OIL SEARCH LIMITED

Goods and Services Tax

Oil Search Submission to the Tax Review Committee

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This paper contains the response from Oil Search Limited to the Papua New Guinea Taxation Review Issues Paper No.9: Goods and Services Tax

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Section 1: Introduction

Across the globe, nations are looking to optimise their tax mix, replacing transaction based taxes and reducing company and personal tax rates and increasing the use of consumption based taxes. This move to consumption based taxes is because they are accepted as being more efficient taxes and hence can be a driver to better Government budget outcomes. As was countenanced by the Tax Review Committee in the Personal and Retirement Income Taxation consultation paper, the time is arguably right for PNG to follow suit and revise its own tax mix, chiefly through a series of personal tax cuts which would be offset by an increase in the rate of GST from 10% to 15%. Oil Search has indicatively supported the proposal as we believe it can assist in increasing the workforce participation rate and productivity rate and help PNG achieve the long term economic goals set out by the Government as part of *Vision 2050*.

Whilst an increase in the rate of GST is likely the most fundamental issue to be considered as part of this GST review process, it is dealt with in a relatively summary fashion in the consultation paper. The paper is primarily focussed on the operation of the GST system as opposed to the rate that applies. PNG's GST system is relatively broad based when compared with some other nations (e.g. Australia) and is generally seen as robust. Despite this factual scenario, there seems to be a degree of concern amongst the Committee that certain persons within the community are not abiding by the law as its stands and hence the Committee is looking at the causes of these instances of avoidance and seeking to address them.

Whenever a Government is evaluating the law of the country and whether it needs to be amended, it must always keep in mind the policy intent that was behind the original introduction of the law. Sometimes it is not errors in the drafting of the law which has led to unacceptable avoidance outcomes, but the administration and enforcement of the law. We commend the Committee on examining the full spectrum of solutions to some of these issues, but urge them to think what new problems they may be creating.

This Oil Search submission addresses the issues contained in the Tax Review Committee's *Issues Paper No.9: Goods and Services Tax*. As PNG's largest listed company and long term contributor to the country's development, Oil Search has a strong commitment to working with all levels of Government and with the communities in which we operate to ensure the future prosperity of PNG. We look forward to continuing our work with the Tax Review Committee and exchanging views on this and other potential reforms as part of developing a balanced taxation regime for PNG.

Section 2: Executive Summary

The continued refinement of the PNG tax system to ensure that it meets the needs of the PNG economy is an important part of the responsibilities of the PNG Government. As part of considering the broader process of tax reform, we urge the Committee to follow the global trend by focussing on collecting tax revenue through the use of efficient, broad based consumption taxes. PNG is a developing economy where a large proportion of the population still operates in the informal sector and those persons are largely outside of the current tax system, despite the fact that they still utilise the infrastructure and services that the Government provides. It is an ongoing challenge for the PNG Government to collect a fair share of tax from those persons in the informal sector and utilising GST on consumer goods as a collection mechanism is likely to be much more efficient than seeking to increase compliance in the informal sector. For these reasons we favour a new policy approach, whereby there is a reduction in personal tax rates offset by an increase in the rate of GST.

