

**LEADER OF THE OPPOSITION, GARY HIGGINS.**

*Please check against delivery.*

Ladies and Gentleman, thank you for the honour to address you here today.

Let me start with a few words on the economic landscape in the NT today.

### Debt and deficit

The broad economic landscape of the NT at the present time (March 2018) indicates that there are significant structural issues present.

‘Bouncing back’ or returning to long term average economic and population growth rates will not be easy or automatic.

Budget deficits and a declining population demonstrate that there is a need for economic reform in the NT.

### Fixing the economy

There are serious challenges....

- Construction has halved in 18 months.
- The INPEX issue –will the economy survive employment numbers at the INPEX site dropping from 9,000 now to 300 approximately during the operational phase?
- Not only is mortgage lending down, but so too are dwelling approval numbers. Critically population growth figures will go negative for the first time in 14 years.

The Government is seeing a transition in the economy from **good to bad, and bad to worse.**

Energy and investment is being tied up by red and green tape.

Political courage is required to address structural spending issues.

At some point Government needs to start talking about wealth creation and support industries that unlock wealth.

The Labor Government need to address economic policy, not just social policy.

The Revenue Discussion Paper launched in late November 2017 by the Labor Government has introduced unnecessary uncertainty around the taxation and royalty regimes in the NT.

Any move to increase the tax burden on Territorians will take money out of the economy.

Given the constraints on the sources of revenue – why not also examine government spending?

The Opposition believes that a co-ordinated, ambitious plan to diversify and energise the economy can be achieved through a well-regulated onshore shale gas industry.

### Turning to the specifics of Mining

Mining has a very proud history in the Northern Territory and when commodity prices were at record levels so was the extent of exploration and the opening of new mines.

In recent years we have seen commodity prices drop and significant legacy issues and controversy surrounding a small number of mines in the NT.

What this means is that the industry faces a number of challenges including reputational risk.

We have seen this play out in emotional arguments put forward in the fracking debate.

Fracktivists have clouded the debate with myths and untruths and tarnish everyone in the industry with the same broad brush.

We need to let the truth be heard and allow people to come to their own conclusions.

\*\*\*\*\*Break\*\*\*\*\*

The minerals industry makes a large tax contribution in the NT.

In fact, in Financial Year 17/18 it is forecast to be the largest component of own source revenue.

Over the past decade, it has been a major source of growth, investment, jobs and higher living standards, as well as a large contributor to government revenues.

Deloitte Access Economics has estimated the total economic contribution of mining and mining equipment, technology and services to the Northern Territory in 2015-16 was \$3.2 billion (10 per cent of total Territory activity) and 23,500 jobs.

It is important to recognise the importance of stability and certainty when it comes to investment decisions.

To this end political risk and fiscal policy uncertainty undermines efforts to attract investment to the NT.

One of the most significant industry risk reports is the Mining Journal's inaugural World Risk Report<sup>1</sup> which claimed that mining investment in the NT was perceived to be riskier for investors when compared to parts of Central America and Africa.

The resources sector will be critical to securing the NT's long term economic success.

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<sup>1</sup> <http://www.mining-journal.com/static/world-risk-report-2017>

One of the key messages of the CLP is that **a future CLP Government will keep taxes down to lift the economy up.**

We know that the best form of welfare is a job, and we know that a rising tide lifts all boats.

Our philosophy is that taxes should be as low and as broad as possible.

The question is how would a CLP Government be different from the current ALP Government?

Priorities – our priorities would be completely different.

The current Government has an apparent and strong interest in pushing a social agenda. But where is the economic focus?

The CLP Opposition recognise that a strong society is built upon a strong economy.

So getting the fundamentals right is critically important.

This Government simply doesn't understand business, private enterprise or investment criteria.

For example the whole system of planning in the NT is under review.

Not just a section but the whole Act.

Similarly, and more drastically the Labor Government Revenue Discussion Paper released in November last year effectively put every tax and royalty setting up for review.

Simply, this unnecessary uncertainty does nothing to support domestic or foreign private investment in the NT.

The NT ranks poorly for tax competitiveness on that same review from the Fraser Institute at only 40th on its taxation regime list in 2017.

The NT's poor performance on taxation is in large part due to the 20 per cent profits based tax which is high compared to other jurisdictions.

The NT's falling rankings underscore the importance of not making changes to the existing royalty regime that would in any way reduce the competitiveness of the regime or undermine stability through retrospective changes that would impact existing investments.

We know from the Mineral Council's submission to the Labor Governments' Revenue Discussion Paper (an excellent submission and thank you for making one) that between 2005 and 2013 Australia saw \$423 billion in direct investment but only 4% of this came to the NT.

What is clear from that result, that fact, and is clear from the Mineral Council's submission is that the NT needs a more competitive tax system.

A CLP Government will make the Territory tax competitive.

### [Resources 2030 Taskforce](#)

Earlier today at the National Press Club, the Federal Minister for Natural Resources and Northern Australia Matt Canavan announced the formation of a Resources 2030 Taskforce.

