

# MEDIA RELEASE

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## **NEW REPORT PREDICTS MINING BOOM WILL BUST WITHIN TWO YEARS**

Australia must make the most of the mining boom before it ends, according to John Shipp, Director of the ANDEV/IPA North Australia Project.

Mr Shipp's warning came in response to today's Deloitte Access Economics report that says the mining investment boom has only two more years to run.

Deloitte Access Economics today said "the strong bit of Australia's two-speed economy won't stay strong for more than another two years or so".

Mr Shipp said the federal government had been wrong to assume that it could continue to pocket the benefits of the mining boom without giving anything back to the sector, an assumption on which its mining tax has been based.

"High commodity prices never last forever, but this government has acted as though nothing it could do would negatively impact the boom," Mr Shipp said.

"So you've seen the government placing tax after tax on the mining industry in order to, as it has said, redistribute the benefits of the boom and even out the two-speed economy."

"As Access Economics has found, the boom is coming to an end, and now we're faced with the prospect of a no-speed economy."

Mr Shipp said the government had done little to reduce costs in the mining sector, and that these cost premiums have eroded Australia's competitive advantage.

"You can't keep adding more taxes and more regulations and not expect there to be an impact on the number of projects that are undertaken in Australia."

In order to ensure the mining boom lasts while commodity prices fall, Australia should implement a Special Economic Zone in Northern Australia, according to Mr Shipp.

"The government should put in place a Special Economic Zone in Northern Australia. A low tax, low regulation zone would drive continued long term investment in the Australian resource industry," Mr Shipp said.

The North Australia Project is a joint project of Australians for Northern Development and Economic Vision and the Institute of Public Affairs. For more information visit [www.andev-project.org](http://www.andev-project.org).

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