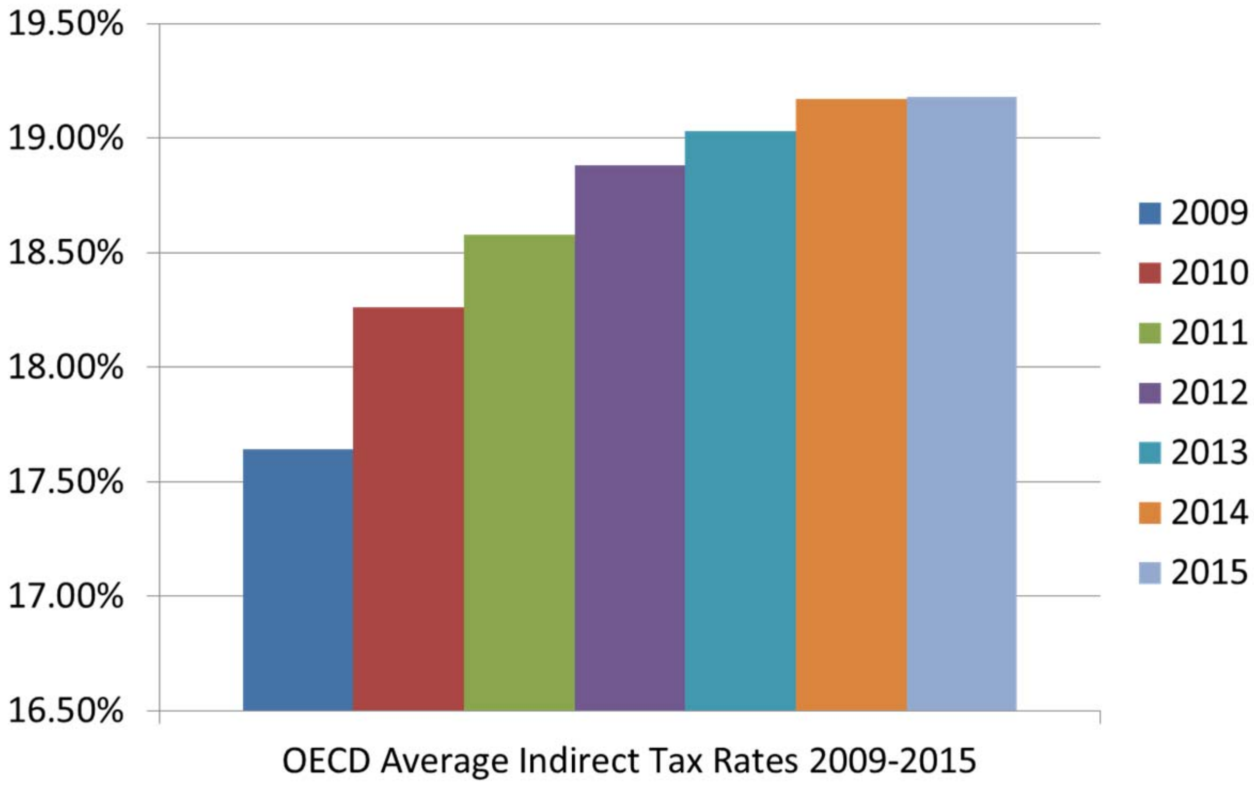
The other key reform proposed by the Committee in this Issues Paper seems to be the minimisation of zero-rating as there is a fear that it is being used by certain taxpayers to avoid paying the correct amount of tax to the PNG Government. In the context of the mining and petroleum industry, the zero-rating exemption is extremely important as the exemption allows taxpayers to better manage their cashflow and working capital requirements. The provision of the zero-rating was a policy position adopted to reflect the fact that resources companies export the vast majority of their products. Removing zero-rating would be a significant imposition on an already struggling sector given the downturn in global commodity prices.

Oil Search does not support the removal of zero-rating and our most fundamental objection is the fact that it places heavy reliance on the IRC and puts at risk the management of cashflows for both existing projects and in particular, any new major projects. The IRC's history shows they do not have the people, the systems or the liquidity to effectively provide timely refunds to the resources industry, ostensibly due to the fact that the IRC is under-resourced. Any reform efforts should be focussed on making the IRC a stronger body who can effectively administer the law. If the IRC can effectively administer and enforce the law, then much of the reasoning behind the proposed removal of the zero-rating for the resources industry falls away. Changing the law to remove zero-rating will likely not change the incidences of non-compliance; rather it will simply change the manner in which the fraud occurs. There is a significant risk that by changing the system, the fraudulent taxpayers will simply not remit GST to the IRC on a greater percentage of sales. It is not clear how this proposed law change dissuades them from undertaking this type of activity. From our perspective, the answer is in better tax administration. The GST law in PNG is fundamentally sound and should not be altered when it is not the law that is failing, but the administration of it.

