

**Submission to the  
Select Committee on the Taxation of Gas Resources**

**Submitted by:**

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Western Australia

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**1. Introduction and Purpose of Submission**

The Shire of Ashburton welcomes the opportunity to provide a submission to the Senate Select Committee on the Taxation of Gas Resources, established by the Senate on 30 March 2026.

This submission is provided from a local government perspective and is intended to assist the Committee by outlining how oil and gas production, export activity, price volatility and broader energy market conditions translate into on-the-ground impacts for regional and remote host communities.

The Shire does not seek to comment on the merits of any particular tax policy, taxation mechanism or rate. Taxation of oil and gas resources is a matter for the Commonwealth Government. Instead, this submission focuses on:

- The Shire's role as a service provider and infrastructure manager in a resource-hosting region;
- Observed and foreseeable community impacts arising from global energy market dynamics; and
- Considerations relevant to regional sustainability, cost-of-living pressures and infrastructure planning.

This approach aligns with the Committee's terms of reference relating to impacts on households, businesses, government revenue and other related matters.

**2. About the Shire and Regional Context**

The Shire of Ashburton is a remote local government located in the Pilbara region of Western Australia. The Shire encompasses Tom Price, Paraburdoo, Onslow and

Pannawonica towns/communities and infrastructure that support significant resource activity, including oil and gas operations and associated supply chains.

As a local government in a resource-hosting region, the Shire:

- Provides municipal and community services to residents and transient populations;
- Plans for and maintains local infrastructure, including roads, community facilities and public spaces; and
- Engages with industry, State and Commonwealth agencies on land use, community impacts and long-term planning.

While oil and gas projects are approved, regulated and taxed by State and Commonwealth governments, their presence has direct and indirect effects on local communities and local government operations. These effects persist regardless of the specific taxation arrangements applied to resource production and export.

### **3. Exposure of Local Governments to Resource Activity Cycles**

#### **3.1 Cyclical Nature of Resource Development**

Resource-hosting local governments experience service and infrastructure impacts driven by:

- Construction phases;
- Operational workforce patterns, including FIFO and DIDO arrangements; and
- Periods of expansion or contraction influenced by global commodity prices.

Fluctuations in global oil and gas prices, including those affected by international conflict and geopolitical instability, can alter production intensity and investment decisions. While these drivers operate at a national or global level, the impacts are often felt first and most intensely at the local level.

#### **3.2 Planning Challenges for Local Government**

Local governments must plan infrastructure and services over long timeframes, often in environments where:

- Demand can increase rapidly and unpredictably;
- Workforce patterns do not align with permanent population statistics; and
- Funding sources do not directly correlate with the economic value generated locally.

These challenges exist independently of how oil and gas taxation is structured, but are influenced by the broader economic settings under consideration by the Committee.

## **4. Global Energy Market Conditions and Local Impacts**

### **4.1 Price Volatility and Community Implications**

The Committee's inquiry into the outlook for oil and gas prices, including in response to the Middle East conflict, is relevant to local governments insofar as:

- Energy price volatility affects local living costs;
- Fuel and transport price changes have amplified effects in remote regions; and
- Construction, maintenance and service delivery costs for councils tend to rise during periods of elevated energy prices.

These impacts can occur even when local governments have limited capacity to mitigate or offset them.

### **4.2 Stability and Long-Term Planning**

Uncertainty in global energy markets can complicate:

- Long-term land-use and infrastructure planning;
- Workforce and housing projections; and
- Strategic community development initiatives.

Local governments therefore have an interest in policy settings that recognise the planning realities of resource-hosting regions, without advocating for specific fiscal outcomes.

## **5. Impacts on Households and Local Businesses**

### **5.1 Cost-of-Living Pressures in Remote Communities**

The Shire observes that households in remote and regional areas are particularly sensitive to:

- Energy and fuel price increases;
- Transport and freight costs; and
- Flow-on impacts to food, construction and essential services.

While national data may reflect average impacts across Australia, regional communities often experience higher relative cost burdens, especially where alternatives are limited.

## **5.2 Local Businesses and Service Providers**

Local businesses in resource regions can be affected by:

- Fluctuating demand linked to workforce cycles;
- Higher operating costs during periods of elevated energy prices; and
- Workforce availability challenges.

These factors influence local economic resilience and the capacity of communities to adapt to broader economic change.

## **6. Infrastructure and Service Delivery Considerations**

### **6.1 Local Government Responsibilities**

Local governments in resource-hosting regions commonly fund, manage and maintain:

- Local roads impacted by heavy and specialised vehicle use;
- Community facilities used by both residents and non-resident workers; and
- Environmental health, waste and regulatory services.

These responsibilities exist regardless of whether resource activity generates direct local revenue streams.

### **6.2 Infrastructure Funding and Timing**

Infrastructure demand associated with resource activity does not always align with:

- The timing of grants or funding programs;
- Permanent population growth; or
- Predictable revenue streams for local government.

This can result in:

- Front-loaded infrastructure pressures; and
- Long-term maintenance obligations beyond project life cycles.

## **7. Government Revenue and Regional Flow-On Effects**

The Committee is examining how government revenue interacts with household impacts and broader economic outcomes.

From a local government perspective:

- Commonwealth fiscal settings influence the availability and design of grants and assistance programs;
- Regional communities may benefit indirectly from cost-of-living relief or infrastructure investment funded through national revenues; and
- Local governments play a key role in delivering and complementing these initiatives at the community level.

The Shire does not comment on alternative tax models or revenue quantum, but notes the importance of recognising delivery impacts at the local level.

## **8. Importance of Regional and Place-Based Perspectives**

The Shire submits that effective national policy is strengthened by consideration of:

- Place-based impacts in resource-hosting regions;
- The cumulative effect of economic cycles on small and remote communities; and
- The operational realities faced by local governments as front-line service providers.

Local governments are well placed to provide factual evidence about how macro-economic and policy settings translate into community-level outcomes.

## **9. Conclusion**

The Shire of Ashburton provides this submission to assist the Committee by outlining the local government perspective on matters within the inquiry's terms of reference.

In summary:

- Resource-hosting local governments experience direct and indirect impacts from oil and gas production, export activity and price volatility;
- These impacts are most evident in infrastructure demand, service delivery, cost-of-living pressures and long-term planning challenges; and
- Consideration of regional and local government perspectives can support informed national decision-making.

The Shire reiterates that this submission is neutral, non-advocacy and focused solely on local impacts and considerations. The Shire would be willing to provide further factual information or participate in hearings if requested by the Committee.