

Mineral Development Taskforce | FINAL REPORT

December 2022

EXECUTIVE SUMMARY



THE
TERRITORY





Introduction

The mining sector currently contributes close to a quarter of the Territory's gross state product and is a key contributor to the Northern Territory Government's vision of a **\$40 billion economy by 2030**.

The mining sector currently employs around 3,500 people directly, and the total value of mineral production in the Northern Territory was \$4.86b for 2021–22. Securing new producing mines and increased Territory-based minerals processing and value-add will be critical to economic growth, industry diversification, labour force expansion and productivity.

The Mineral Development Taskforce (the taskforce) has been tasked with identifying barriers to investment in the Territory and developing options to drive external investment to realise the Territory's enormous mineral development potential to support increased economic and social benefits across the region for all Territorians.



Foreword

Dear Minister for Mining and Industry

The Mineral Development Taskforce is pleased to present to you our final report.

Resources is the Territory's biggest contributor to the economy.

Worth close to \$4.9b, the mining industry is also one of the largest job creators with around 3,500 people directly employed by the sector. The indirect flow-on benefits to the Territory economy, including our regional areas, are significant and vital to support ongoing growth and prosperity.

The Territory will continue to be in demand for its availability of world-class mineral resources, particularly for a future that recognises the global expectation of decarbonisation and the growing focus on emerging technologies.

In fact, many of the resources found here are critical to the world's transition to net zero emissions and provide the essential raw materials that are needed to address climate change and technological advancements of the future.

There has never been a greater demand for critical minerals such as lithium, rare earth elements, cobalt, manganese, phosphate and copper.

While the increasing need for more minerals and metals is good news for the Territory's economic prosperity, the development of this sector must be sustainable and responsible, and social licence is critical. The priority has to extend beyond exporting raw materials to focus attention on maximising local value-add opportunities.

The Northern Territory Government set an ambitious but achievable goal to build a \$40b economy by 2030 to create more jobs in sustainable industries and end the boom and bust cycles of the past.

The Territory is in a prime position to achieve this goal, but to do so, requires focus and determination to become the most competitive and attractive destination for investment, not just in exploration and mining projects but also in new downstream value-add industries.

It has been my honour to chair the Mineral Development taskforce alongside 6 independent members from industry and government, who collectively contribute more than 100 years experience in resource development policy and practice in both public and private sectors. I also acknowledge the significant contribution from Sid Marris from the Minerals Council of Australia and Clare Pope from PricewaterhouseCoopers.

This taskforce has brought a depth of invaluable knowledge and experience to the table, and I would like to take this opportunity to record my appreciation for taskforce members' significant and tireless efforts and advice.

Our final report to government outlines a series of recommendations and possible specific actions which are individually and collectively targeted at driving a step increase in external investment in mining and downstream value-add projects to help secure the vision of a \$40b economy and beyond.

We need to grasp the opportunity to participate in the new era of modern mining for the benefit of all Territorians.

Sincerely

Shaun Drabsch

Mineral Development Taskforce – Chair
Chief Executive Officer
Department of Industry, Tourism and Trade



Chair

Shaun Drabsch
Chief Executive Officer
Department of Industry,
Tourism and Trade



John Braham
Independent Director
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Manganese freight ship loading at Grootte Eylandt

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The Territory's mineral potential remains relatively untapped, presenting **significant opportunities**.

The Territory is an established mining jurisdiction with world-class mineral deposits, including critical minerals, and is strategically located close to the high-growth Asia-Pacific region.

The Territory is underexplored, with substantial areas available for either new exploration or for farm-ins and joint venture exploration agreements with existing tenure holders.

Inherent strengths

The Territory has inherent strengths that can be leveraged



World-class mineral deposits, including critical minerals¹



High quality pre-competitive geoscience data on mineral opportunities available at no cost²



Small jurisdiction – responsive and ready access to key decision makers



Proximity to markets in Southeast Asia³



Deep water harbour and intermodal logistics⁴



Globally significant gas resources and a high level of solar irradiance provide the potential to deliver secure and cost competitive power generation⁵

Mining industry growth and diversification is key to realising a \$40b economy by 2030.

A step increase in new investment capital is vital to sustained industry growth and diversification.

