

To the Committee Secretary
Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

RE: INQUIRY INTO THE INDICATORS OF, AND IMPACT OF, REGIONAL INEQUALITY IN AUSTRALIA

The Shire of Carnamah as a community, would like to comment on the following 'Terms of Reference'; regarding the indicators of, and impact of, regional inequality in Australia, with particular reference to government policies and programs:

a) fiscal policies at federal, state and local government levels;

GST / ROAD FUNDING IN REGIONAL WA: The federal level fiscal policies regarding GST distribution, has meant Western Australia is not receiving an equitable share of this revenue stream. The result is that regional communities have had their road funding cut, in an environment where regional road infrastructure was already proven to be underfunded, due to federal and state government fiscal policies. In contrast metropolitan areas, especially those on the east coast of Australia, receive much higher levels of funding and have a much higher standard of road infrastructure than regional communities. This is despite the fact that it has been repeatedly demonstrated, using road counters, that our regional roads have high volumes of heavy haulage traffic.

EDUCATION FUNDING IN REGIONAL WA: The recent state level fiscal policies regarding education funding, has meant regional Western Australia is not given equitable access to educational opportunities. In the metropolitan area students have access to numerous schooling options and facilities as well as transport networks to access them. Students in the regions do not. For example families who cannot afford boarding fees in Perth, have been using regional residential hostels for their children to be able to access outer metropolitan high schools. The proposed closure of Moora Residential hostel means they will either have to move to Perth or face a 400km round trip to Geraldton for school, by private transport, as there is no bus. The government has advised this decision was made purely to meet budgetary needs.

b) improved co-ordination of federal, state and local government policies;

LAND DEVELOPMENT IN REGIONAL WA: All regions have the same problem with land developers being able to override local planning policy by appealing to SAT. This disregards the communities wishes that government reforms insisted are taken into account, in the 'Community Strategic Plans'. It also disregards the cost of externalities that many regional communities are left to try and fund, due to economic rationalism focused on short terms gains that are realised by the developers not the community. For example loss of wetlands, contaminated water air soil, loss of flora and fauna and other natural resources, poor amenity and loss of economic enterprise through commercial resources use, tourism etc.

c) regional development policies;

REGIONAL DEVELOPMENT IN WA: All communities need facilities and services but there is a growing trend to not approve funding for developments, especially recreational, based on population, or because a neighbouring region may have similar facilities. But this is unfair as regional communities do not have regular public transport to access these facilities and services and fuel costs are usually much, much higher in the regions than metropolitan areas.

d) *infrastructure;*

UTILITIES IN REGIONAL WA: All utilities are government provided.

Currently the national telecommunication service provider Telstra has indicated it will not, nor plans to provide, appropriate broadband service to region through the NBN rollout, as it has no commercial interest to do so. As a result many communities are trying to fund their own broadband service network – metropolitan areas are provided with this service, especially in the eastern states. Regions need it for education opportunities and to improve connectivity for agricultural businesses in regional WA. High speed NBN would benefit the community and allow the agricultural industry to take advantage of the latest technologies coming out of Europe, Canada and the USA. This would enable the sector and region to continue to develop and be a competitive contributor to the regional, national and global economies.

In addition government power is provided at a high price using non- renewable energy. Regulations need to be changed so that regional communities can move to mostly low cost renewable energy options and pay a minimum levy for infrastructure maintenance - which is not always happening in regional areas - hence the ongoing issues with extreme fires caused in summer by powerlines in regional WA. Lack of affordable power is a block to regional development.

ROADS IN REGIONAL WA: The federal and state level fiscal policies regarding road funding, has meant Western Australia is not receiving an adequate share of this revenue stream. This is despite the fact that it has been repeatedly demonstrated, using road counters, that our roads have high volumes of heavy haulage traffic. The result is that regional communities have inadequate road funding, in an environment where road infrastructure was already proven to be underfunded. In contrast metropolitan areas, especially those on the east coast of Australia, receive much higher levels of funding and have a much higher standard of road infrastructure than regional communities.

e) *education;*

EDUCATION IN REGIONAL WA: The recent state level fiscal policies regarding education funding, has meant regional Western Australia is not given equitable access to educational opportunities. In the metropolitan area students have access to numerous schooling options and facilities as well as transport networks to access them. Students in the regions do not. For example although our school goes from K to 12, there are no senior level (11&12) subjects offered for university entrance. Again this means regional families need to travel at significant cost and time, to access the education that metropolitan students are given.

f) *building human capital;*

For regional communities this is significantly impacted by the inequality around, fiscal policy, poor infrastructure, development funding criteria, housing, as well as lack of education and training opportunities.

g) *enhancing local workforce skills;*

SKILLS IN REGIONAL WA: Regional Western Australia is not given equitable access to training opportunities. In the metropolitan area the workforce has access to numerous options and facilities, such as TAFE and the Universities, as well as the transport networks to access them. The regions do not, and funding to CRC's is being cuts so there will be even less services.

h) employment arrangements;

Regional communities have much higher unemployment rates than most metropolitan areas, and need both funding and a reduction in red tape to be able to establish new enterprises and employment opportunities. Currently Local governments are not allowed to operate commercial operations but in regional communities they should be given federal and state funding to be able to develop and facilitate new industries and regional opportunities.

i) decentralisation policies;

For regional communities the inequality caused by the offices of government agencies and services being in the metropolitan area is significant. Decisions are often made by public servants who have no understanding of the realities of regional life and commerce. For example the decision to close Moora Hostel to meet state budget requirements potentially could result in a population decline of 26% over the next five years if all 30 families that may be impacted leave the Shire. There are only 3 students at Moora currently, but there is a future and wider implication over the next 1 to 5 years, not just for Carnamah, but for other regional communities as well. The supermarket, post office, fuel station, bank, school and social groups, cannot afford a 26% drop in patronage.

Further the move from the regional centres many years ago by government, has resulted in ongoing increased unemployment, underemployment, and reduced regional populations due to a lack of services and professional opportunities. For example if the branch of an agency is located in the regions – 99% of the executive and director roles are based in the metro area, so people who progress, need to leave the regions and regional communities are not involved in decision making.

j) innovation; as employment arrangements

k) manufacturing; employment arrangements

l) any other related matters

Commercial monopolies: many people in region areas pay excessive amounts for goods and services. The excessive cost of fuel in regional areas is of ongoing concern. Others include localised monopolies – for example the regional Chemist in the next town charges customers an extra \$25, plus their scripts cost - to be a registered customer or refuses to fill the script if they won't pay to become a registered customer: and also charges customers a \$9 fee for giving advice regarding which over the counter medicines can go together, if the customer then decides not to buy anything. Some customers have little choice as they have no way to travel to another centre, or can't afford the fuel to go to the regional centres. This does need regulatory intervention.

Kind Regards

Karen Oborn
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Shire of Carnamah

