Minerals Council Wrong

Kon Vatskalis MLA
Minister for Mines and Energy

Minister for Mines and Energy, Kon Vatskalis, today told the Legislative Assembly that available evidence does not support the view that either land access or the attractiveness of the Northern Territory are major contributing factors to the decline in exploration expenditure.

“Although the latest Australian Bureau of Statistic (ABS) figures are disappointing, they fly in the face of increasing numbers of exploration licence grants, as well as our recognised status as an attractive mining investment location,” said Mr Vatskalis.

“Exploration is the foundation for future mining activity, and is essential if the industry is to continue to develop and generate employment and revenue opportunities, and globally there is intense competition to attract exploration expenditure.

“Despite the fact that significant parcels of land have been opened up for exploration over the last two years, it has not been accompanied by a similar increase in expenditure.

“We took 470 granted exploration licences into the 2002-03 financial year and we had exploration expenditure of $49 million; we took 734 granted exploration licences into the 2003-04 financial year and we had $42.4 million in expenditure – so a 56% rise in Exploration Licence numbers with a 13% expenditure decline.

“And in 2003-04 the Mining Industry Survey conducted by Canada’s respected Fraser Institute rated the Northern Territory 8th overall for its investment attractiveness out of 53 global jurisdictions.

“The fact is mineral exploration expenditure fell steadily from $93.8 million in 1995-96 to $47.6 million in 2000/01, and although it has stabilised to some extent through this Government’s $15.2 million Building the Territory’s Resource Base package, we are continuing to look for new ways of stimulating and encouraging the exploration agenda.

“I’m certainly committed to working jointly with the industry on these issues, but I’m disappointed that the Minerals Council has chosen to focus on two issues, that frankly, have not been major contributors to the decline.”