Private investment will take the path of least resistance, and, to be globally competitive, the Territory must reduce and eliminate barriers.

The Territory has to be attractive and competitive for new investment in mining and downstream value-add projects. It must be the investment destination of choice and unequivocally embrace industry growth and expansion.

Government effort has to extend beyond expediting private investment in new mining projects to securing a Northern Territory industry ecosystem that inspires economically sustainable opportunities in downstream value-add processes. This transition of mining away from being a primary industry will deliver positive externalities beyond purely economic ones and is the mining industry's critical and necessary contribution to achieving a \$40b economy.

The transition away from primary mining requires structural reform to secure appropriate conditions for private investment and institutionalise an economy that supports sustainable private economic activity.

Social licence is critical for industry growth and expansion. Securing mining industry credibility, legitimacy and acceptance requires collaborative effort to build community confidence in sustainable sector operations.

The taskforce's recommendations, while addressing more immediate barriers to private investment, ultimately aim to shift the mining sector away from a being a primary to becoming a secondary industry over the medium to long term. Government commitment and investment will be critical to making this transition a reality.

The report is in 3 sections. Section 1 analyses the enabling environment for mining projects from the perspective of project proponents. It considers what the private sector has identified to be key project risks and potential government actions that could open up greater opportunities for mining activity.

Section 2 considers options to accelerate project investment decisions through the lens of an investor, Royalties is one consideration, as is a more targeted role for governments in project financing and funding.

Section 3 analyses downstream value-add opportunities. It notes that while production costs in the Territory are generally at the higher end of the scale, there are broader strategic, economic, social, supply chain security and national interest considerations that could justify a case for government intervention to facilitate downstream value-add opportunities.

To realise a \$40b economy by 2030, the Territory must:



increase the Territory's global competitiveness



accelerate private investment



harness sustainable new downstream opportunities

Key Findings

The taskforce has identified a range of opportunities to increase and enhance the competitiveness of the Territory as an investment destination and position the Territory to achieve its \$40b by 2030 economic target. A summary of the key taskforce findings and conclusions are outlined below.

- 1. Speedy development of new mines is critical to achieving targeted economic outcomes** – targeted initiatives need to be introduced to encourage increased exploration and mining activity.
- 2. Industry views access to land as a significant risk** – securing coordinated, streamlined, transparent and efficient land access processes that respect landowners and recognise co-existing uses is critical.
- 3. Regulatory processes have a significant impact on project economics** – risk-proportionate regulations focussed on outcomes rather than inputs can deliver improved project dynamics and have to be targeted.
- 4. The Territory needs to recognise the new remote workforce paradigm and capitalise on what it can control** – focus on building local skills, and, through multi-industry collaboration, ensure a focus on workforce retention.
- 5. There is an infrastructure gap in the Territory** which must be able to be addressed in a timely manner to de-risk exploration, mining and downstream value-add investment opportunities.
- 6. The success of the mining industry relies on its ability to align with community expectations** – trust in the regulator and social licence must be secured.
- 7. The Territory's royalties regime is uncompetitive** and a deterrent to investment. It must be revamped.
- 8. Governments have a significant role in supporting projects to reach final investment decision** – better designed and targeted project capital support programs are necessary.
- 9. The Territory is well endowed with minerals that are the building blocks for a clean and technology enabled future** – capitalising on economically sustainable downstream mineral value-add opportunities is critical to securing a \$40b economy by 2030.

Following detailed analysis of the high-level key findings and conclusions outlined above, the taskforce identified a series of targeted recommendations and possible specific actions. While consolidated directly below to provide a holistic perspective, the recommendations and possible specific actions are contained in the body of the report following analysis of each key matter canvassed by the taskforce.



