

Let's get back to our roots

There was a time – only a few months ago – when we miners were still going to dig the rest of the country out of a hole.

We miners were going to manage the first boom in history that would last forever, and were going to pour billions and billions each year into Canberra's coffers. The reality of Australia's rising costs, and the idea that vast resources from lower-cost countries would enter our markets in competition with our own – it was as if this didn't matter.

And because this boom would not end it did not seem to matter how many more taxes were imposed on mining investors. The miners would pay anyway.

I write this just after two news items have crossed my desk that should shock us out of our dreams of complacency.

The first item is the Deloitte Access Economics report, which warns: 'The strong bit of Australia's two-speed economy won't stay strong for more than another two years or so.'

The 'strong bit' is the mining boom. I hope I can now repeat, without sounding like I'm pleading from self-interest, that the mining pipeline has indeed been squeezed too hard. Australia has become too expensive, taxes are too high and regulations and approval processes are too costly and uncertain.

The second news item is one that very few Australians would have noticed. Let me quote it:

'CommSec analysts say Tasmania should get more "mining boom" money from the Commonwealth, since it is the worst-performing state.

'The latest CommSec State of the State report puts Tasmania at the bottom of the pile when it comes to retail spending, unemployment, construction work, population growth and housing finance.

'"Tasmania is under-performing other state and territory economies and arguably is the number one candidate of any regional income redistribution as the federal government seeks to share the benefits of the mining boom across the broader Australian economy," the CommSec March quarter report concludes.'

This alone tells us how dependent some states have become on mining in other states, especially ones with fewer green bans. What happens to them when the mining income doesn't flow as freely as once dreamt?

But notice also the sense of entitlement: Tasmania is doing badly, so other states must provide.

We have lost our roots: our pride in building and providing for ourselves.

Tasmania now has the highest unemployment rate of any state, which is more than twice that of West Australia. But its problem isn't that it gets less mining money from other states than it now wants.

Consider, for instance, the price of its labor. In the United States, there are many people willing to work for US\$9 per hour, and this low-cost production is threatening Tasmania's famous apple industry because Australia is importing more and more of its fruit and other produce from lower-cost countries.

In fact, all over Australia there are warning signs that we are killing or restricting our own industries.

Take our fishing industry, for example: it produces not only barramundi, salmon, crayfish and prawns, but also jobs – income.

Yet even though we are surrounded by the ocean, we import nearly 80 per cent of our fish. This should worry a conservationist as much as a professional fisherman, since we import from over-fished countries like China and Vietnam, which extract 5000 kilograms of fish per square kilometre, compared to just 37.1 kilograms here.

We have hurt an industry without gaining a better environmental result. And our government is now looking at restricting the industry even further by creating massive new marine parks: throwing more fishing boats and fisherman out of work.

This is just one example, but hundreds of similar ones add up to a very big problem.

As I travel our wonderful country, I talk to more and more people who are worried that outside industries and investments in West Australia and Queensland, things are looking increasingly grim.

The thing about socialist-style policies – and which the media tends to overlook – is that policies that discourage investment and business don't much hurt the very rich, but they do hurt the poor and the young.

The terrible millionaires and billionaires can often invest in other countries. And if they do suffer, what does that really mean? Maybe that their teenagers don't get the cars they wanted, or a better beach house, or maybe the holiday to Europe is cut short; but otherwise, life goes on for those millionaires and billionaires. The bills still get paid and the fridge is still full.

No, those who hurt the most when investments are killed off by taxes, green tape and socialist policies that are not friendly to business or conducive to investment are those who usually vote for the anti-business socialist parties. And for them, the price is very high. It's a job lost, when they have few savings, a mortgage to

meet and children to clothe and feed.

If you want to help the poor and our next generation, make investment, reinvestment and businesses welcome. For proof, look at the alternative: it's called Greece. The millionaires and billionaires who choose to invest in Australia are actually those who most help the poor and our young. This secret needs to be spread widely.

So let's drop the class warfare and recognise that high-tax socialist policies don't create jobs – business and investment do, and we need a lot more businesses, investment and reinvestment to continue to do that creating.

There are, of course, things the government can do to make this easier. Why not ask small and medium businesses what it would take to get them to invest more, train and hire more – and this time really listen? They've already told the government this year that cutting red tape – and green – is critical. Action, please!

Furthermore, why not ask whether lowering the minimum wages and lowering taxes would make employers hire more people?