Section 3: The context for the PNG GST system

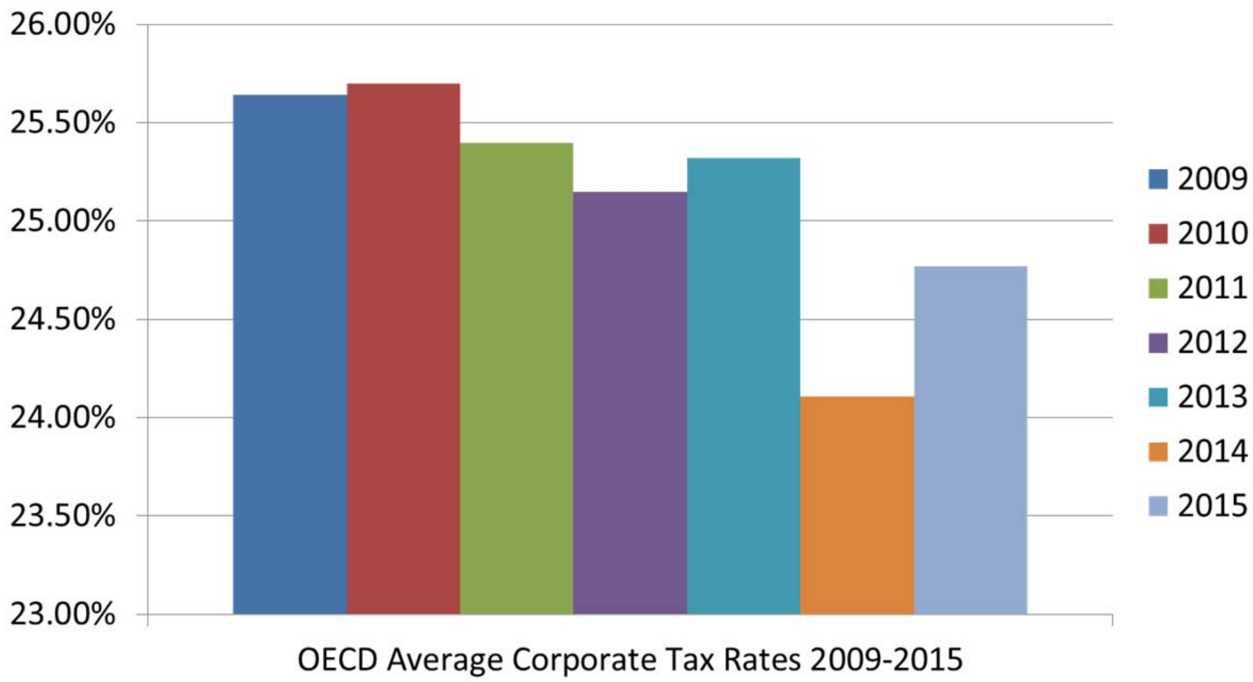
Globally there has been a continued movement away from income and other less efficient taxes and a move towards consumption taxes. As highlighted by the Committee, consumption taxes are highly efficient because they are broad based, relatively simple and generally does not distort economic behaviour.

By way of example, outlined below is the movement in the OECD average indirect tax rates between 2009 and 2015. Over that period, indirect taxes have increased by approximately 1.5%, a large increase considering the developed nature of the tax systems in these jurisdictions.



In contrast to the increases in indirect taxes, there has been growing international competition to attract investment capital which has pushed down corporate tax rate. As can be seen in the table below, corporate tax rates have reduced by almost 1% in the same period. Outside of the OECD, in Asia the average rate has fallen from 25.7% to 21.9% and in Oceania from 29.2% to 27% over the same time period. At the same time, indirect rates in Asia and Oceania have risen by 0.7% and 1.75% respectively[1].

[1] Source: KPMG https://home.kpmg.com/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online.html



For the reasons outlined above, GST should continue to be an important part of the PNG tax system, and in fact, should continue to grow to become an even bigger part of the tax system through the increase in the rate of GST as part of an overall package of reforms which also deliver cuts to personal income tax rates.