**Consolidated
recommendations and
possible specific actions**

Mineral titles

Recommendations	Possible specific actions
<p>1.a.1 Secure a pipeline of new mines mapped to deliver \$40b by 2030</p>	<ul style="list-style-type: none"> • Publish a mining industry development and investment attraction strategy, developed in collaboration with industry. • Activate existing mineral leases and secure new investment by introducing incentives to encourage activity on ELs and mineral leases, and minimise opportunities for land banking. • Incorporate reportable minimum expenditure conditions on new or extended mineral leases. • Institute a more aggressive mining project facilitation stance to drive investment opportunities.
<p>1.a.2 Consolidate small mineral leases to increase investor interest</p>	<ul style="list-style-type: none"> • Target consolidation of small adjoining mineral leases, recognising existing titleholder interests. • Engage in active marketing strategies to increase investor awareness of brownfield opportunities.
<p>1.a.3 Increase transparency in mineral title processes</p>	<ul style="list-style-type: none"> • Engage with applicants earlier on in the mineral title process to ensure a clear understanding of processes and associated costs. • Ensure clear and concise fact sheets, guides and template documents are readily accessible. • Invest in digitisation for all mining title and authorisation applications, with readily accessible information on progress through assessment processes and supported by a contemporary and secure mineral titles IT system.
<p>1.a.4 Enhance the Northern Territory's legislative architecture to better target mining industry investment and development</p>	<ul style="list-style-type: none"> • Review and amend the legislative architecture for the Territory's mining industry to make it simpler and more transparent, and to increase focus on sustainable mining industry development. • Enhance the Department of Industry, Tourism and Trade's industry intelligence capability to improve monitoring of exploration activity and inform promotion of upstream investment opportunities. • Implement a detailed framework for assessments and renewals of ELs applications, including to secure rigour in assessment of proponent capacity and capability, with associated annual reporting of performance against licence commitments. • Introduce new mineral lease categories that take a risk-based approach to better recognise and encourage smaller explorers, miners and prospectors. • Introduce additional enforcement practices to encourage meaningful activity and progress towards development of the resource.

Access to land

Recommendations	Possible specific actions
<p>1.b.1 Increase process clarity and transparency for access to land</p>	<ul style="list-style-type: none"> • Publish information on all requirements covering access to land to facilitate early applicant engagement. • Collaborate with land councils, industry and regulators to publish guidance on how proponents should engage, including with native title parties and pastoralists. • Collaborate with land councils to develop and publish guidance notes on land access negotiation scope. • Progress development and rollout of simple graphics (storyboard communications) to support broader understanding of mining industry and activities. • Collaborate with land councils to digitise storyboard communications and create multi-media information, utilising common indigenous languages, to increase information accessibility.
<p>1.b.2 Reduce risks and streamline processes for access to land</p>	<ul style="list-style-type: none"> • For highly prospective mineral provinces, collaborate with land councils, AAPA and heritage council to secure publicly available baseline information to geospatially overlay geoscientific data, recognising confidentiality requirements. • Coordinate sharing of data and secure agreement on a consistent and efficient process for sacred site authorisations and certificates. • Invest in modernisation of AAPA business systems to increase sacred sites clearance efficiency. • Strengthen co-existing land use policies and practices to minimise mining industry vulnerability to specific interest group frustration of project and investment opportunities.
<p>1.b.3 Secure broader economic outcomes for Traditional Owners of land</p>	<ul style="list-style-type: none"> • Encourage land owner negotiations to focus on innovative approaches and strategic opportunities that secure enduring economic outcomes for Traditional Owners and Aboriginal communities beyond mine life. • Embed project proponent commitment to local content, including to long-term residual benefits for Traditional Owners and Aboriginal businesses. • Foster joint ventures/partnerships with Traditional Owners and land trusts in delivery of mining projects.

