

Productivity Commission

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This is a very disappointing submission, I have worked across Australia and this probably the most counterproductive report I have seen, this will bring remote areas to its knees more rapidly than what is currently happening. The importance of remote areas has been disregarded altogether with zero assistance from Federal Government that is currently battling to stimulate an economy. The opportunities that remote Australia offer and incentives to attract people instead of sending everyone of to the cities that is already under pressure from inadequate infrastructure and opportunities, I fail to see the logic of this report.

Especially after consultation process it appears that the Commission is happy for outback and remote towns to disappear. The upper two tiers of government have been advocating for regionalisation for many years and it is now apparent that that was simply lip service, as the opportunity to turn this situation around and provide assistance is now and through real support.

Your Report section "Key Points" if implemented will make it extremely difficult to attract people (and more importantly families) to work / live in the regions, and it bring an end to remote Australia

This will take some initiative from a progressive government (Federal, State & Local) to improve on their services located in the remote areas to service the communities that are largely made up of indigenous persons, and encourage local businesses to start and to value add to this to a point where support is no longer required. The object is to make the towns / communities a better place for all Australians to live. Cutting the employment and FBT benefits that currently apply to the remote areas will pretty much render the services / businesses non-existent.

The pressure on Cities that have become overcrowded havens of crime and welfare; the report indicates strongly that the commissions wants larger cities that will further impact current issues relating to city live, 76 minutes is already the average commute, and in Perth a couple of days back one accident caused the highway to be shut and travellers stuck out on the freeway till well after midnight.

Our small resource communities have already been ravaged by government policies and other legislation with no consideration now the appears to a driver to have a submission for support an ever growing cities. This will place enormous pressure and Governments will have centralised public housing, community services, hospital and nursing needs, basic medical services, education, and this has turned many once thriving communities into ghost towns, and it's obvious it not working

The extra pressure with overcrowding of cities and the ever-increasing demand for social services creates anger, hostility, domestic violence, family feuding drug use and abuse and other crimes.

This Draft Report appears to not comprehend that regional and remote Australia is the engine room of Australia producing vast sums of export dollars through mining and agriculture and employs thousands of workers, and should be encouraged and supported as already remote areas contribute more to the economy and is being treated through both Government Policies like a unwanted family member

This is insult as the Report ignores the need to assist remote populations, and workforces and growth back into the areas where the wealth is created – not where it is consumed, then intends to penalise people who choose to live and work away from major cities like I said this is the most counter productive report I have seen

Keeping this in mind that the Majority of Australia's (or indeed WA's) Gross Domestic Product emanates in the Pilbara, Goldfields and rural areas with little return to these areas in royalty or other payments. It is difficult to understand the logic behind the Commissions comment on page 17 of the Report:

The Commission does not consider that higher living costs or other aspects of life in remote areas warrant compensation from other taxpayers. Everyone faces a range of advantages and disadvantages in where they live and will typically locate themselves in the area they value most highly.

That the Draft Report think there is no additional cost or hardship associated with residing in remote regional Australia then the Governments need to apply equal costs for food, clothing, fuel, housing, etc. across every town, city & suburb in the country. Imagine a person in the city paying \$5 for a lettuce that may be a week old before it hits the supermarket shelf, and ignoring this is an insult to every hardworking Australia residing in the outback of Australia

For our cities and regional centre to be strong and flourish there needs to be sustainable rural and remote towns that supports them. Currently there is a strong and growing mining industry that is the backbone of the Western Australia economy, however with the need to increase food production and resolve some of the fluctuations that results from the resource sector a strong emphasis needs to be placed on the development and sustainability of agricultural and pastoral industries.

Tourism is a growing industry that required the support of remote and rural towns so they can obtain food, water, fuel and accommodation as the travel around Australia. All levels of government need to invest in infrastructure that can encourage and develop tourism, which includes both domestic and international tourist. An underdeveloped market is Indigenous Tourism, tourism want to experience the oldest culture which is Australian based. There is a real and sustainable business opportunity for our Indigenous communities to benefit from their culture, but they will need support from all levels of government if any positive outcomes are to be achieved.

It may be difficult for people who currently live in our cities to understand the real issues faced by rural and remote communities on a day to day basis. We are required to travel great distances to access basic government services, that our city cousin enjoy daily. Access to reliable communication services is another challenge which a requirement for our business is to operate. Without good reliable communications it I difficult to recruit or retain good, skilful staff.

All around Australia rural town and communities have had significant reduction in their populations as people move to the cities and coastal areas. As a nation we all need to determine if the depopulation of our rural areas will continue.

Local Governments are established across Australia to provide services to the local community. If we take an example such as Ngaanyatjarraku Shire Council which is a remote indigenous shire with no rate payers. The housing stocks are owned by State & Federal Government who exempt themselves

from paying rates on their buildings. The Shire pays an Award rate of pay and conditions similar to other local governments in the state. However, most of those local governments are not extremely isolated or have comparable cost of living. Would somebody in Perth consider \$630/ week rent as 'market value', no fresh milk and pay \$3.65 for a UHF milk that is on the shelf for \$0.95c in supermarkets elsewhere. Pay \$2.25/L for petrol with the nearest city \$950kms away with over 550kms of that over unpaved roads. As the 'Award' does not cover the cost of living, Remote Shires must pay in addition to the award:

- Expensive relocation cost for staff to remote locations;
- Additional leave entitlements to get out of a remote location;
- Travel costs to get out as there are no public travel services;
- Location cost of living allowance as the Remote Zone Allowance does not cover the costs,

Please note these amounts are taxed through payroll.

As previously mentioned, rental housing market value is \$630/week and electricity utility costs \$0.60/kilowatt. These rates are not comparable to other less populated parts of the country. Note, FBT is paid on utility benefits with the 50% FBT discount but given the FBT gross-up factor there is no reduction with a 47% tax rate.

If the Productivity Commission now wishes to remove the exemption from employer provided housing, remote Local Governments have no capacity to cover this additional cost. Without employer exempt housing the Productivity Commission is correct in suggesting that employees *will typically locate themselves in the area they value most highly*. This will not be remote rural Australia.