Australia. And more than 9 million tonnes of high grade ore on Roy Hill's stockpile.

How does Australia achieve the next mega-project after Roy Hill? Who is willing to invest money, go through the many risks we did, and contend with more than 4000 permits, approvals and licences, even before construction? How does this expensive onerous government burden attract companies to invest in projects in Australia? Particularly high risk ones, such as greenfield projects like Roy Hill? How does this off putting expensive government burden help the many related industries and businesses involved with successful mines? It does not.

In this book "From Red Tape to Red Carpet and then some", we look at why mining exploration in Australia is falling, why fewer small businesses are opening than at any time in the last decade, why so many companies are focusing their efforts off-shore away from high cost Australia, and more.

We also hear from other contributors from around Australia, our North, those in the mining and banking industries, those in small business, those who joined me to start Australians for Northern Development, ANDEV, and from some executives from overseas. In particular I'd like to greatly thank for their thoughtful contributions in alphabetical order on the screens ***

It should be obvious that high cost Australia, with its declining productivity, must reduce its expensive government burdens to enable it to be cost competitive overseas, or face losing important markets and consequently much needed revenue and opportunities, to Australia's detriment.

We are surrounded by countries we can learn from who've been successful in increasing economic growth, and raising the living standards of their people , and in particular we should take notice of Prime Minister Modi's mantra, "from red tape to red carpet" and actions to do just that.

Please spread the message daily. Thank you.

***** Contributors list:**

Lady Flo Bjelke-Petersen

Andrew Bolt

Craig Carracher, President, Volleyball Australia

Alejandro A. Chafuen, Ph.D., President, Atlas Network

Cr Rob Chandler, Mayor Barcaldine QLD

Peter Coleman, CEO & Managing Director, WOODSIDE Petroleum

The Hon Alexander Downer AC, Australia's High Commissioner to the United Kingdom

Jan Ford, Jan Ford Real Estate; Chairperson Port Hedland Progress Association; Telstra Business Woman Winner; Executive ANDEV

The Hon Adam Giles MLA, Chief Minister Northern Territory

The Hon Barnaby Joyce MP, Nationals Member for New England

Imants Kins, Co Chair, Australians for Northern Development & Economic Vision(ANDEV)

Shinichi Kobayashi, Executive Officer, Regional CEO for Oceania, Marubeni Corporation, Chairman & Managing Director, Marubeni Australia Ltd, And on behalf of Marubeni.

Major General the Honourable Michael Jeffery, AC, AO (Mil), CVO, MC (Retd) - Former Governor General of Australia

Andrew Mackenzie, Chief Executive Office, BHP Billiton

Ron Manners, Executive Director, Mannkal Economic Education Foundation

Hans Mende, Chairman and Founder, AMCI Group

Anne Nalder - Founder/CEO, Small Business Association of Australia

Scott Neeson, Executive Director, Cambodian Children's Fund

Nick Paspaley AC, Executive Chairman, Paspaley Group of Companies

Emeritus Professor Ian Plimer, Adelaide

Mayor Paul Pisasale, City of Ipswich

Greg Poland, Chairman, Strzelecki Group

Anthony Pratt, Chairman & CEO Pratt Industries, Global Chairman of Visy Industries

Imelda Roche AO

John Roskam, Executive Director, Institute of Public Affairs

Tony Seabrook, President, Pastoralists & Graziers Association of WA (Inc)

John Singleton AM

Mike Smith, Chief Executive Officer, ANZ

Jo-Chi Tsou, Ph.D., Chairman, China Steel Corporation

Sam Walsh, Chief Executive Officer, Rio Tinto

Tadeusz Watroba, Executive Director, Hancock Prospecting Pty Ltd

Mike Young, CEO Vimy Resources Ltd