



# MEDIA RELEASE

## MINERALS COUNCIL OF AUSTRALIA

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### Reform overdue to drive growth and protect Australia from future downturn

#### Statement from David Byers, Interim Chief Executive, Minerals Council of Australia

Australia must reform its taxation, industrial relations, environmental and energy policies to shield the nation from future economic downturn and deliver stronger economic growth.

The Minerals Council of Australia's [pre-Budget submission](#) warns that every year that Budget repair is delayed puts Australia a year closer to the risk of facing an economic shock, without the fiscal capacity to ward off a serious downturn or recession.

Failure to repair the Budget means Australian taxpayers will be paying off debt for decades to come.

Falling national labour productivity also erodes our competitiveness and reduces future potential for better living standards.

In particular, existing workplace relations laws lock in poor practices that discourage investment and hinder productivity and innovation.

Without reform, productivity and competitiveness will suffer from the retention of outdated work practices and declining labour productivity, resulting in lower wages and fewer jobs.

The goal of Australia's energy and climate policy framework should be to deliver reliable energy at least cost while meeting the nation's emissions reduction objectives.

Achieving this goal means applying a technology-neutral approach to all energy sources while avoiding subsidies, quotas or other non-market-oriented interventions.

The National Energy Guarantee has the potential to help policy-makers navigate from the quagmire of policy distortion to the mainstream of market selection of fuels and technologies.

In particular, the Reliability Guarantee recognises the reality that industrial users (who account for 70 per cent of national electricity consumption) require affordable and reliable sources of baseload power to maintain internationally-competitive operations.

The Australian mining industry is one of the most productive industries in the world. In 2016-17, resources exports accounted for 54 per cent of Australia's total export revenues.

Australia is now reaping the benefits of a period of significant investment, with production increases over the last five years of 73 per cent for iron ore, 20 per cent for coal, 16 per cent for bauxite and 13 per cent for gold.

The sector uses sophisticated production techniques and highly-skilled labour to transform natural endowments into valuable exports. And average weekly earnings for a full-time adult working in the resources sector are \$2,659 per week, more than 60 per cent higher than the national average of \$1,606 per week.

The mining sector could perform at its best – generating additional benefits for the economy, the workforce and society – if policy reform was initiated in a number of important areas, including:

- Reducing Australia's internationally uncompetitive corporate tax rate
- Changing rigid workplace relations rules that block efficient management and innovation
- Reducing market interventions which raise the cost of electricity while reducing the reliability of supply

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- Eliminating duplicated federal and state environmental approvals processes and multiple vexatious and baseless legal challenges to successful project approvals.

Other recommendations in the submission include:

- Increasing the incentive for states to develop their mineral resources by applying a minimum 25 per cent discount to the mining revenue assessment in the GST distribution calculations
- Leaving the Fuel Tax Credit scheme unchanged on the basis of the tax policy principle that business inputs should not be taxed
- Removing the water trigger for coal seam gas and large coal development and reforming the nuclear trigger in the *Environmental Protection and Biodiversity Conservation Act*
- The Government should recommit to a comprehensive deregulation agenda
- Increasing public advocacy to promote the benefits of trade and investment in the community
- Lifting the ban on nuclear power and removing federally-legislated bans on nuclear industries
- Reforming the *Native Title Act* to validate existing right-to-negotiate agreements.

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