

Submission to the Australian Government Productivity Commission

Remote Area Tax Concessions and Payments

Thank you for the opportunity to provide a submission. I believe this review is definitely needed and would like to provide some perspective from our remote part of the Country with a thriving little community of around 200 - 300 people living 5-6 hours from our nearest town of Mt Isa.

As a small business manager we struggle with many issues due to being remote. Our freight options are very limited and often very expensive which means that we have to pass these costs on to our customers who don't have other options. Our fuel and basic groceries come from various locations including Townsville (1200kms away), Cairns (1100km away) and Mt Isa (550km away). Fresh fruit and veg are not always guaranteed to be fresh and there is nothing that can be done about stock that is not in good condition – we bear that cost.

As the only fuel supplier in the Community we are heavily relied upon to provide this service. Last year we had an issue with our fuel operating system that affected us and our ability to serve customers for over 3 weeks. This cost our business greatly in lost sales, exhausted staff time in attempts to repair the problem and over \$7,000 to pay for experts to come and eventually repair the problem which was relatively minor in the end. The majority of this cost was due to the 2 days of travel for 1 technician to drive approximately 2500km (Round trip) and costs associated with being away from home. If we weren't so remote this would have been fixed for a fraction of the cost and we would have only been inconvenienced for a couple of days.

We have also been struggling to employ a mechanic in our very busy workshop for over 12 months. We believe that this is due to the fact that not too many people want to live in remote areas. It is also difficult for a small business with very high running costs to offer more attractive salaries that might draw interest from people to work with us. We would like to offer accommodation to prospective employees too but aren't even able to do this as housing is such a major issue in remote areas. The inability to pay more attractive salaries whilst our running costs continue to rise will eventually cripple small businesses in remote areas as owners/managers struggle to do more with less.

There is very limited government housing in the community and to meet eligibility criteria you need to be on the dole because anyone with even a low paying job normally goes over the household income threshold which is the same out here as it is for people living anywhere else in the state, including major cities!!! Without considering any forms of recreation (or lack of access to recreation), our basic living costs alone are at least double, if not triple what people pay in major cities. There needs to be a separate income threshold for remote areas.

Although our business tries very hard to keep prices on home essentials to a reasonable amount, here are some examples of price differences for basic supplies;

<u>ITEM</u>	<u>OUR COST</u>	<u>MAJOR TOWN COST</u>
2Ltr Fresh Milk	\$5.80	\$3.00
Bread	\$5.50	\$2.00
1kg Laundry Powder	\$10.50	\$4.50
2kg Flour	\$3.50	\$1.80
20 pack Toilet Paper	\$22.00	\$9.50
Beef Mince 1kg	\$15.00	\$9.00
LPG 45kg bottle	\$210.00	\$180.00

Our local Council has even been forced to open an office in Cairns, over 1000kms away due to a combination of their inability to house staff and the inability to attract suitably qualified people to the area. The Council have tried to relieve the housing pressure by building more homes over the past 10 years but demands are continuing to grow. A number of attempts for obtain funding to build more housing have been unsuccessful to date.

Some of the other issues that make living remotely hard include a lack of services. We have 3 children aged between 4 and 8 and in order to maintain a full time job I need to regularly pay different relatives or friends to baby sit as there is no child care service here. All of this is paid in cash and there is no government assistance provided. One of our kids has autism and requires regular therapy that we are not able to give her because specialists only visit a few times a year and we get no support to travel to out of town appointments. In saying that, we do attempt to see a private therapist at least twice a year but this involves at least 2000km of travel and a minimum of 2 days away from work each time which is very costly for us in fuel, accommodation & loss of wages. We also have limited or no access to other medical professionals including dentists, paediatricians, radiologists & surgeons. We understand and accept that it is difficult to have some of these types of services in our community but it should be noted that for many people a 1hr trip to a specialist normally means at least 2days off work plus fuel and accommodation.

If people need to travel to a larger city, for example Cairns or Townsville we have no public road transport and not everyone has a car suitable for long distance travel. The only option then is to fly. We have one commercial airline that will only get you to either Cairns or Mt Isa and a round trip will cost around \$1000 per person, even for kids!! You can holiday overseas for less than what we're forced to pay to visit relatives or attend appointments or business/recreational functions.

Due to our small population our local school only goes to year 6. Children are then forced to attend boarding school away from their families or enrol in School of the Air. Not all families are able to do this and are forced to move to areas where there is a high school. For those who can, this is a significant additional expense as not everyone is eligible for government assistance. The separation and financial burden can be extremely hard on many people.

Expensive air travel and extremely long road travel makes being able to participate in recreational events including sporting matches, music festivals, regional shows & industry exhibitions almost impossible for many people. For example, we had a family attend the NRL Grand Final in Sydney a couple of years ago. It cost a family of 2 adults and 1 child almost \$8,000 and 2 days away from work. The distance and cost means that most people in remote areas will never get to watch their team play. It also highlights the importance of local events which are normally run by exhausted volunteers and supported by already struggling local businesses. These events are usually the only forms of entertainment and social gatherings that people in remote areas will get to experience. Just to participate in a regional rugby league competition, which is the only sporting option we have, our team and supporters need to travel almost 500kms (round trip).

There are many more simple things that are taken for granted in other not so remote areas including;

- Getting australian for your TV, this cost a lot more in remote areas because a technician has to travel out and install an aerial on your roof.
- Having any electrical, telecommunications or computing equipment serviced or repaired requires bringing in the technician or sending your equipment away for weeks.
- Luxuries like going to a hairdresser, getting a massage or getting a manicure/pedicure.

To wrap up, it is extremely expensive to live remotely, there are numerous inconveniences just to access basic services, housing/accommodation is a major problem and people who live remotely sacrifice the ability to access everyday luxuries and recreation.