

Research that matters.

TITLE: A bit rich: Gina's call a hard act to swallow

AUTHOR: Richard Denniss

PUBLICATION: The Canberra Times

PUBLICATION DATE: 1/09/12

LINK: http://www.canberratimes.com.au/opinion/a-bit-rich-ginas-call-a-hard-act-to-swallow-20120831-256cb.html

It's obscene for someone with inherited wealth, whose business is subsidised by government, to criticise low-paid workers

Two numbers pretty much sum up all that is wrong with political debate in Australia: Gina Rinehart earns the annual full-time minimum wage every 53 seconds and, at the peak of the mining boom, the industry contributed only about 0.5 per cent of Commonwealth government revenue.

How could someone with as much inherited wealth as Gina Rinehart criticise the work ethic of those on the minimum wage?

And how can an industry that has contributed so little revenue to the Commonwealth, yet caused so much harm to the manufacturing, tourism and agriculture industries, claim to be the backbone of the economy?

Our public debate is simply broken.

Facts, it seems, have left the building.

When commodity prices fell during the global financial crisis the first thing the mining industry did was sack thousands of their workers. Indeed, according to Treasury, if all industries had been as quick to punt their employees as the mining industry the unemployment rate would have hit 19 per cent rather than its peak of 5.9 per cent.

While the miners are quick to claim credit for all the "indirect jobs" their projects create, they refuse to take responsibility for all of the jobs that the mining boom - and its accomplice the rising exchange rate - have helped to destroy.

And then there is the \$4 billion a year in subsidies that we give the miners. While our politicians talk endlessly about the support given to the car industry, and what that may or may not say

about our approach to protectionism, the fact is the mining industry receives far more taxpayer support than the car industry. And for what?

The purpose of a subsidy is to encourage more of something, but you can't pick up a newspaper without reading a whinge from the mining industry about the shortage of skilled labour. So, if there is a shortage of miners and construction workers, why would we be subsidising its already rapid expansion?

In addition to the direct tax subsidies we give away, our state and federal governments are quick to pay for the "infrastructure" that the miners need. Infrastructure usually refers to the kinds of networks, roads, rail, electricity and water that connect us. The "infrastructure" that the miners get, however, doesn't so much connect them to us, but to their foreign customers.

If the government paid for a new car factory or steel works it would be called industry assistance, but if they build a rail line to connect a privately owned coal mine to a privately owned port it's called infrastructure. Yeah, right.

But rather than defend why the taxpayer should pay her industry \$4 billion a year in subsidies and pay for large parts of their mines, the world's wealthiest woman goes on the front foot and attacks those who work for minimum wage.

According to Rinehart, "If you're jealous of those with more money, don't just sit there and complain. Do something to make more money yourself - spend less time drinking or smoking and socialising, and more time working."

Let's be clear, childcare workers in Australia are among our lowest paid. Leaving aside the contemptuous link between low wages and excessive drinking and smoking, what would happen if low-paid Australians took her advice? Do we really want all of our childcare workers, aged care workers and other low-paid workers in the care industry to abandon their responsibilities and head off to the Pilbara?

When the mining boom's high dollar destroys manufacturing jobs in Melbourne and Adelaide, do we really want those workers to leave their families for three weeks in four and move to James Price Point to help build a massive gas plant on top of 40,000-year-old Aboriginal rock art?

The social consequences of Rinehart's policy prescriptions deserve serious attention.

Do Tony Abbott and the "traditional family values" crowd support the idea of fathers spending three weeks away from their kids each month?

What about the Australian Christian lobby? What is their position on an Australia in which 300 per cent more parents are unable to sit down with their kids for dinner each night?

Does the Christian right support the rise and rise of fly in, fly out families? It's a simple question, but I bet they won't answer it simply.

Gina Rinehart is clearly a lucky woman. She was lucky enough to inherit an iron ore deposit from her father. She was lucky enough to live in a country with no death duties or estate duties.

She was lucky to own it at a time when the world price of iron ore was at an all-time high. And she is lucky that successive Australian governments have been generous in their provision of subsidies to the mining industry.

But not all Australians can be as lucky as that. To have a go at those who work hard for the least money is not just insulting, it is obscene.

Wealthy miners like to pretend they are the backbone of the country, but attacking the less well off is simply spineless.

Dr Richard Denniss is the Executive Director of The Australia Institute, a Canberra based think tank. www.tai.org.au