



# MEDIA RELEASE

## MINERALS COUNCIL OF AUSTRALIA

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### **NT ROYALTY PROPOSAL TO HIT MINING INVESTMENT**

#### **Statement from Drew Wagner, Executive Director, Minerals Council of Australia NT Division**

The Northern Territory Treasurer has today released the NT Government's plans for a revised royalty system for the minerals sector in the Territory, including a proposed hybrid system of both ad valorem and profits-based elements.

If this royalty system is adopted in full the Territory would be the only mining jurisdiction globally to have such a mechanism.

While the Minerals Council acknowledges the efforts from Treasury to consult industry over the review of the royalty system, regrettably the outcome of its review will likely put future investment and jobs at risk.

It will add uncertainty and complexity and will further damage the NT's attractiveness as an investment destination by hitting mining operators with more onerous royalty arrangements than in comparable jurisdictions around the world.

With nearly \$5 billion of investment at stake and potential massive growth of the resources sector at a time when the Government says it wants to boost economic growth and jobs, the challenge for the government should be to expand this industry, not impose measures which reduce its investment attractiveness.

The current royalty system will see \$350 million royalties from this year alone contributing to NT Government's revenues – a substantial contribution from the mining industry which is twice the build cost of the Palmerston Hospital.

However the proposal announced today is still a very long way from a realistic policy proposal.

The Minerals Council will continue to work with the Government to get the policy settings right so we can grow rather than shrink the economic pie for all Territorians.

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