We note that the IRC has had some degree of difficulty in collecting GST, particularly in the more remote parts of the country which tend to operate more on a subsistence basis. However, we do not see this as an impediment to the continued use of the GST as the alternatives are likely to be increased personal income and corporate taxes which are already only paid by the minority. It is better that PNG collect some tax through the GST from those persons who operate outside of the formal economy through the GST, rather than no tax.

Responses to Tax Committee's Questions

Consultation Questions	Responses
Question 1.1- do stakeholders agree that GST should continue to be an important part of PNG's revenue mix?	We consider the GST to be a critical part of the PNG taxation system and support its continued use.

Section 4: Overview of PNG's GST regime

Zero-rated supplies

Universally in GST systems, exported supplies are zero-rated. This means that non-residents receiving supplies from a foreign country are not subject to the GST of a foreign country, although depending on the operation of the GST system in their own country, import GST may apply. By not applying GST to exports, it ensures that countries with GST systems are not disadvantaged in terms of international trade compared with those who do not have GST systems in place.

The current list of supplies that are zero-rated in PNG is appropriate and should be maintained. Further, Oil Search does not accept that the zero-rated supplies to resource companies, foreign aid providers and non-profit bodies have opened up the system for fraud. There is no factual basis on which to make this assertion and to propose a law change on purely anecdotal evidence is a dangerous precedent to set. Every tax system is open to people committing fraud to the extent that there is a lack of enforcement of the law as it stands and this cannot be attributed to design issues. Rather it must be attributed to a failure in the administration of the law, namely to an under-resourced IRC. The law on zero-rated supplies is clear and concise. We would encourage the PNG Government to enforce the law as it stands, rather than introduce changes that are not supported by public policy and that would provide no guarantee that the same persons who are currently defrauding the system will alter their behaviour.

Any argument which suggests that the removal of zero-rating is a base broadening measure must be ignored given that any GST charged to resources companies can be reclaimed as a credit in the following month, i.e. there is no additional net revenue to the IRC, it is just a timing difference.

Exempt Supplies

The exempt supplies contained in the PNG GST system are relatively typical of GST systems around the world. Many jurisdictions treat financial services, medical and educational services as exempt supplies and there would not appear to be any pressing policy or administrative issues that require a change to the current list of exempt supplies.

GST Threshold

In determining the appropriate GST threshold, the Government needs to counter-balance the twin goals of administrative efficiency and system integrity. It would be unfair if the GST prevented small businesses from registering for GST where the small business is disadvantaged by the operation of the system-e.g. where their sales are spasmodic and the GST it has paid on supplies made to it creates a cashflow exposure due to the fact that it cannot obtain a refund of the input tax credits. In contrast, we accept the need to optimise the registration threshold to ensure that businesses and the IRC are not burdened with unnecessary administration as highlighted by the Committee in the issues paper.

As the examples provided by the Committee indicate, the current registration threshold is somewhat comparable with neighbouring jurisdictions and is in line with the ideal threshold as determined by academic study. Hence, we see no need for the threshold to be amended.

In relation to voluntary registrations, the Committee has provided no data on the number of voluntary registrations and so it cannot be determined whether this issue is an actual or theoretical one. In the absence of a compelling case which is supported by detailed analysis, we do not support any proposal to remove the right of a taxpayer to register for GST.

Responses to Tax Committee's Questions

Consultation Questions	Responses
Question 2.1 - Is the current scope of zero-rating appropriate? Is there any item which should be changed, deleted or added? Are there better ways of achieving the intended concessions?	The current system of zero-rating is supported by strong policy grounds and the limitations of the current administration to operate any potential alternative system. The current system should be maintained.
Question 2.2 - Is the current scope of exempt supplies appropriate? Is there any item which should be changed, deleted or added? Are there better ways of achieving the intended concessions?	We consider that the current scope of exempt supplies to be appropriate.
Question 2.3 – is the current registration threshold of K250,000 too low or too high? Do stakeholders see a need to increase (or decrease) the threshold?	The current GST registration threshold is appropriate and should not be altered.
Question 2.4 – is the option for voluntary registration bringing in too many taxpayers below the threshold into the GST system?	In the absence of any evidence of the voluntary registration system giving rise to fraud or substantive administrative inefficiency, taxpayers must be allowed to voluntarily register as they see fit.

