Today’s announcement by the Treasurer that the Government will increase the Territory’s Mining Royalty tax from 18% to 20% is an unwarranted slug that will have to be carried by the Territory’s resources sector, said Shadow Resources Minister, Willem Westra van Holthe.

“Just two days after the Commonwealth Government announced its support for the Henry Tax Review’s recommendation of a 40% Resource Super Profit Tax, comes Delia Lawrie’s announcement,” he said.

“The CLP Government introduced an 18% Mining Royalty tax on profits that has served the Territory well during both boom and bust cycles.”

“In fact in 2008-09, the profits based system returned approximately double what a system based on the value of the resource extracted would have returned.

“The so-called ad valorem system is in place in most other Australian jurisdictions.

“The Labor Party, both federally and in the Territory, obviously has its eye on one of the few genuine growth industries in the country including in the Northern Territory.

“The risk is it could kill the goose that laid the golden egg.

“While it might serve Labor’s short-term political agenda, the impact on the broader economy could be somewhat more significant.

“I would not be surprised if mining companies are already sharpening the pencil with a view to making cuts to their bottom line.

“The additional charges will require them to eke out more efficient work practices, which will put staff and contractors under the gun.

“The mining companies are often involved in infrastructure and support programs in Indigenous and remote communities, a role that is all too often neglected by governments.

“Community support such as health clinics, swimming pools and sporting equipment could be threatened.

“While the Federal Government’s Super Tax could be 2 years away, Delia’s axe will fall on Territory miners from July 1st this year.”

Further comment: Willem Westra van Holthe 0414 778 430