

SHIRE OF ASHBURTON

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All communications to be
addressed to Chief Executive Officer

9 May 2014

Economic Regulation Authority
PO Box 8469,
PERTH BC WA 6849

Dear Sir

RE: SHIRE OF ASHBURTON SUBMISSION TO THE ECONOMIC REGULATION AUTHORITY

The Shire of Ashburton wishes to lodge this submission to the Economic Regulation Authority, which recently handed down its 'Inquiry into Microeconomic Reform in Western Australia – Draft Report'.

Whilst the ERA draft report made 31 recommendations, the Shire wishes to make its views known in regard to one particular recommendation, namely:

4. 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 Shire of Ashburton makes the overarching point, that if this recommendation is permitted to be adopted as state government policy, it would have the potential to impact significantly and detrimentally on the Pilbara in particular, but also potentially on every one of the several hundred thousand people who call regional WA home.

As the President of the Shire of Ashburton local government, I am well placed to understand and appreciate the very positive impact that Royalties for Regions has over the past several years had, and continues to have, for not only our community, but the communities of the many other places in rural WA. Its adjustment in the manner proposed by recommendation #4 is therefore, not supported by the Shire of Ashburton on the basis of that likely detrimental impact.

In order to highlight the uniqueness of the Pilbara, you may not be immediately aware that for example, businesses within the Shire of Ashburton produce some 6% of the entire GDP for Western Australia. Each of the approximately 20,000 employees of those businesses produces some five times the GDP value of the average all WA employees. Ashburton makes a significant contribution to the Western Australia economy, and it does it very efficiently. Ashburton though, has only 10,000 residents and a population/hectare ratio of 0.1. Whilst our community is mainly centred in four towns, they are all remote from each other, requiring multiple government and community facilities to satisfy basic wellbeing needs. We live in a hot, harsh environment so we have for example, three swimming pools with a fourth one shortly to be under construction, we have four libraries too. These are not excesses of service delivery as our two main towns are located almost 500kms apart. If Ashburton was layered over the South West Land Division it would convert to the apparent service delivery of allowing one swimming pool in Perth, but if you lived in Albany you may not be entitled to enjoy access to a similar safe swimming environment, or you perhaps may need to travel to Perth to attend your primary school student's swimming carnival. Royalties for Regions provides the capacity to enable our remote communities to have these opportunities (opportunities that are similar to that of the other residents of our great state, whether that be a library, a swimming pool, or a

school or hospital). Surely that is not too much to ask when in some instances, like the Pilbara, the overall wealth of the state is being strongly supported presently from within our remote location. The dedicated allocation within the state budget is not excessive, and it is certainly not unreasonable when considering that the Perth metropolitan area can attract services provided by commercial operators which can use volume to create commercial sustainability. This is rarely an option in the remote Pilbara area.

The attached 25 April 'Regions Fund Redress for Past Policy Failures' article penned by the Hon Brendon Grylls MLA, former Leader of The Nationals, eloquently articulates the need for the program to exist and challenges its critics that the program is not transparent or adequately scrutinised. The Shire of Ashburton has no difficulties with the scrutinisation of its Royalties for Regions funding. This is WA community money and it is only appropriate the WA community is comfortable with the way it is spent. It is apparent to me though, that the Royalties for Regions program has already in fact, one of the most comprehensive and rigorous administration, reporting and compliance procedures of all the state government's programs.

The Shire of Ashburton in fact, invites the Economic Regulation Authority to visit the Ashburton area and to view the facilities we have, and the shortage still evident. Such a visit would also assist to build a level of knowledge of the Pilbara some of the members may not have had the prior opportunity to develop.

Yours sincerely

Kerry White
SHIRE PRESIDENT