Regulatory reforms

Recommendations	Possible specific actions
<p>1.c.1 Build trust in mining industry regulators</p>	<ul style="list-style-type: none"> • Urgently develop and implement strategic communications and messaging on the role of the regulator in securing responsible and sustainable mining activity – mining activity will result in environmental disturbance, and environment regulation must proportionately manage, not prevent, disturbance. • Produce and publish annual reports on regulatory compliance activities and regulated sites. • Take timely and proportionate action on regulatory breaches and make actions public. • Embed stakeholder and community engagement functions as a core responsibility of all staff.
<p>1.c.2 Prioritise and implement risk-based and proportionate mining industry regulation focussed on outcomes</p>	<ul style="list-style-type: none"> • Commit to implement less prescriptive and more risk based outcomes focussed mining regulations. • Ministers issue statements of expectations reflecting broader industry policy drivers and strategic objectives, which establish the authorising environment for mining industry regulators and how performance will be measured, and which is tabled in the Legislative Assembly for transparency and accountability. • Introduce environmental regulatory reforms which are risk-based to balance the potential seriousness of an adverse outcome and the likelihood of it occurring, and which remove administrative overlap and provide certainty to business and industry.
<p>1.c.3 Streamline mining industry regulatory processes to secure a red carpet approach to project development and facilitation</p>	<ul style="list-style-type: none"> • Take a lead agency approach to regulatory approvals with processes led by sectoral agency. • Implement and publish administrative agreements that define the roles and responsibilities of regulators so that legislative and procedural responsibilities are discharged in an efficient, fair, transparent and consistent manner. • All regulatory agencies to ensure regulatory approvals timeframes are transparent, with annual reporting of performance against timeframes. • Invest in modern digital architecture to deliver a central Territory Government portal covering all mining-related regulatory processes and providing transparency on the status of applications and seamless regulatory engagement. • Publish user-friendly guidance material and template documents that comprehensively identify and capture all across-government mining regulatory requirements. • Implement open data policies and protocols that enable release of collected data to reduce duplication of effort and investment, and facilitate efficiencies in regulatory approvals processes and compliance. • Progress Territory Government approved recommendations from TERC-commissioned regulatory mapping under the Regulating for Growth action that are targeted at improving mining industry regulatory processes. • Adequately resource regulatory functions, potentially through reprioritisation, to secure engineering, regulatory and technical expertise.

Skills and workforce

Recommendations	Possible specific actions
<p>1.d.1</p> <p>Identify and implement strategies to plug skills and workforce gaps for exploration, mining and downstream manufacturing projects that recognise evolving industry needs and expectations</p>	<ul style="list-style-type: none"> • Deliver a baseline skills analysis gap for exploration, mining and downstream mineral manufacturing projects over short-medium and long-term, recognising the increasing role of technology, automation, artificial intelligence and robotics. • Informed by the baseline skills gap analysis, prepare, in collaboration with multiple industry sectors and the Australian Government, strategies that address specific skills and workforce issues more broadly but recognising the specific requirements of the mining industry.
<p>1.d.2</p> <p>Focus on building local skills and growing our own for the mining industry, recognising the growing workforce paradigm of remote jobs</p>	<ul style="list-style-type: none"> • Government to collaborate with industry and university and VET sectors to develop and champion pathways for transition from school to jobs for specialist mining sector skills and capability development. • Work with industry to establish apprenticeship programs, targeted at Territorians, to mentor, develop and train a workforce for the future with specific emphasis on Traditional Owners of the land on which their projects are located.

Enabling Infrastructure

Recommendations	Possible specific actions
<p>1.e.1</p> <p>Secure timely delivery of supply chain and other physical infrastructure necessary to underpin and attract new investment in exploration, mining and downstream value-add projects, recognising lead times and supply chain constraints</p>	<ul style="list-style-type: none"> • Finalise planning and design, and construct multi-use regional logistics hubs in Tennant Creek, Alice Springs and Katherine to ensure infrastructure is in place to de-risk mining project and downstream mineral processing opportunities. • Engage with project-to-port logistics chain stakeholders, including Aurizon and Darwin Port, to secure necessary infrastructure capacity to accommodate project requirements and avert bottlenecks. • Implement strategies that improve supply chain economics and reduce supply chain costs through multi-use efficiency, synergies and technology. • Work with industry to ensure the Territory's mining and downstream mineral manufacturing industry is future-proofed in low emissions supply chains and with the common use infrastructure necessary to support circular economy aspirations in place.
<p>1.e.2</p> <p>Ensure infrastructure planning and delivery recognise and address the evolving nature of the mining industry</p>	<ul style="list-style-type: none"> • Government infrastructure planning to prioritise common-use infrastructure and identify, de-risk and allocate project-ready land in appropriate locations proximate to logistics, telecommunications and essential services infrastructure for mining projects and downstream minerals processing opportunities.

