

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Structural Reform Group
Question No: 291
Topic: Regional Telecommunication
Reference: Hansard page 104 (29 June 2017)
Senator: Macdonald, Ian

Question:

Senator IAN MACDONALD: So that is not you going for three months. Finally, from me, and it is almost a silly question, in that you cannot, of course, have a hospital in the next suburb everywhere in Australia or a four-lane bitumen road taking you from home to work or school every day, as people in Canberra, Sydney and Melbourne do, but do you have a solution for what is genuinely a two-speed economy? There are two different sorts of Australians, some of whom have everything and some of whom do not have much but they do not complain; if they get a doctor once a month that is pretty good. Everyone cannot have everything, particularly people living in remote areas, but is there something that you as a group can look at which may help in that way? I would suggest an updated zone tax system, but that is an argument I have been promoting for 27 years and have not got past first base yet. Is there anything that you could look at? Not have you looked at it or are you looking at it but is there anything you might look at to be able to address that issue? If you have an answer now I will take it, but perhaps I could put that as a question on notice and you could come back with a more considered—I am sure if you answered now it would be considered—view on whether there is anything that your group could possibly look at that might address an issue which I ever so briefly mention, almost as a throwaway line, but an issue that is very important.

Ms Quinn: I am happy to take it on notice. In terms of stepping back and thinking about the issue from an analytical perspective, it depends on the sources of the issues that you raised. In terms of provision of services, one of the areas where we are seeing rapid changes in the delivery of services is around the internet, data and the ability to interact through video. I grew up in a place that did not have a television, a radio or a telephone, yet now all of those things are available, and that significantly changes the structure of opportunities in those regions. Technology is one of the solutions, but clearly you cannot have open-heart surgery over the internet. That comes down to transport links, transport infrastructure and the relative price of transport, but it also goes to using different ways of providing government services. They are all issues that are being looked at in various parts of the system. We are happy to give a more considered answer on notice.

Senator IAN MACDONALD: You identified one of the areas where there are good things happening, and that was telecommunications. I recently opened a \$5 million fibre-optic cable between Doomadgee and Burketown, as far north as you can get in western Queensland. They now have speeds better than I have in my office in Townsville, so that has worked there. But it is \$5 million for a population of about 200, and I have about seven others who now have seen what fibre optic can do and they all want it. Is that the sort of thing that you would favourably recommend to the Treasurer—that he might find another lot of \$5 million so those things can happen?

Ms Quinn: I am happy to take that on notice for the Treasurer.

Answer:

Addressing relative economic disadvantage in regional and rural areas

- As noted, there is no simple solution to the relative differences in economic conditions faced by different parts of the country, particularly those in regional and rural communities.
- Treasury has made extensive recent efforts to increase its engagement with the broader community to understand the challenges faced by different regions and what policy responses might be appropriate. In 2017, the Secretary has made trips to Horsham and Townsville and the Structural Reform Group recently visited the Northern Territory, continuing Treasury's efforts to broaden its regional dialogue.
- The Structural Reform Group is working on policy issues relating to communications, energy, regional development and industry transition that aim to support economic growth and development across all of Australia.
 - This includes working with our colleagues across the Treasury, the Commonwealth and in the private sector to gather, test and implement ideas.
- A key part of the Group's role is considering issues of access to opportunities, business development and infrastructure to encourage the creation of new economic activity and support and sustain communities in a changing national and global economy.

Support for regional telecommunications infrastructure

- In relation to the Doomadgee-Burketown fibre optic cable, this project received part funding of around \$2 million through a grant from the National Stronger Regions Fund.
 - The Queensland Government matched the Commonwealth's contribution, enabling the project's completion.
- The Treasurer and the Treasury are not directly involved in assessing or approving projects for grant funding through this program or related programs. These are managed by the Department of Infrastructure and Regional Development.
- The Government's primary program for improvements to regional telecommunications services is the NBN.
 - Through the NBN, the Government is delivering a substantial investment in regional and rural telecommunications.
- Improvements to services outside the NBN rollout would depend on the nature of the proposal and the proposal's suitability to be considered under schemes like the National Stronger Regions Fund.