

15 December 2023



Sustainable Finance Unit
Climate and Energy Division
Department of Treasury
Langton Crescent
Parkes ACT 2600

Sent via email: SustainableFinanceConsultation@treasury.gov.au

To whom it concerns,

SUSTAINABLE FINANCE STRATEGY

The Chamber of Minerals and Energy of Western Australia (CME) is the peak representative body for the resources sector in Western Australia. CME is funded by member companies responsible for 41 per cent of Australia's corporate income tax receipts by value in 2021-22.¹ In 2022-23, the WA resources sector accounted for 65 per cent of Australia's resources exports,² half of Australia's resources capital expenditure³ and 53 per cent of Australian resources employment.⁴

CME welcomes the opportunity to provide input to the Department of Treasury's (Treasury's) consultation on the proposed Sustainable Finance Strategy. We consider it is important any such strategy enables improved investment for resources operations in Western Australia, while ensuring realistic timeframes for strategy rollout and ensuring duplication with other reporting obligations is avoided.

In addition to ensuring the continued competitiveness of our traditional commodities such as iron ore and gold, there is significant opportunity for Western Australia to have a world leading, sustainable, value-adding critical and battery minerals sector. Western Australia hosts almost all the specified minerals on Australia's critical mineral list. The contribution that the WA mining and resources sectors will make to the energy transition towards net-zero emissions should not be underestimated.

CME recognises a regime of sustainable financial systems in Australia is important to maintain the investment attractiveness of Australian resource projects. We support the Government's efforts to consider the sustainability of future investments, however we feel there is an opportunity to improve industry engagement throughout the policy development process to ensure the mining and resources sectors are not disadvantaged by the proposed Sustainable Finance Strategy.

CME recommends that Treasury coordinate deeper engagement with the resources sector. Policy and legislative reform in 2023 have seen growing reporting obligations for industry, resulting in a layering of new obligations for businesses. The demands of these obligations on data collection processes, human resourcing, and external audit requirements are significant. Additionally there are concerns amongst CME members that growing reporting requirements may infringe on commercially sensitive information.

CME recommends that Treasury extend their development timeframes to enable further engagement with industry to understand how a sustainable finance strategy may be practically applied from a business perspective, including improving understanding of mining and resources business operations, and existing data collection practices to support the application of a future Australian taxonomy. Like all major legislative reforms and strategic policies, engagement with business stakeholders is essential to ensure streamlined and appropriate application.

CME urges Treasury to consider the feedback provided through this consultation process, and engage in a more comprehensive dialogue with the mining and resources industry to refine the proposed sustainable

¹ Australia-wide operations of companies with direct, equity joint venture or subsidiary interests in WA-based member projects. Commonwealth of Australia, [2021-22 Report of Entity Tax Information](#), Australian Taxation Office, 9 November 2023.

² Government of Western Australia, [2022-23 Major Commodities Resource Data](#), Department of Energy, Mines, Industry Regulation and Safety (DEMIRS), 10 November 2023. Australian Bureau of Statistics (ABS), [5368 International Trade in Goods](#), Table 32a.

³ Investment refers to capital expenditure as measured by gross fixed capital formation, current prices. ABS, [5220 Australian National Accounts: State Accounts](#), Table 25. ABS, [5206 Australian National Accounts: National Income, Expenditure and Product](#), Table 34.

⁴ ABS, [6291 Labour Force, Australia, Detailed](#), Table 5.

finance strategy. A collaborative approach that acknowledges the unique challenges of the sector and addresses the practicality of the proposals will contribute to the successful implementation of sustainable practices in the industry.

Should you have questions regarding this letter, please contact Ms Adrienne LaBombard on 0400 912 525 or via email at A.labombard@cmewa.com.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rebecca Tomkinson', with a large, stylized loop at the end.

Rebecca Tomkinson
Chief Executive Officer