Social licence

Recommendations	Possible specific actions
<p>1.f.1</p> <p>Balance negative public commentary on mining industry development</p>	<ul style="list-style-type: none"> • Develop and implement targeted strategic media and communications that include proactive campaigns to inform public commentary. • Take pre-emptive action to deal with issues – real or perceived and get off the back foot and onto the front foot to dispel myths and promote facts-based industry discourse. • Create a platform to share positive stories.
<p>1.f.2</p> <p>Build mining industry credibility, legitimacy and acceptance in collaboration with industry</p>	<ul style="list-style-type: none"> • Campaign to promote industry alignment with a sustainable future, focussed on proven ESG credentials. • Promote industry benefits and make it real – creates jobs for your mother, uncle, daughter, brother and friend; increases opportunities and builds regional communities; leads to improved infrastructure in remote and regional Australia. • Partner with industry to demonstrate commitment to and embed practices that optimise resource extraction, minimise waste generation and deliver closed lifecycle use of resources. • Investigate and partner with industry to implement block chain and distributed ledger technologies to enable provenance tracing through chain of custody.
<p>1.f.3</p> <p>Harness expertise, commitment and experience to be a mine rehabilitation centre of excellence</p>	<ul style="list-style-type: none"> • Establish the Northern Territory as a centre of excellence for mining remediation, rehabilitation and closure, including through investigating the establishment of a Mining Remediation and Rehabilitation Cooperative Research Centre, in partnership with the Charles Darwin University, Traditional Owners and industry. • Territory Government to collaborate with the private sector to develop models to identify and embed innovation opportunities in the rehabilitation and remediation of end-of-life mines and legacy mine sites based on science and evolving community expectations.

Royalties

Recommendations	Possible specific actions
<p>2.a.1</p> <p>Fundamentally reform the Territory royalty scheme – replace with an ad valorem scheme which is simple, competitive, delivers appropriate returns for non-renewable resources and delivers investment certainty¹</p>	<ul style="list-style-type: none"> • Introduce by 2024 a replacement ad valorem royalty scheme with legislated certainty in terms of application and supported by modelling to provide information on the broader economic impacts of this change. • Work with industry and land councils to manage the broader implications of the new scheme and potential for grandfathering of the current scheme to soften short-term royalty change impacts. <ul style="list-style-type: none"> • The replacement ad valorem scheme should incorporate modern and contemporary design features, and further detailed design work is necessary to confirm its operation and application, particularly the following areas: <ul style="list-style-type: none"> ▪ valuation arrangements for mineral commodities ▪ administrative arrangements
<p>2.a.2</p> <p>Improve existing capability and capacity in government to administer the Territory’s mineral royalty scheme</p>	<ul style="list-style-type: none"> • Adequately resource the efficient and effective administration of the Territory’s mineral royalty scheme. • Introduce early engagement strategies and publish guidance material to support new and emerging royalty payers in their understanding of the application and operation of the Territory’s mineral royalty scheme.

Capital markets

Recommendations	Possible Specific Actions
2.b.1 Focus financing effort in early-stage mining exploration and feasibility assessment to secure a sound business case for FID and project delivery	<ul style="list-style-type: none">• The Territory Government to request that the Australian Government reconsiders NAIF design so as to secure support based on identified gaps in project financing opportunities, particularly for the early-stage mining project feasibility and regulatory approvals phases.• Review the scope and reach of the Local Jobs Fund to likewise target the gap in current financing opportunities.• Work with industry to support junior explorers and small miners to progress to pre-feasibility and bankable feasibility studies.

Downstream value-add opportunities

Recommendations	Possible specific actions
<p>3.1</p> <p>Prioritise advancing mining from a primary to secondary industry through securing sustained investment in downstream mineral processing and value-add</p>	<ul style="list-style-type: none"> • As a priority and to capitalise on Beetaloo timeframes, immediately identify and progress action to de-risk and secure local production of sand and related material to meet petroleum industry requirements. • Promulgate and implement government policies, strategies and frameworks that encourage mining projects to expand beyond the current primary mining pattern to downstream mineral processing and value-add. • Commission expert advice to develop a strategic plan to secure establishment of a Northern Territory downstream mineral processing and value-add industry, focussed on emerging industry trends, leveraging national and global opportunities and based on what is ambitiously achievable in the Northern Territory context. • Commit Territory Government funding and effort to policies, strategies and projects that will establish a downstream minerals processing and value-add industry.
<p>3.2</p> <p>Identify, establish and nurture economic and business links with investment and export markets</p>	<ul style="list-style-type: none"> • Develop and articulate the Territory's value proposition for the mining industry and downstream minerals processing and value-add. • In collaboration with industry, create market development strategies for investment capital and exports that recognise and capitalise on the Territory's value proposition and are informed by evidence based analysis of priority/target markets to form the blue-print for industry and business engagement activities. • Develop a critical minerals prospectus to showcase Northern Territory minerals potential and opportunities.
<p>3.3</p> <p>Secure the availability of reliable and cost-competitive energy</p>	<ul style="list-style-type: none"> • Ensure electricity infrastructure and system planning and design recognise and cater for the energy required to underpin and attract new industry growth, with a focus on renewable energy. • Collaborate with industry to develop and implement strategies to encourage and support mine plant designs and engineering flowsheets to maximise the use of renewable energy.