The Resources 2030 Taskforce will work with the Federal Government to ensure that the Australian resources sector is globally competitive.

This Taskforce will be given 6 months to come up with new ideas to attract investment, find new minerals, cut red tape, progress regional economic development and ensure that Australia gets the best use of its resources before they are exported.

This work will result in a National Resources Statement later in the year.

In the NT too, we must think more strategically to remain nationally and internationally competitive.

The Opposition welcome the initiative of the Federal Coalition Government to produce a Resources Policy Statement.

Other mining countries like Canada are producing strategic plans for their resources sector. It is time for the NT to follow suit.

The Government must lead or we will get left behind.

### [The CLP's Budget Response 2017](#)

The only way for the Territory to grow is to allow private enterprise to invest, to take advantage of our natural advantages of geography, climate, people and resources, and to do what private industry does best: get on with the job.

With the 50% Renewable Energy Target, it has let the Federal Labor Party set its energy policy.

The CLP have a direct and straightforward plan to diversify our economy, into the seven key pillars: energy, minerals, tourism, agribusiness, international education and training, defence, supply and service.

The Opposition want to pursue priorities which help, not hinder Territory businesses.

We would like to see strategic infrastructure to support defence and civilian service capability.

We want to see a safe and regulated onshore gas industry.

For Tourism, we want to see increased marketing, upgraded infrastructure and new product development and experiences.

We want to see the government get back to the Northern Territory's strengths on trade with Asia.

In Budget 17/18 we again reached the projected \$5.5 billion dollars in debt, which saw Labor lose government in 2012.

The Labor Government inherited a debt to revenue ratio of 27%, and are projecting that this will rise to 87% in the forward estimates.

For months now the Labor Party has kept the hamster wheel of government turning through inquiries, committees, committees of inquiry, moratoriums, panels of experts, economic summits, audits, surveys, advisory boards, consultation boards, and feasibility studies.

The Country Liberals Opposition will oppose lazy tax grabs.

We will oppose it because increasing the taxation burden is **unfair, unwise, and unnecessary.**

### Onshore Gas

As Leader of the CLP it is my job to work with the community to find ways for the development of a safe, sustainable on-shore gas sector that delivers benefits for us all. We all know that there have numerous reviews into onshore unconventional shale gas extraction.

The Opposition and many Territorians are frustrated by far left anti-fossil fuel activist telling lies.

These fracking activists or '**fracktivists**' need to listen to people, don't use them as some sort of political currency.

In other words, it is up to **all of us** to argue the case for on-shore gas.

One of the most important ingredients in any business is the cost of energy.

Reliable, affordable power is a critical component for success in private enterprise.

This is a fundamental rule, and here in the NT we have world class potential for shale gas to power not only the NT, Australia but the East Asian region for decades to come.

Let's look at the types of jobs that onshore would create – stable, ongoing, well paying.

The former CLP Government put in place **pipelines to prosperity**- literally through partnerships with Jemena to build a 622km gas pipeline from Tennant Creek to Mount Isa. In doing so connecting the gas of the NT to the Eastern Seaboard.

CLP policies also supported **a pipeline of private sector investment and growth.**

This has been, will continue to be done through pro-business policies such as a focus on competitive tax levels, reducing cost of living and removing red tape.

Really, as a Territory we need a focus on creating more wealth in the Territory, a well-regulated onshore gas industry is a clear pathway to add to the wealth creating capacity of the Northern Territory.

Labor is only good at spending money, not making it.

We have the cheapest source of energy in the world in the form of our shale gas resources.

We should use this resource to spur on a petrochemical industry.

It's time to unlock the gate. It's time to get the Territory moving again.

### [World Class Companies Right Here Right Now](#)

However, we shouldn't stop at onshore gas there are many world class resource opportunities here in the NT. Take vanadium for example.

Vanadium Redox Batteries or VRB batteries could be a global game changer when it comes to renewable energy storage.

Vanadium Redox Flow Batteries have advantages over other systems due to their:

- Scalability
- Lifespan of 20 years
- Immediate energy release
- Excellent charge retention (up to 1 year)
- Suitability for grid connection
- Ability to discharge 100% with no damage

Here in the NT we have TNG's Mount Peake Vanadium-Titanium-Iron Project. A world class major project.

It is important that we get better at celebrating our successes currently in field.

We must also get better at selling and demonstrating our capacity and capability.

### No plan for growth

This Labor Government has no plan to support business to become competitive internationally.

This is where future growth and wealth will be earned, yet everything in the Revenue Discussion Paper if implemented will only make doing business more expensive, and NT business less competitive.

Blind blunt instruments like uniform tax increases are regressive, inefficient and ineffective.

Territorians deserve a better tax system with taxes that are lower, simpler, and fairer. Politicians must remember that investment in the mineral resources sector is not guaranteed.

Mining companies are not Government ATMs.

Our golden goose must fly like a phoenix, not be strangled by red and green tape.

Thank you.