Section 5: Challenges for PNG's GST

Zero-rating for Resource Companies

The zero-rating of supplies made to resource companies effectively aligns with the zero-rating of sales of commodities by resource companies. This was a policy decision at the time of the introduction of the GST and it was based on the fact that resource companies make significant acquisitions and hence the removal of zero-rating on supplies made to resource companies would create a very significant cash flow and working capital issue. Large projects could easily have tens if not more than a hundred million dollars of working capital tied up in GST refunds which would give rise to a significant additional funding cost.

The Tax Review Committee seems to be concerned that suppliers to the resource industry are claiming that all of their sales are to the resources industry and are pocketing the GST they charge to non-resource industry clients rather than remitting it to the IRC and are also concerned that indirect suppliers to the resources industry are not collecting GST further down the supply chain. From the Oil Search perspective, this is a question on enforcement and administration of what is sound law. Oil Search does not favour changing the law simply because the IRC is not enforcing the law as it stands and we question whether the proposed change will actually lead to an increase in compliance. Whilst the resources companies will appropriately claim the GST input tax credits they are entitled to, it is not clear that suppliers who were seeking to defraud the Government by not remitting GST currently, will have any additional incentive to remit the GST it collects under this new model. In fact, given they would now collect significant additional amounts of GST, it stands to reason that this potential policy change could exacerbate the problem.

The Committee has also highlighted concerns around the current system and whether the proposed removal of the zero-rating would lessen the administration burden placed on the IRC. Again we fail to see the logic in this. Whilst the IRC will have to process fewer refunds in a given period, the logical extension is that they will need to process more remittances of GST and likely have to undertake more compliance activity to ensure those remittances are occurring in accordance with the law.

Should zero-rating be abolished, in a given year Oil Search would expect to pay hundreds of millions of kina of GST, assuming that there is a move to a 15% GST rate. Whilst this would be a significant cashflow item on a monthly basis, our concern, and it is a concern highlighted by the Committee in the Issues Paper, is that the IRC does not have the systems, people or cashflow in order to make timely refunds. Hence, the debt owed by the IRC to Oil Search could quickly blow out to more than 100 million kina. In an environment of low commodity prices, putting this additional cashflow burden on resources companies is inappropriate. The working capital of resources companies would have to be increased which would mean greater debt levels for PNG resource companies.

The greatest impact of a removal of the zero-rating will be on future large scale projects being developed in PNG. Typically these projects are largely debt funded and cash is drawn down from senior lenders on an as needs basis as development continues. Lenders will have significant concerns around the impact of GST on cashflows for a project like Papua LNG given that a LNG project build can easily spend several hundred million kina a month. Given the funds will need to be drawn down from lenders to meet these additional working capital requirements, this will increase the debt costs and hence reduce the rate of return on such a project to all financial sponsors, including the Government. In a market where capital is increasingly mobile, PNG as a net capital importer should strongly consider whether any new taxes which reduce the attractiveness of PNG as an investment destination are appropriate.