Downstream value-add opportunities

Recommendations	Possible specific actions
<p>3.4</p> <p>Government takes further action to support sustainable water use for mining and downstream value-add activities</p>	<ul style="list-style-type: none"> • Develop and publish clear government policies on water availability for economic use, and processes and timeframes for resolving competing uses. • Collaborate with industry to secure industry commitment to sustainable practices that recognise efficient water use and maximise reuse and recycling, and publish performance against commitments.
<p>3.5</p> <p>Investigate and, if viable, facilitate the establishment of a locally production of reagents</p>	<ul style="list-style-type: none"> • Undertake a detailed feasibility assessment of a Territory based reagent (sulphuric acid) manufacturer. • If feasible, develop a business case, including an assessment of the necessity for, degree of necessity and optimal approach to government market intervention and support. • Depending on business case, facilitate the establishment of local production.
<p>3.6</p> <p>Accelerate the development of telecommunications infrastructure and digital connectivity across regional and remote Northern Territory</p>	<ul style="list-style-type: none"> • Engage the Australian Government to develop and implement a digital connectivity solution for regional and remote areas of the Northern Territory. • Engage with the Australian Government to develop and implement a plan to ensure a minimum standard of reliable 4G broadband to all regional and remote areas of the Northern Territory. • Collaborate with telecommunication network service providers to increase network redundancy, strengthen network fault tolerance and establish high telecommunications availability levels across the Territory.

Downstream value-add opportunities

Recommendations	Possible specific actions
<p>3.7</p> <p>Encourage and support circular economy principles and architecture being embedded in mining and downstream minerals manufacturing business process design and architecture</p>	<ul style="list-style-type: none"> • Collaborate with industry to secure commitment to embed circular economy practices and applications in mining and downstream processing business process design and architecture. • Investigate and establish government strategies to reduce barriers for industry in the transition to resource recovery, recycling and reuse outcomes.
<p>3.8</p> <p>Ensure government policies and regulations support and enhance traceability in the extraction, processing and transport of minerals</p>	<ul style="list-style-type: none"> • Continue to monitor Australian and global mining, product and supply/value chain traceability developments and trends to ensure government is positioned to proactively lead or respond to industry and market opportunities and requirements. • Proactively engage with industry and markets to investigate the potential for traceability to be leveraged as a value proposition for the Northern Territory minerals industry.



Section 1

Increasing the Territory's global competitiveness



Overview

To secure the global competitiveness of the Territory as an investment destination, section 1 analyses the enabling environment for mining project proponents.

Section 1 acknowledges that mining activities are developed in stages, common across all projects depending on resource discovery and commercialisation opportunities, and that there are specific challenges faced by project proponents in each stage.

Section 1 highlights the public policy and structural changes the Territory can make to improve a proponent's experience from early stage exploration to production and subsequent rehabilitation and remediation. It recognises that certainty and timeliness are critical success factors and that there are opportunities to modify current government settings to de-risk projects and improve investment attractiveness.

There are areas where the Territory is already punching above its weight. The Northern Territory Geological Survey (NTGS), for example, is recognised internationally as best in class⁶. A rolling program of activities to secure and publish pre-competitive geological information continues to yield vital information on regional mineral resource potential and prospectively, with large areas picked up by private sector parties for more detailed exploration. The geological survey facilitates collaborative programs in partnership with explorers and research institutions, is a key exploration enabler and is the bedrock for exponential growth in Northern Territory mining industry development, expansion and diversification. NTGS continues to advance activities that expand and secure accessibility to the wealth of available pre-competitive information for online users.

