



25 October 2018

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

economics.sen@aph.gov.au

INQUIRY INTO THE TREASURY LAWS AMENDMENT (MAKING SURE EVERY STATE AND TERRITORY GETS THEIR FAIR SHARE OF GAST) BILL 2018

The Chamber of Minerals and Energy of Western Australia (CME) welcomes the opportunity to provide a submission to the Senate Economics Legislation Committee Inquiry into the Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Bill 2018 (the Bill).

CME is the peak resources sector representative body in Western Australia (WA). CME is funded by member companies who are responsible for most of the State's mineral and energy production and are major employers of the resources sector workforce in the State.

In 2016-17, the value of Western Australia's mineral and petroleum industry was \$105 billion. Iron ore is currently the State's most valuable commodity, and saw an increase in iron ore sales by almost 31 per cent on the previous financial year to value almost \$64 billion. Petroleum products (including LNG, crude oil and condensate) followed at \$19 billion, with gold third at \$11 billion, both commodities saw an increase in sales of 5 per cent 7 per cent respectively from the previous financial year.

The resources sector is a major contributor to the state and the Australian economy. The estimated value of royalties the state received from the resources sector composed of \$5.78 billion which accounted for around 19 per cent of the state government's revenue in 2016-17.¹

In recent times, Western Australia has been a net donor of the Goods and Services Tax (GST). This redistribution away from the state has come at the expense of timely and strategic State Government investment in infrastructure and services, such as roads, ports and town development to support Western Australia's economic growth over the past decade and into the future.

CME considers fiscal policy should reward productivity and economic growth. CME supports the proposed amendments to the Treasury Laws to ensure that no State or Territory a much fairer share of the GST.

Should you have any questions regarding this letter, please contact Mrs Caroline Cherry, Manager Economic Competitiveness on [REDACTED] or [REDACTED]

Yours sincerely

[REDACTED]

Paul Everingham
Chief Executive

¹ Department of Mines and Petroleum, 2017 *Mineral and Petroleum Industry 2016-17 Review*, http://www.dmp.wa.gov.au/Documents/About-Us-Careers/AboutUs-StatisticsDigest_2016-17.pdf pg. 4.