To many of *Australian Resources and Investment's* readers, this would just be 'common sense 101' – even if it's less common than it should be – but unless we keep spreading common sense 101 to more people, we will continue to see Australia replicate the problems facing Greece, Spain and other European countries that followed the socialist path of high taxes and excessive regulation and whose streets are now occupied by angry, worried protestors.

Another recent news item told of former Greens leader Bob Brown climbing 60 metres up a tree in Tasmania to visit a protester who was celebrated in the media for achieving a record. The record that caused this excitement wasn't the number of jobs the protester had created, or the number of pensioners whose health care she'd effectively contributed to.

No, she'd simply set an Australian record for a tree-sit: 209 days on a platform to stop loggers from harvesting a renewable resource.

That protester's achievements were lauded in the media, but Australia needs a new vision, or a return of the old – one that will progress Australia, put people in jobs and pay for their schools, hospitals and retirements, and pay off our country's record debt.

There is something less definable that we must do: rediscover our roots.

I've always loved stories about the people who built something for Australia – probably because my grandfathers were two such people. Let me share stories about them, as they are examples of our roots.

One, James Nicholas, started off cleaning stables for Cobb and Co. on tiny wages.

He never finished his schooling, because he had to go to work at a young age. He walked miles to work each day and knew what it was to work. In fact, he worked so hard that he eventually owned Cobb and Co. in West Australia, and then gave hundreds of men work, building roads for the coaches, country inns for the passengers and stables for the horses. The service he helped to build meant people in country areas could get mail, medicines and the materials needed to further build the state.

My other grandfather, George Hancock, lived in harsh country 1000 miles from civilisation in Perth, before aeroplanes shrank the distances. He built up a sheep station to support 25,000 sheep in this harsh environment, also providing work for the many people who did the mustering, shearing and tending of the windmills scattered over the vast miles. Those jobs helped the workers get through the Depression.

It took many such people to make this country: these are Australia's roots.

My great friend Michael Kailis was from a poor immigrant Greek family, but became Australia's king of crayfish and prawns. He told me some of his first workers were from a local gaol, because he couldn't get anyone else to come and cut fish and crustaceans. He talked the local prison officer into letting him take the prisoners off his hands during the day, and return them at night, too tired for trouble. This would most likely be against regulations today.

People may disapprove of this story, but from that start came a business that branched into fishing boats and facilities, and, later, pearling operations that have provided work for people from Perth to the far north of Australia.

Jack Cowin came to Australia from Canada, and, with loans he'd gathered together from his friends, invested in a fast food franchise. Now he's the 'Jack' of Hungry Jack's, and king of fries, having given many youngsters their first jobs and training.

Another of my friends, Lindsay Fox, started with one barely-roadworthy old truck, yet his company Linfox now employs 13,000 people, many of whom got their first jobs through the company.

Many friends have, through their own hard work and success, provided work and enabled opportunity for others, Carla Zampatti, David Flanagan and others. Their stories differ, and so do their industries, but the lessons are the same: you can't get rich without working hard, taking risks, investing and reinvesting your profits. Yes, you need that dirty word 'profits' to be able to invest and reinvest, and you can't get the profits to enable investment if costs and taxes are too high. Nor can you get rich without sharing this with others, because you can't get rich without giving other people work and opportunities.

We need to celebrate these hard working people and remember our roots. I'm the kind of person who'd rather see a politician applauded not for having tea 60 metres up a gum tree with a protester engaged in stopping employment and

revenue while our country is in record debt, but for having made it easier for a major project to get through red and green tape. That business will then be able to hire thousands of people and earn revenue: the start of another great business for our country.

Our mines still produce great wealth, but it no longer will be enough to subsidise class warfare, complacency, overspending and an increasingly expensive bureaucracy whose power lies in saying 'no'.

Let's get through the class warfare smokescreen. We need to regain our roots and encourage people to invest and build. There is no monopoly on becoming a millionaire. If you're jealous of those with more money, don't just sit there and complain; do something to make more money yourselves – spend less time drinking, or smoking and socialising and more time working. Become one of those people who work hard, invest and build, and at the same time create employment and opportunities for others. Australia needs such people.

The vast north of our country has few people, and many opportunities. If you can't find opportunities amongst the inner city lifestyles, try looking at ANDEV's website www.andev-project.org and note the northern ambassadors, "Voices of the North".

Remember our roots, and create your own success.