Section 1 focusses on other critical enablers for the mining industry and covers mining tenure, access to land, regulatory frameworks, skills and workforce, and physical infrastructure. With the growing focus on sustainability and environmental, social and corporate governance (ESG) principles, Section 1 also considers social licence issues faced by the industry and recommends initiatives to encourage greater levels of informed commentary around resource development and environmental stewardship.

Section 1 provides a portfolio of recommendations the taskforce believes will collectively result in greatly improved outcomes for the global competitiveness of the Territory's project-enabling environment.

What success looks like

2

years

- Increased investment in the mining sector in line with trajectory required to achieve the industry's contribution to \$40b by 2030
- Mining industry development and attraction strategy, with specific actions that target mining industry growth and new investment in exploration and mining publicly released
- Review of mining industry legislative architecture and industry consultation commenced
- Business case approved and design of a single Territory Government portal covering all mining related regulatory processes and mineral titling system well progressed
- Ministerial statements of expectations for mining industry regulators tabled and annual reports of mining industry regulatory activities published
- Commitments secured from key stakeholders to develop protocols for data sharing, release comprehensive baseline information and develop streamlined process guidelines for access to land
- Observable increase in new investment in brownfield mineral leases from 2022 levels
- Strategic media and communications to build mining industry credibility, legitimacy and acceptance operationalised
- Actions to establish the Northern Territory as a mining rehabilitation centre of excellence progressed.

5

years

- Ongoing investment in the mining sector in line with trajectory required to achieve the industry's contribution to \$40b by 2030
- New mining industry legislative architecture, including proportionate minimum expenditure conditions on new or extended mineral leases, promulgated
- Single Territory Government portal covering all mining related regulatory operating enabling seamless regulatory engagement and proponents able to track application status
- Increase in new ongoing investment in brownfield mineral leases from 2024 levels
- Observable reduction in negative public commentary on mining industry and actions seeking to delay or frustrate industry activities
- Enabling infrastructure keeping pace with industry requirements.

10

years

- Investment in the mining sector achieves the industry's contribution to \$40b by 2030, with momentum continuing to target an ongoing CAGR of 5%.



Section 2

Accelerate project investment



Overview

To capitalise on opportunities for development of Northern Territory mineral resources, finance and funding from all components of the capital market will be critical.

Section 2 considers options to accelerate project investment decisions through the lens of an investor.

The market for investment capital is tight for Northern Territory mining projects for a range of reasons. However, finance will flow to projects that can demonstrate an acceptable balance between risk and reward.

There are in excess of 21 mining projects in the pipeline for development and more are currently investigating investment opportunities. Conditions for investment need to be attractive to bring these projects to fruition and to secure an ongoing pipeline of capital for the discovery and development of the Territory's mineral potential.

The taskforce received widespread feedback that the Territory's royalty scheme is uncompetitive and a significant deterrent to private investment. Given this, the government commissioned an independent comparative analysis of the royalty scheme and an assessment of potential alternative frameworks that could deliver more competitive project outcomes while preserving the key policy tenets of efficiency, adequacy, certainty, simplicity and transparency.

The taskforce also recognises that any changes to the royalty scheme could have broader implications, particularly for the Aboriginals Benefit Account.

This section also analyses the drivers for the various components of the financing market for mining projects. It seeks to identify where governments have a role to play in enhancing project financing opportunities, with particular focus on the parts of the lifecycle of a mining project that are most vulnerable to a lack of investor interest.

Accelerate project investment

What success looks like

2

years

- New competitive royalty scheme implemented
- Royalty is not an impediment to investment.
- Aboriginals Benefit Account future proofed from changes to the Territory's mineral royalty scheme
- Competitive mineral royalty scheme with contemporary administrative arrangements established and adequately resourced for implementation and on-going administration
- Commonwealth funding secured to provide targeted investment in most vulnerable stages of mining project lifecycle
- Local Jobs Fund effective in driving exploration, conversion to producing mines and supporting downstream value-add manufacturing
- Reporting system to track and monitor the effectiveness of government funding programs implemented to inform ongoing program effectiveness reviews.

