

2 February 2017

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

PRRTReview@treasury.gov.au

Dear Mr Callaghan

Re: Petroleum Resource Rent Tax Review

Southern Downs Regional Council wishes to provide this submission into the Federal Review into the Petroleum Resource Rent Tax.

Southern Downs Regional Council is pleased to see the resources and energy sector providing employment and income to the residents of regional and remote areas of Queensland. Whilst it is noted that there are no major oil or gas projects operating in the municipality, there are residents in the Southern Downs Region who are employed or have an economic linkage into the sector, which in turn contribute to the success of the sector.

Given the potential income generation over a sustained period of time, Southern Downs Regional Council believes that it would be appropriate for the establishment of a funding program that is solely directed towards regional and rural areas. Southern Downs Regional Council believes that such a fund should focus on asset renewal. Too often local government is required or directed to make funding applications for the construction of new assets or infrastructure. These new assets or infrastructure items can often prove problematic as local government struggles to maintain and depreciate these items. There are very few funding programs that allow for asset renewal.

It is noted that over the recent years the level of Financial Assistance Grants has been frozen, which has resulted in a funding reduction. Southern Downs Regional Council believes the opportunity may exist through potential income from the Petroleum Resource Rent Tax to meet this shortfall.

It is submitted that a future fund should be represent a process of continuous improvement in how funding is identified and distributed. Council would prefer not to support a competitive process for funding, rather Council would support a funding process that is based on population and levels of disadvantage. Council would prefer funding that does not require a matching contribution from Council.

Southern Downs Regional Council would prefer a funding system that allocates funds on an annual basis, thereby allowing local to undertake diligent financial planning, rather than quarantining funds on the "hope" of funding success.

In summary, Southern Downs Regional Council would support a funding program that is targeted at asset renewal, in the form of an annual grant based on the size of the population and the level of disadvantage.

Southern Downs Regional Council is grateful for the opportunity to participate in the review.

Yours faithfully



David Keenan
Chief Executive Officer

Please address all communications to:

The Chief Executive Officer

Southern Downs

Regional Council

PO Box 26

Warwick Qld 4370

mail@sdrcl.qld.gov.au

www.sdrcl.qld.gov.au

abn 59 786 792 651

Warwick Office

64 Fitzroy Street

Warwick Qld 4370

Stanthorpe Office

61 Marsh Street

Stanthorpe Qld 4380

t **1300 MY SDRC**

(1300 697 372)

f **07 4661 0333**