

NORTHERN TERRITORY MINERALS COUNCIL (INC.)

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House of Representatives Standing Committee on Industry and Resources	
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Secretary:.....	<i>B. Forbes</i>

Monday 12th August 2002

The Hon. Geoff Prosser MP
Chairman
Inquiry into Resources Exploration Impediments
Parliament House
CANBERRA ACT 2600

Dear Mr. Prosser,

The NT Minerals Council (Inc) (Minerals Council) welcomes the opportunity to provide a submission to the Inquiry into the Resources Exploration Impediments. The submission has been prepared on behalf of the member companies and reflects the current views of the minerals industry in the Northern Territory.

While the terms of reference of the inquiry are noted, the Northern Territory's main impediment to resource exploration impediment is land access.

The continued development and profitability of the Northern Territory requires access to land and coast lines for exploration and development. Access to assess is fundamental to the industry and impediments to access can have severe detrimental impact not only to the resource industry, but also to all other industry in the Northern Territory. The minerals industry is the major contributor to the economy yet more mines are closing than opening and exploration expenditure is decreasing year by year. Government policy or change in policy has had a major impact on the probabilities of discovery and the cost of discovery. Additionally, through the operations of the Aboriginal Land Rights (NT) Act 1976 and in recent years, the Native Title Act 1994, exploration and subsequent development of ore bodies has diminished considerably. This is most notable in figures, which show mineral exploration expenditure dropping from approximately \$98 million in 1991 to \$58 million in the 1999/2001-year. And of the \$58 million, under half is spent on greenfields exploration. In the last five years nine mines have closed and only one new deposit exploited. Development of the Jabiluka orebody is some eight to ten years away and the Koongarra orebody is in a similar position. Two new mines proposed for Batchelor region located 100 kilometres south of Darwin are two to three years away from development and are very dependent on cost competitive energy for final development commitment. The last world class project discovered in the Territory was the Jabiluka deposit in 1972 – yet to be developed.

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No new mines have opened up on Aboriginal freehold land, with the exception of the approval of subsequent deposits in the Tanami region, since the inception of the Aboriginal Land Rights (NT) Act 1976. Mines such as, Ranger, Alcan Gove and Gemco were approved before the commencement of the Commonwealth legislation.

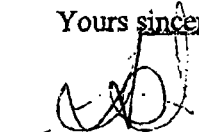
The search for minerals over wide areas of land is an expensive and high-risk activity with a low probability of success. Each passing year, with the growing burden of the cost of doing business in the resource industry and the likelihood of success - makes the chances of a "lucky" discovery of worthwhile significance at low cost, more and more remote.

Most notable of the aforementioned issues is the Commonwealth Aboriginal Land Rights (NT) Act 1976 which covers over 52% of the Northern Territory landmass and 80% of its coastlines. Until there are amendments to this problematic piece of legislation, the minerals industry will be unable to move ahead with exploration and subsequent developments to any extent that will bring benefits to stakeholders.

On behalf of the Minerals Council and its members I urge your Committee to seriously examine the Northern Territory situation regarding this piece of legislation. Moreover, I request that the Committee visit the Northern Territory to gain a full understanding of the workings of the Commonwealth legislation and its detrimental impact not only on the minerals industry and the future economic development of the Northern Territory, but other stakeholders including Aboriginal people and communities.

I look forward to continuing to work with your Committee.

Yours sincerely _____



Kezia Purick
Chief Executive Officer