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Thursday, 12th February 2015

INVESTMENTS IN LIMBO AND AT RISK: NEW GOVERNMENT MUST END UNCERTAINTY OVER MAJOR MINING PROJECTS

The first job of the Palaszczuk government, once formed, must be to restore business confidence or risk losing major projects such as the Carmichael coal mine, which has the potential to create up to 10,000 jobs and \$22 billion in taxes and royalties for the Queensland economy.

“Not only is Australia already an expensive place to do business, it has now also become a high risk place. State and federal governments continue to radically change policies each time government changes hands. This uncertainty means Australia will lose major projects overseas,” says James Paterson, Deputy Executive Director at free market think tank the Institute of Public Affairs.

As reported in Tuesday’s *Courier Mail*, the Australian Political Risk Index, compiled by Political Monitor, hit an 11-month high of 12.74 earlier in February.

“With political instability at the federal and state levels, business is currently in limbo. Thousands of jobs and billions of dollars in taxes and royalties are in jeopardy in Queensland as a result,” says Mr Paterson.

Australia ranks 124th out of 144 economies in terms of the burden of government regulation, according to the World Economic Forum’s 2014-2015 Global Competitiveness Report, revealing how rigid conditions are in Australia.

“The new government is justified in its view that taxpayers should not subsidise private businesses. However, it is more important that the government stops being a handbrake on companies that want to invest in projects which will boost the economy,” says Mr Paterson.

“Overturning the Newman government’s green-tape reforms would be a huge mistake. Restoring the restrictive wild-rivers protection laws and making it easier for activists to tie up projects with objections will be a major disincentive for investment in Queensland.”

“If companies like Adani decide to pull the pin on projects such as Carmichael, a very strong signal will be sent to other investors that doing business in Australia is now a risky proposition,” says Mr Paterson.

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