

QUESTION WITHOUT NOTICE 19

Correction of Answer

HON BARRY HOUSE (South West — Parliamentary Secretary) [5.35 pm]: Due to a typographical error surrounding the figure of \$2.715 billion in the answer provided yesterday to Hon Ed Dermer's question without notice 19, I seek leave to table and have incorporated into *Hansard* the corrected answer.

Leave granted.

[See paper 289.]

The following material was incorporated —

I thank the Hon. Member for some notice of this question.

- The Commonwealth Grants Commission process for distributing the national pool of GST revenues among the States effectively ensures an equal per capita distribution among the States of all mining royalties nationally that would be collected from national average royalty rates.
- As a result, the Department of Treasury and Finance estimates that Western Australia will effectively lose around 60% or \$1.6 billion of the estimated on-shore royalties of \$2.715 billion in 2008-09, through reductions in the State's share of GST grants (the loss is about 90% for North West Shelf royalties).
- This loss is measured in 2008-09 net present value terms. The actual losses occur with a time lag, as the Grants Commission's assessments are based on a rolling average of five years' data. For example, GST grants in 2008-09 reflect States' average circumstances in the period 2002-03 to 2006-07.
- The estimated GST reductions due to 2008-09 royalties are approximately:

	\$ million
2010-11	360
2011-12	380
2012-13	400
2013-14	430
2014-15	450
Total	2,020

The annual grant reductions grow over the five years, as they are escalated for growth in the GST pool as well as growth in Western Australia's share of the population.