In an ideal world where the IRC was flush with funds and had systems which allowed taxpayers to offset liabilities for other taxes (e.g. salary and wages tax) against the GST input tax credits that the taxpayer is entitled to in a given month, then there is some logic in maintaining as simple a GST system as possible and removing zero-rating. However, this is not the current situation within the IRC which in our experience provides refunds of input tax credits in an inconsistent and ad hoc manner. Further, the IRC does not have the systems in place to offset liabilities against refunds to minimise cash flow impacts on taxpayers. It requires remittance of those other taxes and then forces the taxpayer to wait for the corresponding GST refund. Oil Search would be troubled in having such a large portion of our working capital in the IRC's hands through the removal of zero-rating. Given Oil Search's strategy of reinvestment of profits into exploration and development, Oil Search generally runs a lean working capital balance. Relying on timely IRC refunds could put Oil Search's short term liquidity at risk, which could have serious consequences for banking arrangements (due to breach of financial covenants) and as a result, our share price. As stated previously, large scale resource projects need certainty and relying on the IRC to provide timely refunds as part of managing your liquidity and financing strategy creates substantial additional risk. It follows that any consideration of removing zero-rating can only occur when the IRC has shown years of strong and timely performance in its administration of the tax system, most notably in the assessment and refund of taxes owed to taxpayers.

Discretionary Exemptions

The Committee has highlighted this issue but have not provided any examples of where this discretion has been exercised. Whilst Oil Search is not in a position to know where the discretion has been exercised, we assume it is only in relation to large scale projects, such as resource projects, where this exemption has been granted. In this context, it again must be remembered that any GST on importation is a timing difference only as the GST will be refunded when the next activity statement is lodged. For the companies in question, the grant of the exemption is to assist in managing cashflow and working capital requirements which are critical in large scale projects and as such we favour the retention of the discretion provided it is being used with the appropriate checks and balances from a transparency perspective.

We note that the comments in this section would seem to be at odds with the discussion which proposes the introduction of a GST deferral scheme on imports as this effectively gives the same outcome.

Payment of Refunds

We note with interest the comments contained in this section of the Committee's analysis in light of Oil Search's comments above in relation to the problems inherent with removing the zero-rating exemption for resources companies. Based on Oil Search's limited experience with obtaining GST refunds from the IRC, the IRC, in our view, is not in a position to administer a system whereby the zero-rated exemption for resources companies is removed.

Refund Fraud/General Non-Compliance

The comments by the Committee in relation to refund fraud in PNG are troubling, particularly that elements within the IRC could be colluding with taxpayers and agents to manipulate the system. Oil Search has maintained a strong opinion through this consultation process that the most critical reform that can come out of the Tax Review is a stronger, better performing tax administration. A strong IRC lays the foundation for the other reforms countenanced by the Committee throughout the 10 issues papers to date. Without that key plank, ambitious reforms such as the introduction of a capital gains tax, are doomed to fail.

GST refunds to educational institutions

Similarly to the comments made above in relation to zero-rated supplies to the resources industry, there are still good public policy reasons to exempt supplies made by educational institutions. The issue with refunds claimed by these institutions is again not an issue of a defect in the law, there is a defect in the administration and enforcement of the law. Again this focuses the need to invest in the IRC to ensure that it can effectively administer the laws as they stand rather than be disproportionately reactive and amending good law. Echoing a point we made earlier in this submission, if entities are fraudulently making claims for GST refunds, making them accountable to remit GST to the IRC only magnifies the risk that they could expand the extent of their fraud by not remitting GST to the IRC. In our view, it is preferable to address the root problem as opposed to implementing a 'band-aid' solution.

Responses to Tax Committee's Questions

Consultation Questions	Responses
Question 3.1 - What would be the benefits and problems of changing the current arrangement so that only exports by resource companies are zero-rated? Would this improve compliance with the policy intent underlying the existing concession?	There would appear to be no benefit to removing the exemption and in our view, it only increases the risks of additional fraudulent activity. Further, it would create a significant cashflow issue for resources companies and potentially damage the prospect of future large scale resource projects.
Question 3.2 – Do stakeholders agree that the refund system is slow and open to abuse? Will making the system simpler and fraud-proof by reducing the number of taxpayers due for refund improve the system?	In Oil Search's experience, the GST refund system has been extremely slow. To the extent that the system is open to abuse, this is a reflection of the administration of the system as opposed to any fundamental problems with the law. Reducing the number of taxpayers receiving refunds will not improve the system as the fraud will simply move from those seeking refunds, to those failing to remit GST.
Question 3.3 – do stakeholders agree that exemptions for schools under Section 31(16) of the GST Act be removed?	No, we believe the exemption should be maintained and instead the focus should be on the enforcement of the law as it stands.

