



Our Ref: G/5/3; ICR20171133
Your Ref:

Mr Michael Callaghan AM
PRRT Review
The Treasury
Langton Crescent
PARKES ACT 2600

Via email: prrtreview@treasury.gov.au

Dear Mr Callaghan

Re: Federal review into the Petroleum Resource Rent Tax (PRRT)

I refer to above review into the operation of the PRRT, crude oil excise and associated Commonwealth royalties.

I understand submissions close of Friday 3 February 2017 and the review team will report back to the Government by April 2017 on recommendations for reform of the PRRT. In noting the Review's Terms of Reference, I would like to make specific mention of point 1, being the need to provide an appropriate return to the Australian community.

Since the introduction of the National Party's Royalties for Regions (R4R) policy in 2008 Western Australia's regional, rural and remote communities have realised fantastic benefits. The R4R program focuses on delivering those benefits to regional WA through six objectives being:

1. Building capacity in regional communities;
2. Retaining benefits in regional communities;
3. Improving services to regional communities;
4. Attaining sustainability;
5. Expanding opportunity; and
6. Growing prosperity.

In the 9 years since its introduction R4R has invested \$6.1 billion of the State's mining and onshore petroleum royalties to over 3,600 projects and programs. This is funding that the regional communities would not have otherwise received.

The funding has been used to improve infrastructure and community facilities, improve access to health and medical services, reduce the financial burden of the cost of living for pensioners, local emergency groups and families, and to attract events and activities to regional areas.

In Merredin alone, notable uses of R4R funding include:

1. improvements to the Heritage listed Cummins Theatre, allowing the venue to become a hub of community activity and provide entertainment and activities to the town and surrounding region;
2. installation of a synthetic tennis/hockey surface enabling a better playing surface with reduced maintenance costs. Consequently club memberships have increased and a new junior sports program has been established;
3. the establishment of the Emergency Telehealth Service allowing patients to be treated without having to travel to Northam or Perth, greatly reducing the cost impact to those people and their families;
4. the introduction of a pensioner fuel card and fuel concessions for local emergency service groups, reducing their cost of living and ensuring the sustainability of community service groups;
5. the redevelopment of Merredin Hospital creating a health hub with the co-location of primary health services and redesign of the emergency department for the more efficient treatment of patients; and
6. the biggest investment into aged care services in the State with \$24 million allocated to CEACA Inc for the construction of 75 independent living units across 11 Shires in the Central Eastern Wheatbelt (including 28 in Merredin).

I would strongly encourage the review team to consider the opportunity to introduce a national R4R program, delivered by the Federal Government, with regional, rural and remote Australia placed firmly at the centre.

With the majority of the population located in coastal Australia it is often our smaller, rural communities that miss out on essential services, or those commonly taken for granted in metropolitan areas. To ensure an equitable return to the Australian community a fair share of future earnings must be re-invested in regional, rural and remote Australia.

This is a once in a generation opportunity to improve the liveability of our towns and build a more prosperous future for our families, and I believe the introduction of such an R4R program will provide long lasting, sustainable benefits for many rural communities across Australia.

Yours sincerely



Ken Hooper
Shire President

1 February 2017