

Ref: 21419

Mr Michael Callaghan
PRRT Review
The Treasury
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Parkes ACT 2600
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Dear Mr Callaghan

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

Balonne Shire Council welcomes the opportunity to provide a submission into the PRRT Review.

In your review, this Council asks that you to consider using part of the anticipated growth in PRRT revenues for instigating a scheme similar to the "*Royalties for Regions*" program in Queensland - which targets regional, rural and remote areas.

The parameters of such a scheme should address the impacts of oil and gas resource projects as a primary consideration, but the application of revenues after impact mitigation should be directed towards all regional, rural and remote communities. This approach is critical to prioritising the use of PRRT funds, so that all rural and remote communities share the benefits equitably, once the direct impacts of resource activities on local communities have been mitigated.

The need for ongoing investment is anticipated to assist communities in evolving to accommodate markets, technology and the environment. The vision driving this investment should be about creating employment security and quality lifestyles through adaptability and inclusiveness. The focus is on a program that lifts the spirits of rural and remote communities by giving pathways signposted with opportunity and security through adaptability and hope.

An essential element of investment in regional, rural and remote communities is the consideration of operational costs, in conjunction with capital costs for facilities and services. Some facilities and services may never be "profitable", but they are significant to the well-being of a community. Such examples include tourism signage and information facilities, good quality sport and recreational areas, and social infrastructure such as libraries and cultural centres.

To this extent, we ask that you investigate the possibilities that part of the PRRT funding be set aside in specific trusts, with measured local control and sufficient allocations. This will facilitate longer term support for the operational costs of some projects (as listed above for example) which do not generate significant revenue, but do make substantial contributions to employment, liveability and community morale.

To reduce the potential cyclical nature of PRRT revenue for regional investment, Balonne Shire

Council also asks you to consider a regionally-oriented "Future Fund" - which would allow for ongoing program support based on fund earnings. For efficiency and accountability, this larger trust would also contain the specific budget allocations (mentioned above) for long term operational costs.

Here is an opportunity, supported by the work of the resource industries, to establish sustainable funding, validly focussed on regional, rural and remote communities. This program will have capacity and scope to further energise and motivate those communities both directly and indirectly impacted by the Petroleum and Gas Industries, as well as all other regional areas.

The Council is very pleased that invitations have been given to make submissions into your review of the PRRT. We look forward to the results and to having input in the future.

Kind Regards,



Cr. Richard Marsh

Mayor – Balonne Shire Council