Section 6: Possible Reform Directions

GST Rate

As part of Issues Paper No.8, the Tax Review Committee undertook an analysis of the PNG tax mix and raised the possibility of increasing the GST to 15% as part of a broader package for reforms which would include personal tax cuts. In Oil Search's submission to Issues Paper No.8, we indicated our support for that proposed reform, but highlighted the need to ensure that low to middle income earners would not be adversely affected by the reforms. We maintain our support for the proposed increase in the rate of GST as we perceive GST to be an efficient broad-based consumption tax that will assist in collecting taxes from those who operate outside of the formal sector. PNG wage and salary earners have for too long borne the burden of funding Government services whilst others have reaped the benefits whilst making little or no contribution via the tax system. The use of a broad based consumption tax should assist in the collection of taxes from that sector of the economy.

As flagged earlier in this paper, there has been a growing international move to lower corporate tax rates and increase indirect tax rates. As Figure 9 of the Issues Paper highlights, PNG's GST rate is at the lower end of the scale when compared with its Pacific neighbours.

GST Base

As flagged in the discussion earlier in this submission, we consider the breadth of the PNG GST base to be appropriate and not in need of any amendment. Given we have already covered this issue in some depth, we will not repeat the analysis at length here.

Voluntary Registration

The issue of voluntary registrations was previously countenanced above in the discussion on the GST threshold. We maintain that the right of the taxpayer to opt in to the system must be maintained. However, we also note with interest the discussion of the potential introduction of special provisions applying to volunteer registrants. We are not in favour of this added level of complexity, especially given the consultation paper gives no indication of the number of entities that have elected into the GST system under the voluntary registration procedures. The IRC is already facing significant challenges in administering the existing system and adding additional complexity will only make their task even harder. These types of special provisions are arguably only appropriate in developed GST systems where the people, systems and controls are in place and well-established.

Improving Compliance

Again we reiterate our earlier comments in this paper. Oil Search does not recommend changing the law to try and address matters of non-compliance where the policy supporting the existing law is sound and the legislation is clear and well-drafted. As we highlighted, the issue is the failure to properly administer and enforce the law as it stands. Making changes to the law to try and minimise non-compliance does not address the core issue. Parties who are failing to comply now are unlikely to change the pattern of their behaviour until such time as the IRC enforces the law. It would be a fallacy to believe that these non-compliant parties will eradicate their behaviour simply because their supplies are no longer zero-rated. They will find other mechanisms to defraud the Government until such time as the IRC ramps up its enforcement activity. We strongly endorse the comments of the Committee that investing in the under-manned and overstretched IRC should provide a clear return on investment, provided that the additional resources are deployed in an efficient and effective manner.

IRC organisation, resources and skills

As discussed above, we strongly support additional investment by the Government in the IRC. The chronic shortage of skilled and well-trained professional staff in the IRC is a significant concern and limits the ability of the IRC to educate and their ability to administer and enforce the law. This issue has been a common theme throughout the Committee's Issues Papers and Oil Search's submissions in response. From Oil Search's perspective, getting the IRC 'right', should be the No.1 priority of this Tax Review process. It follows that we strongly endorse the changes and aims outlined by the Committee in the Issues Paper vis-à-vis the IRC.

Discretionary power to grant GST exemptions

We again refer to our earlier comments in this submission. Oil Search assumes that the discretion has only been awarded in relation to large scale projects, such as resource projects. In this context, it again must be remembered that any GST on importation is a timing difference only as the GST will be refunded when the next activity statement is lodged. For the companies in question, the grant of the exemption is to assist in managing cashflow and working capital requirements which are critical in large scale projects and as such we favour the retention of the discretion provided it is being used with the appropriate checks and balances from a transparency perspective.

