

ROYALTIES FOR REGIONS — FUNDING PROGRAM

195. Hon Adele Farina to the Parliamentary Secretary representing the Treasurer

I refer to the Government's Royalties for Regions Funding Program, and ask —

- (1) Will the Minister advise the total mining royalties received from each of the following regions for each of the financial years, —
  - (a) 2005-2006;
  - (b) 2006-2007; and
  - (c) 2007-2008for the —
  - (i) South West region;
  - (ii) Great Southern region;
  - (iii) Peel region;
  - (iv) Goldfields-Esperance region;
  - (v) Gascoyne region;
  - (vi) Wheatbelt region;
  - (vii) Mid West region;
  - (viii) Pilbara region;
  - (ix) Kimberley region; and
  - (x) Perth Metropolitan area?
- (2) For each of the regions and financial years identified in (1), will the Minister advise how much of the total mining royalties were kept by Western Australia and how much were paid to the Commonwealth Government?
- (3) For each of the financial years specified in (1), will the Minister advise how much of the total mining royalties generated were paid to Western Australia and how much were paid to the Commonwealth Government?

Hon BARRY HOUSE replied:

Department of Treasury and Finance answer

- (1) (a)
  - (i) \$41,762,298
  - (ii) \$156,720
  - (iii) \$64,090,700
  - (iv) \$138,577,452
  - (v) \$950,809
  - (vi) \$2,998,690
  - (vii) \$60,986,024
  - (viii) \$690,832,595
  - (ix) \$56,568,922
  - (x) \$23,778,744
- (b)
  - (i) \$39,861,211
  - (ii) \$129,768
  - (iii) \$83,444,014
  - (iv) \$243,699,377
  - (v) \$1,066,678
  - (vi) \$3,868,938
  - (vii) \$88,316,944
  - (viii) \$870,161,293
  - (ix) \$35,588,745
  - (x) \$34,098,164

- (c)
  - (i) \$38,093,096
  - (ii) \$102,937
  - (iii) \$80,535,398
  - (iv) \$223,121,170
  - (v) \$894,723
  - (vi) \$5,299,329
  - (vii) \$74,455,501
  - (viii) \$976,158,096
  - (ix) \$73,059,568
  - (x) \$33,367,126

Note that these estimates are presented on a cash basis and therefore the totals do not coincide exactly with the annual royalty income figures published in government financial statements.

- (2) Western Australia retained all of the onshore royalties identified in (1). However, royalty-sharing arrangements exist in relation to offshore petroleum projects within the State's Territorial Sea. Western Australia remits 40% of the offshore royalties to the Commonwealth Government.

Although the State Government does not make any direct royalty payments to the Commonwealth Government (with the exception of the Commonwealth's share of offshore petroleum royalties), Western Australia effectively loses about 60% of its onshore royalties (in net present value terms) and 90% of its offshore royalties (including grants from the Commonwealth with respect to North West Shelf royalties) over time to other States through adjustments to its GST share under the Commonwealth Grants Commission process. The estimated proportion of royalties redistributed to other States is an average across all minerals. A dissection by region is not currently available.

- (3) See (2).