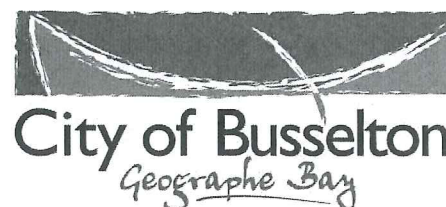


Southern Drive, Busselton, Western Australia

Telephone: (08) 9781 0444 Facsimile: (08) 9752 4958

Email: [city@busselton.wa.gov.au](mailto:city@busselton.wa.gov.au)

Web: [www.busselton.wa.gov.au](http://www.busselton.wa.gov.au)



Office Hours: Monday to Friday 8.30am to 4.30pm

All communications to: The Chief Executive Officer, Locked Bag 1 BUSSELTON WA 6280

9 May 2014

Mr Lyndon Rowe

Chair

Economic Regulation Authority

PO Box 8469

PERTH WA 6000

via email [publicsubmissions@erawa.com.au](mailto:publicsubmissions@erawa.com.au)

Dear Mr Rowe

A handwritten signature in blue ink that reads "Lyndon".

#### ROYALTIES FOR REGIONS – ECONOMIC REGULATION AUTHORITY RECOMMENDATIONS

The City of Busselton writes in relation to recommendation 4 of the draft report on the Inquiry into Microeconomic Reform in Western Australia, being *Repeal the Royalties for Regions legislation, or restrict regional funding to an amount determined annually as part of the budget process and guided by appropriate cost benefit analysis on a project-by-project basis.*

The City of Busselton strongly opposes any recommendation to repeal the Royalties for Regions legislation, and while it does not object to robust cost benefit analysis, it does object to an annual determination of an amount of regional funding as part of the budget process. This is effectively achieving the same outcome as repealing the legislation in that there would be no minimum amount of funding specifically allocated for regional programs.

This would have the same result as what regional WA saw for many years prior to the Royalties for Regions legislation being implemented and that is under investment in regional WA. This is of particular concern to regions like the South West of WA which continues to grow at a significant rate. Local government can only keep pace with the demands created by growth in the region with the assistance of the State and this needs dedicated pools of accessible funding like Royalties for Regions.

I am pleased to see that the Government's commitment to the Royalties for Regions program has been reaffirmed in the budget delivered yesterday with identified programs for the next four years. I urge the ERA to reconsider this recommendation with the realisation that development in the regions also assists to reduce the demands on metropolitan infrastructure. Funds need to be preserved to ensure the continuation of investment in the regional areas of Western Australia.

Yours faithfully

MIKE ARCHER

**CHIEF EXECUTIVE OFFICER**