



Submission for draft report recommendations

Inquiry into Microeconomic Reform in WA

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1 KEYSTART

1.1 BENEFITS

Many regional areas, and particularly the sub-regions that are remote like the Wiluna Shire district, have a high percentage of the population that are socially and/or economically disadvantaged and/or at risk of becoming welfare dependant and economically discounted.

These same regions/sub-regions also have the problem with a very limited private housing market; most housing available is through social state housing (i.e. "Homeswest") or through employer provided housing (i.e. GROH, NGOs and LGA housing).

Those who are reliant on social state housing or at mercy of the private rental market are faced with on-going dilemma: engage in full-time "real" employment and thus face losing the state supplied housing and then have to pay inflated rents in a private marker, or not work and remain dependant on secondary welfare in order just to ensure a roof over the heads of their dependants.

As it is for non-socio or economically disadvantaged residents, home ownerships any benefits including:

- Removal of the aforesaid dilemma; home ownership allows people to engage in real economic participation (i.e. jobs) without worrying about losing their state provided housing and/or paying those large inflated rents that take away any hope of financial freedom or at least manageability and sustainability.
- A place to call home; no one should ever discount the deep social and personal benefits of a permanent residence, especially for those caught up in welfare and social housing dependency who are often moving from place to place or living in over-crowding
- A sense of ownership leads to pride in self, pride in home, participation in the local economy and community. A sense of ownership can have positive flow-on effects to the general condition of and respect of the home
- Homeownership is the foundation for planning for a better future in terms of financial management and stability

Increased private ownership in towns like Wiluna can also lead to an increase in rates revenue as well as an increase in the consumption of local government services. But again, a sense of ownership and community participation leads to a sense of pride and often a more responsible attitude to treatment and expectation of local government provided services and assets.

Affordable housing is something that will also build the attraction for new residents back to regional and sub-regional areas like Wiluna. Often, cheaper purchase prices in these areas will attract those people who could not otherwise afford to buy in other areas and this can lead to a boom in the local economy though increased spending and consumption of services which can lead to increases in further private investment.

Rather than cancelling the Keystart programme, the Government should be looking at expanding the programme into regional and sub-regional areas, especially those that wish to build their local economies and communities, as an incentive to attract and retain residents, and increase economic participation.

Thus, a programme like Keystart, and its “partner” the Shared Equity programme for homeownership is the most important and genuine option that many residents in areas such as Wiluna have in order to be able to have the benefits of home ownership.

2 ROYALTIES FOR REGIONS

As a local government who has been in receipt of R4R grants and is more than aware of the community benefits this programme can provide, the following issues put forward by others are supported:

2.1 APPLICATION

This programme has one of the most rigorous and onerous application and acquittal processes in comparison to other State and Federal government grant programmes.

From a local government point of view, this can often be administratively cumbersome, **BUT** it demonstrates the thoroughness, transparency and accountability of the programme and thus something that local governments generally accept because of the outcomes.

2.2 ASSESSMENT AND PERSPECTIVE

The programme has created the perception to many of an “Us and them Approach” when dealing with projects that are approved in Perth City, for example, compared to those that are funded by R4R in the regions.

The Goldfields Highway between Wiluna and Meekatharra, some 180km, is one of the only sections of WA main highway that remains unsealed in its entirety. Money that was allocated to this project back prior to 2003 was “de-allocated” and moved back to Perth to help fund an ailing hospital system.

It is now 2104 and R4R monies have been allocated to seal up to 50km (in small sections) of the road, but as for now it remains unsealed in its entirety. The most recent severe January and February 2014 weather patterns saw the town of Wiluna effectively cut-off on all directions (in fact Wiluna was part of the natural disaster area declared under WANDRRA). Essential mail and pharmaceutical supplies could not be transported through from Meekatharra. Instead, they were redirected back to Perth to wait until they could travel back to Meekatharra and Wiluna or in some cases had to come via Kalgoorlie.

The Shire of Wiluna does not find this acceptable and has lobbied for years, and will continue to do so, to have this road sealed in its entirety. R4R has proved to be the only real, genuine

and “followed up” promise and funding source available to have at least some improvements to this road.

Compare this to the new football stadium being built in Perth; when constructed and in use, spectators will not miss a minute of “the game” because there will be radios in the toilets.

So whilst spectators can keep up-to-date with the scores of the Western Derby whilst they take a break (do so in luxury whilst it raining), Residents between Wiluna and Meekatharra will go weeks without a mail service and essential pharmaceuticals.

This may sound trite and cynical but it demonstrates that there are unfair criticisms levelled at R4R projects in regions when compared to projects in Perth; I am sure there is no need to refer to the “Singing Toilets” or other examples that the Hon. Brendan Grylls MLA recently cited in his opinion piece (25.4.2014) in the West Australian newspaper.

R4R has been a major driver for regional areas of WA being able to receive community wide benefits and services that are merely taken for granted and expected in some larger regional and all metropolitan areas.

2.3 DISPARITY DUE TO MINING SECTOR

The regions in Western Australia, especially the Pilbara, Mid-West and Goldfields-Esperance, make a significant contribution to the overall gross state product. This claim is supported through a wide variety of economic reports that are too large and varied to cite here but that many are well area of.

The Shire of Wiluna itself has significant mining operations taking place and these will grow into the future. Gold, Iron Ore, Lead and possibly uranium are now and/or will be the main commodities coming out of the district.

Such facts and figures would have been evident in data researched as part of this inquiry.

But these operations are all sustained by a FIFO work force, with less than approximately 2% of employees actually residing in the Wiluna district. FIFO workers are therefore registered in other local government areas, which results in the Shire of Wiluna not receiving a direct income yield from FIFO income thus impacting on resources available to the Shire to provide services to the community.

Mining operations, other than contributing Shire rates, provide very little widespread community benefit to or in the Shire of Wiluna and the value of such pales insignificantly to the value of what is taken from the district by way of income and profit generated through the mining activities.

Fact:

- 1 Mining operations have very few workers that are locally based Wiluna residents
- 2 Mining operations do not have FIFO camps without the Wiluna townsite
- 3 Mining operations do not greatly support local economy
- 4 Mining operations contribute approx. \$1.6m a year in rates to the Shire of Wiluna
- 5 The Shire of Wiluna faces a net cost of \$250k to operate the Aerodrome so that it can take aircraft above 30 seats. In 2013, 98% of those aircraft were for the mining operations through charter arrangements and not for the benefit of the wider community/RPT general public
- 6 The Shire of Wiluna faces increasing expenditure of its road network, which is largely unsealed (upwards of \$1m a dollar a year). The greatest users of the road network, who place the most pressure on the roads, are the mining operations in terms of number of traffic movements and size/volume of heavy loads

This paints the picture that the benefits to the district of Wiluna because of mining operations are vastly outweighed by the costs, imposts and lost opportunities to the district. The real benefits from the mining operations goes elsewhere in the state; for example, the large wages that FIFO workers earn from operations in the district are expended elsewhere and there is no real investment of such back in the district.

The R4R programme is the only programme from a State or Federal Government level, that has provided some opportunity for the Shire of Wiluna to address or redress this disparity between economic benefits leaving the district and economic benefits to the district through mining operations.

The loss of R4R to Wiluna and other similar LGA districts would have serious impacts on the Shires abilities to continue to address this gross disparity.