Deferred GST on imports

Given the significant concerns of industry around the timeliness of GST refunds from the IRC, we strongly support the introduction of the GST deferral system on imports. For large scale projects in development, the developer will seek to minimise the level of working capital required. GST on imports is a significant cash drain and creates uncertainty which can make project lenders very nervous. The introduction of a GST deferral scheme on imports will be a significant step in making PNG more attractive to prospective investors in large scale projects.

Responses to Tax Committee's Questions

Consultation Questions	Responses
Question 5.1 – would stakeholders support, in principle, an increase in GST to either 12.5% or 15%, as part of broader efforts to reduce PNG's reliance on income taxes (notably personal income taxes) and spread the tax burden so everyone pays their fair share? Who would be the most severely affected by an increase in the rate? How could these impacts be managed?	We would support the introduction of a GST rate of 15% as part of a broader package of tax reforms which reduce personal income tax rates. Assuming the package is appropriately balanced, the most affected parties will likely be high income earners with high levels of consumption and those that operate in the informal economy.
Question 5.2 - What are the benefits in implementing a flat rate GST system for small businesses? What problems might it raise?	A flat rate GST for small businesses arguably decreases the level of administration required by taxpayers and the IRC. However, introducing a second GST system adds to overall complexity and should be avoided.

Question 5.3 - What would be the impact of changing the administration of zero-rating to bring it in line with international best practice for GST?	As flagged earlier in this submission, it will likely have significant cashflow consequences for those entities that are zero-rated currently and could damage their overall business model.
Question 5.4 - Is a deferral scheme useful in PNG? What safeguards would be required to implement such an arrangement?	We strongly support the introduction of a GST deferral scheme for imports and see this is a positive step in making PNG an attractive investment destination for foreign capital looking to invest in large scale projects.
Question 5.5 - What further organisational arrangements would facilitate improved cooperation between IRC and PNGCS?	Oil Search is not in a position to comment on the administrative arrangements as they exist between the IRC and Customs and how the relationship could be improved.

Section 11: Conclusion

Oil Search supports the increased utilisation of GST as a major source of Government tax revenue. GST is an efficient, broad based consumption tax that captures tax from that proportion of the population that still operates in the informal sector who are currently largely outside of the current tax system. It is an ongoing challenge for the PNG Government to collect a fair share of tax from those persons in the informal sector and utilising GST on consumer goods as a collection mechanism is likely to be much more efficient than seeking to increase compliance in the informal sector. Hence, Oil Search is in favour of a new policy approach where there is a reduction in personal tax rates offset by an increase in the rate of GST.

As we have outlined through this submission, we are of the view that the existing GST system in PNG is well designed and does not contain significant areas that are in need of reform. Zero-rating and exemptions for financial supplies and education and housing are all appropriate policy positions and largely consistent with international practice.

The proposed removal of the zero-rating for the resources industry should be abandoned as it will increase cashflow and working capital requirements for taxpayers who are already struggling under the weight of reduced commodity prices, and for some industry participants, the effects of the El Nino on their business model. The zero-rating of the resources industry was a policy position adopted to reflect the fact that resources companies export the vast majority of their products and the logic behind that policy position has not changed. The potential removal of zero-rating for the resources industry would expose taxpayers to IRC credit risk in relation to existing projects and in particular, any new major projects. The IRC does not have the people, the systems or the bank balance to effectively provide timely refunds to the resources industry. As we have consistently stated throughout this submission and in our previous submissions, any reform efforts should at first instance be focussed on making the IRC a stronger body who can effectively administer the law. In our view, if the IRC can effectively administer and enforce the law, then the problems identified by the Committee surrounding non-compliance will fall away. The GST law in PNG is fundamentally sound and should not be altered when it is not the law that is failing, but the administration of it.

As PNG's largest company, Oil Search sees itself as more than just a taxpayer in PNG. We consider ourselves an important development partner with our nation. It is our corporate priority to partner with the State in delivering meaningful projects across the nation for sustained long term development in the furtherance of the State's development goals. This includes working with the State in relation to the tax reform agenda and we would welcome the opportunity to further contribute to the consultation process on the reform of GST and other associated issues.

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