

Our Ref:

Contact: Naomi Searle

14 May 2019



Presiding Commissioner
Australian Productivity Commission
GPO Box 1428 CANBERRA ACT 2601

Email: remotetax@pc.gov.au

Dear Mr Coppel

Productivity Commission Review of Remote Area Tax Concessions and Payments

The City of Busselton would like to formally acknowledge the significant and positive economic and social benefits that Rio Tinto provides not only to the City of Busselton but also to the wider South West Region of Western Australia.

Rio Tinto employs approximately 1000 Fly in Fly out workers who reside in the City of Busselton, with 800 of those employees flying directly to Pilbara mine sites through the Busselton Margaret River Airport. Further Rio Tinto employs local residents who live in the following, surrounding Local Government Areas and either fly directly in/ out of the Busselton Margaret River Airport or travel to Perth Airport;

- City of Bunbury
- Shire of Capel
- Shire of Augusta Margaret River
- Shire of Nannup
- Shire of Manjimup

The City acknowledges Rio Tinto as a critical employer within the region and our local community has obtained significant benefits from the FIFO program, which offers lifestyle choices whilst providing regional economies with expanded and diversified work opportunities. Rio Tinto has also entered into a Memorandum of Understanding with the City of Busselton to work collaboratively on community and sponsorship initiatives including apprenticeship and youth services program and works directly with our local residents and organisations to provide support on a number of levels.

The City of Busselton offers a variety of lifestyle choices with excellent educational and health facilities and the City's future growth and sustainability is linked directly to our ability to attract and retain residents and families which in turn creates local employment and economic growth. Rio Tinto's influence in our region with its increasing FIFO program is critical to ensuring the prosperity of our local economy.

The benefits of FIFO employment to our local people include:

- The ability to earn a good, regular salary while living in a region that offers lifestyle, education, health and support services;
- Provision of family friendly rosters and a range of employee benefits;

- Low turnover rate with a large proportion of employees having worked for Rio Tinto since the program commenced;
- Benefit of working for a community minded and safety conscious company;
- Direct charter flights to the Pilbara from the Busselton Margaret River Airport which in turn provides employment opportunities at the Airport;
- High support for Aboriginal Employment in the region;
- The program assists with local and population growth, attracting and enabling people to remain in the region.

The City of Busselton recognises the importance and difference that the Rio Tinto regional workforce has made to the City of Busselton. We acknowledge the importance and value the local expenditure and contribution made by Rio Tinto families and the company to local investment and expenditure. The provision of the direct Pilbara FIFO services has had a positive influence on attracting and retaining residents within the South West region and to the local economies.

Further, the influence that the Rio Tinto FIFO direct charter services has had to the Busselton Margaret River Airport has been significant with direct employment of up to 14 people by the City of Busselton and Margaret River Busselton Tourism Association (which provide ground handling and ticketing services to Virgin Australia Regional Airlines).

The presence of Rio Tinto as a regional employer and provision of direct FIFO services from Busselton is considered a key economic factor in the region. The City considers the success of this regional program as crucial to the continued growth of our region with remote area tax concessions being critical to retaining a FIFO workforce and community.

The City of Busselton acknowledges the continued support to our local community through Rio Tinto's regional program and we look forward to a prosperous and collaborative relationship.

Yours Sincerely

Naomi Searle
ACTING CHIEF EXECUTIVE OFFICE