5

years

- Higher levels of voluntary royalty compliance; royalty disputes substantially reduced
- Observable reduction in royalty administration and compliance costs
- Evidence of increased private investment and business confidence
- Observable increase in projects advancing to construction and production
- Measurable improvement in the effectiveness of government funding programs facilitated by a process of on-going program refinement which ensures that government capital is effectively targeted
- Increase in mineral exploration, with the Territory gaining an increasing share of the total Australian exploration commitment.

10

years

- 5 or more new operating mines
- A broader royalty base resulting from new projects and mine expansions
- Increase in royalty collection permits Government to consider other tax reforms to grow the Territory.



Section 3

**Harness sustainable
downstream value-add
opportunities**



Overview

With the wealth of the Territory's mineral resources, **there is opportunity to break the current primary mining pattern to encourage greater levels of product value-add within the Northern Territory.**

This could strengthen the Territory's ability to be a direct supplier of input into plant and equipment manufacturing beyond emissions reduction technologies, and has potential to not just deliver a step change to the Territory's economic fundamentals but also diversify and expand manufacturing capabilities with flow on positive repercussions for jobs and regional prosperity.

Section 3 analyses the beneficiation and downstream value-add opportunities for a select range of critical minerals – lithium, manganese, rare earth elements, phosphate, vanadium and high-purity silica. While time and resourcing constraints meant only 6 minerals were prioritised for detailed analysis, the taskforce is of the view that other minerals could hold similar potential.

Acknowledging the reality of the Territory's context, the analyses involved a detailed ecosystem map of the value chain for each of the 6 minerals, including identification of the stage at which downstream manufacturing opportunities have the potential to present the optimal economic outcomes for investors and the Territory. This work drew from the previous mine to market value chain analysis undertaken by independent consultant CRU Consulting for the Department of the Chief Minister and Cabinet. The CRU analysis provided valuable context and background for 5 of the 6 commodities identified by the taskforce for analysis, the exception being high-purity silica.

The next-level analysis was a high level review of the identified optimal value chain opportunity for each commodity to establish common inputs and enablers for more focussed government attention and action. The key enablers, of themselves, could present new market opportunities.

The results of this high level mapping exercise suggest that downstream chemical processing or intermediate processing could be economically viable based on predicted medium-to long-term product prices. While production costs in the Territory are generally at the higher end of the scale, there are broader strategic, economic, social, supply chain security and national interest considerations that could justify a case for government intervention to support downstream value-add initiatives.

A range of key enablers to support the competitive positioning of the Territory's mining industry have already been canvassed in sections 1 and 2 above. These were not further considered as part of section 3.

What success look like

2

years

- Policy, legislative and/or regulatory institutional underpinnings focussed on transitioning the mining sector from a primary to a secondary industry operationalised
- Activities to secure key industry development enablers well progressed, with detailed plans and timeframes to advance actions associated with each enabler
- Mining manufacturing value-add strategic plan finalised with priorities/actions identified and funded by government
- Territory value proposition and market development strategies developed, with activities commenced to secure target markets
- Critical minerals prospectus completed
- Local production and supply of frac sand underpinning long-term contract arrangements for Beetaloo Sub-basin petroleum activities established.

5

years

- Key industry development enablers in place with clear evidence that projects are de-risked from an investor perspective
- Investor interest in targeted downstream value-add manufacturing opportunities secured and the first project commenced
- Pipeline of downstream value-add manufacturing projects identified, with action taking place to secure swift delivery
- Credibility of Northern Territory as reliable and competitive investment destination secured
- Northern Territory is a successful exporter of mining value-added products
- Position of the Northern Territory as a exporter of choice for mining value-added products secured
- Business-to-business relationships with market partners are mature
- Circular economy principles and practices entrenched and embedded in mining industry operations
- Product and supply/value chain fully traceable to identify provenance.

10

years

- Mining in the Territory has successfully integrated with secondary industry
- Northern Territory businesses are a partner of choice for domestic and international investment and export market participants
- Northern Territory ranked highly as a competitive mineral manufacturing investment destination.



Reference list

Reference list

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For more information

[resourcingtheterritory.nt.gov.au/minerals/
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