

29 April 2019

Johnathan Coppel
Presiding Commissioner
Productivity Commission
Australian Government

To: <https://www.pc.gov.au/inquiries/current/remote-tax/make-submission#lodge>

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Dear Mr Coppel

RE: Remote Area Tax Concessions and Payments

The Townsville Chamber has been the voice of business, particularly small businesses, for over 130 years. While we work collaboratively with all levels of government, with other representative bodies, as well as the private and public sectors, the Chamber's greatest asset is its independence.

The Chamber is funded by its members only – we receive no public funding – which enables us to maintain our independent representation.

It allows us to advocate of a range of issues and make representations to advance the interests of local businesses in regional opportunities.

Queensland's economic strengths in resources, construction, agriculture and tourism are concentrated in the city's local economy, with the addition of Defence industries, health and education services. It has also made of Townsville a commercial and administrative regional center.

The current tax concession for Australian regions like ours were originally based on the 1983 Australian Population Census data. The current rate of \$57 has been unchanged since the mid-1990's.

We welcome the Commission's well-overdue review on tax concessions for remote areas.

The original intent of the concessions remains as true today as when it was first set up – to incentivize those living in remote areas to stay, who further encourage those considering living in remote areas to relocate.

However, the incentive created by the current rates is negligible. If the aim of the concession remains to be that of an incentive, we urge the Commission to consider higher rates.

For example, up to \$1 000 for residents of regional areas and up to \$5 000 for residents of remote areas.

By itself, the concessions may not be a significant influencer, but combined with the employment opportunities of current projects proposal could amount to further incentive.

Northern Queensland is preparing itself for an increase of infrastructure projects, such as those supported by the Northern Australia Infrastructure Funds, the Australian-Singapore Defence Initiative and Hells Gates project.

A review of zonal taxation could add up to the proposal of long-term employment and added job benefits and make relocation more attractive.

Incentivising southern skilled workers to relocate to North Queensland is a significant challenge for local employers. Further incentive like appropriate zonal tax concessions would add to the benefits of relocation.

We make ourselves available should you wish further details on our position.

Regards

MARIE-CLAUDE BROWN
CEO