

**To: Department of Housing, Local Government and
Community Development**

**Re: Legislative Amendments to the Local Government Act
2019**

30 June 2025

Introduction

The Association of Mining and Exploration Companies (AMEC) welcomes the opportunity to contribute industry feedback on the proposed legislative amendments to the *Local Government Act 2019*, with particular focus on the introduction of conditional rating mechanisms for mining tenements.

We appreciate the Northern Territory Government's willingness to engage with industry during this consultation phase.

About AMEC

AMEC is a national industry association representing over 580 member companies across Australia, with 30 members currently operating in the Northern Territory. Our members are mineral explorers, emerging miners, producers, and a wide range of businesses working in and for the industry. Collectively, AMEC's member companies account for over \$100 billion of the mineral exploration and mining sector's capital value.

The mining and exploration industry makes a critical contribution to the Australian economy, directly employing over 315,000 people. In 2023-24, the industry generated \$415 billion in resource exports, invested \$3.95 billion (2024) in exploration expenditure to discover the mines of the future, and collectively paid over \$74 billion in royalties and taxes.

Recommendations

1. AMEC does not support the conditional rating of mining and exploration licences.
2. If a conditional rating scheme is introduced, exploration licences must be exempt.

General Remarks

AMEC's member companies contribute to Local Government rates across Australia, all with their own difficulties. Recently, the Local Government rates in Western Australia have seen a significant increase in mining and exploration tenements in the order of 100%. AMEC does not support the Western Australian model of conditional rating that has been proposed in the Northern Territory.

Western Australia's model allows local governments to apply differential rating powers under the *Local Government Act 1995*. This means councils can impose different rates on land use, such as mining, compared to residential or commercial. While this provides flexibility, it has led to disproportionately high rates on mining tenements, particularly in remote areas where local governments rely heavily on mining revenue.

To prevent excessive rate hikes, the Minister for Local Government has the authority to deny any differential rate that exceeds twice the lowest rate imposed by the same local government. AMEC does not support the Western Australian model, as it places an undue financial burden on the mining and exploration sector without adequate justification or consultation.

Due to several interrelated factors, the Northern Territory is more expensive for mining and mineral exploration companies. Its remote and sparsely populated landscape results in high transportation and logistics costs. Limited infrastructure, such as roads, power supply, and water access, further increases setup and operational expenses. The harsh climate and rugged terrain make exploration and extraction activities more challenging and costly.

Labour shortages and the need to attract skilled workers with higher wages and fly-in-fly-out arrangements add to expenses. Regulatory compliance, especially regarding environmental protection and Indigenous land rights, also involves time-consuming processes and additional costs. These factors combine to make the Northern Territory a significantly more expensive region for mining operations compared to other jurisdictions.

Conditional Rating

AMEC does not support the conditional rating of mining and exploration licences.

Exploration companies often operate on tight budgets, especially in the early stages of resource development when there is no revenue being generated. Their primary expenditures go toward geological surveys, drilling programs, environmental assessments, and permitting, cost-intensive activities necessary just to determine the viability of a project.

As such, any additional costs, including increased council rates, can significantly impact their ability to continue exploration efforts. Excessive local charges could discourage investment, delay projects, or even force companies to abandon exploration in a region altogether.

Mineral exploration activities generally comprise a small team from the company and the subcontractor's drilling crew, which have limited impact, if any, on local government community services and facilities due to the remoteness of many tenements.

Explorers will have no more impact on the Shire's road infrastructure, than the average resident or tourist.

In fact, in many instances tenements lay idle and vacant as they are caught up in land access, red tape, regulatory approvals and extremely costly delays. It takes on average a minimum of one year for an exploration licence to be granted provided there are no third-party appeals or unexpected delays. Despite paying tenement rental fees and local government rates during this period, there is no direct demand for local government services or facilities. Further delays can be caused by weather conditions and drilling contractor or rig availability.

After obtaining the required approvals and Aboriginal Cultural Heritage survey clearances, drilling programs are also generally of a short-term duration. This involves self-contained mobile accommodation facilities, in remote locations and restricted to the duration of the licence.

The limited 'land use' factor is acknowledged in all other Australian jurisdictions where mineral exploration tenements are exempt from local government rates, apart from WA.

The scale and nature of mining operations also varies considerably between sites, projects and commodities. Most mining companies provide their own roads, power, water, air services and garbage disposal. Despite being self-contained, are also still faced with increased shire rates without a corresponding increase in services from the Local Government.

Would introducing a threshold for rate increases during any adjustment period support stability for the mining and pastoral sectors?

As stated previously AMEC does not support conditional rating of mining and exploration licences. If the Northern Territory Government were to implement a conditional rating system for mining operations, AMEC strongly recommends the establishment of a clear and reasonable threshold for rate increases. This threshold would serve to prevent disproportionate or unexpected hikes in rates during transitional or adjustment periods.

If a conditional rating scheme is introduced, exploration licences must be exempt.

Unregulated or excessive increases could severely disrupt the financial planning and operational stability of mining companies. Budgeting for exploration and development activities often involves long-term forecasting, and sudden changes in rates, especially without adequate notice or jurisdiction, could undermine investment confidence and project viability. Therefore, AMEC advocates for a structured and transparent approach to rate adjustments, ensuring that any changes remain predictable, equitable, and aligned with broader economic and industry conditions.

Should local governments be enabled to apply differential rating powers for conditionally rateable land, to safeguards similar to other jurisdictions (e.g. Ministerial review if rates exceed a set threshold)?

Western Australia's local government rating framework allows councils to apply differential rating powers, meaning they can set different rates for properties based on factors such as land use, zoning, or whether the land is vacant. This flexibility enables local governments to tailor rates to reflect the varying demands placed on services by different property types.

As stated before, the Minister for Local Government holds the authority to deny any proposed differential rate that exceeds twice the lowest rate imposed by the same local government. This oversight mechanism acts as a safeguard against unreasonable or disproportionate rate increases.

AMEC also recommends that the ability for the Minister for Local Government to step in a set conditional rates would be beneficial to avoid unreasonable rate increases.

If the Northern Territory Government were to introduce a conditional rating system for local governments, AMEC recommends that a similar Ministerial review process be established. This would provide a necessary check on rate-setting powers, ensuring that any adjustments remain transparent,

equitable, and within reasonable bounds. Such a mechanism would protect ratepayers, particularly those in resource-intensive sectors, from sudden and substantial financial impacts. It would support more stable and predictable budgeting for businesses and communities alike.

Final Remarks

AMEC appreciates the opportunity to consult on the *Legislative Amendments to the Local Government Act 2019* and looks forward to continued consultation throughout the year as the Bill is drafted.

Open consultation with stakeholders fosters transparency, builds trust, and ensures diverse perspectives are considered, leading to more informed decisions, stronger community support, and improved outcomes for policies.

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