

# POLICY STATEMENT

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## RECALIBRATION FOR THE MINING INDUSTRY: CUTTING RED TAPE AND CREATING CERTAINTY

It is time to get back to basics and jumpstart private industry. The mining industry is the largest single driver of the Territory economy.

If elected, a CLP Government will reduce regulatory burden, increase business certainty and make the Territory more attractive to investors, explorers and visionaries.

While mining contributes over \$5.7 billion to the economy and supports more than 7,000 jobs, the Territory is not reaching its full potential.

Sovereign risk and uncertainty, including the Labor Government's decision to introduce the damaging hybrid mining tax, have made the Territory less attractive to mining investors. This was clearly illustrated by last year's Fraser Institute Annual Survey of Mining Companies, which ranked the Northern Territory behind relatively unstable jurisdictions like Botswana and Turkey on policy perception.

In the wake of COVID-19 we need to make a change. We need a spark to ignite the Territory economy.

As a first step, the CLP will fundamentally recalibrate the investment environment in the Territory by the introduction of an *ad valorem* royalty regime for new entrants based on the Western Australian system to encourage exploration and investment.

Specifically, the CLP will:

- \* Remove the so-called 'hybrid' mining tax introduced by Labor in 2018, which has been a disaster for the Territory and has discouraged investment, cost us jobs and contributed to the worsening economic crisis we are facing;
- \* Institute an *ad valorem* royalty system for all new mining operations in the Territory, based on the Western Australian regime; and
- \* Phase in the *ad valorem* royalty system for existing mines, in consultation with industry.

The introduction of a simplified royalty system will decrease administration costs for both industry and the Territory government, potentially saving millions per year by reducing audit, legal and related costs.

The CLP is committed to cutting red tape and getting the Territory working again. Overhaul of our mineral royalty regime will serve as a signal that—after four years of uncertainty and misguided priorities—the Territory will be open for business under a CLP Government.