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Cutting red tape can drive business

West Australian, Perth

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PAUL EVERINGHAM



The Australian economy is facing many headwinds. International uncertainty caused by the outbreak of the coronavirus, simmering US-China trade wars and falling consumer sentiment are real concerns for our economy. Here in WA, we are not immune to these uncertainties. There is a reason for cautious optimism, however.

Since colonial times, the WA resources sector has been pivotal to our growth as a State and nation. We have stood the test of time as a trade-exposed economy, shaped by local and world events. Notable turning points such as the gold rush in the 1890s, the Pilbara iron ore boom in the 1960s and the first shipment of LNG from the North West Shelf in the 1980s have defined our economy. Driven by China's rapid industrialisation and demand for our bulk commodities, the peak of the last mining boom in 2012 accelerated our recovery from the post-GFC period. This recovery was only possible through the stability and support of the government.

In more recent times with the rise of the Asian century, demand for our mineral, petroleum and agricultural commodities has grown. As the world moves to a lower emission future, this has fuelled demand for LNG and sparked an electric vehicles revolution

— resulting in record LNG exports and creation of a new and emerging demand for battery and critical

minerals. Rising global demand for our commodities presents a fresh window of opportunity that local industry is poised to seize upon with the support of the State and Commonwealth governments. Renewed exploration expenditure and capital investment in iron ore, gold projects and battery materials are all positive signals. But we risk falling short of realising the full potential of these opportunities.

Meaningful reduction in unnecessary red tape and associated costs is fundamental to capturing this next wave of investment, broaden the local jobs and skills mix, and secure downstream processing industries in WA. Let us remember our highly trade-exposed sector competes with both low-cost regions such as Africa and South America and economic powerhouses such as Qatar and the United States.

As we begin another parliamentary year, the Chamber of Minerals and Energy calls on the State Government to redouble its efforts to deliver tangible outcomes from its proposed streamlining reforms.

WA has a hard-earned reputation as a stable and attractive investment destination. However, as billion-dollar job-creating projects like Browse and Scarborough edge closer to a final investment decision, any failure to efficiently address government-imposed impediments will hinder global competitiveness and affect our economy's ability to respond to world events.

As outlined in CME's pre-Budget submission, the cumulative burden on business requires prioritised review and re-balancing. CME has encouraged the Government to effectively quantify



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the collective cost of taxes, rates, fees, charges and lost productivity in complying with onerous and non-value adding regulations. As one example, lost time and effort spent in undergoing similar assessments for native vegetation clearing with up to five different departments and agencies could be reduced if data sharing was better enabled. There certainly is no justification to increase government fees or regulation under current conditions.

It may be too soon to say but the intent of Streamline WA and the Commonwealth Government's deregulation agenda holds promise. This now needs to be translated into concrete outcomes. For example, the foundations exist to set up an

environmental approvals agreement between the Commonwealth and State governments. This could wipe up to 18 months off the project approvals process without reducing environmental outcomes. The size of the prize is significant, with \$82.4 billion of resource sector projects planned or possible within WA. Meaningful reform requires the buy-in of everybody involved. If we are to inoculate ourselves from global economic contagions, streamlining investment in this next wave of major projects is critical.

Paul Everingham is chief executive, the Chamber of Minerals and Energy of WA