



## AgForce Queensland Farmers Limited

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Remote Area Tax Concessions and Payments study  
Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601

By Post & By Email: [remotetax@pc.gov.au](mailto:remotetax@pc.gov.au)

Dear Commissioners

### **Re: Draft Report on Remote Area Tax Concessions and Payments**

AgForce Queensland Farmers (AgForce) is the peak rural group representing beef, sheep & wool and grain producers in Queensland. The broadacre beef, sheep and grains industries in Queensland generated around \$6.2 billion in gross farm-gate value of production in 2017-18. AgForce's purpose is to Advance Sustainable Agribusiness and facilitate the long-term growth, viability, competitiveness and profitability of these industries. The producers who support AgForce provide high-quality food and fibre to Australian and overseas consumers, manage around 40 per cent of the Queensland agricultural landscape and contribute significantly to the social fabric of rural and remote communities.

AgForce thanks the Productivity Commission for the opportunity to provide input into the draft recommendations for changes to Remote Area Tax Concessions and Payments.

We note Draft Findings 2.1 and 4.1<sup>1</sup> that discuss the changing context and definition of "remoteness" since the introduction of remote area tax concessions in 1945. This is also in alignment with our own submission to the "*Remote Area Tax Concessions and Payments*" Issues paper in May<sup>2</sup>, which recommended that the definition of 'remoteness' be brought in line with contemporary expectations and criteria.

However, this is followed by Draft Recommendation 5.1, that the Australian Government abolish the zone tax offset and the overseas forces tax offset. Whilst we agree with the statements that nearly half of ZTO claimants live in coastal cities rather than rural towns, and that inflation and growth in wages has significantly eroded the value of the ZTO, AgForce supports overhauling and updating the ZTO so that it better fulfils its intention rather than abolishing the measure.

Potential measures to achieve this (such as expanding the justification to include 'liveability' rather than 'cost of living', changing the definition of 'remoteness' and increasing the ZTO itself) are discussed in more detail in our submission.

Finally, we note there is no discussion in the draft report of tying the zone rebate tax concession to the relief of HELP debt for bonded periods to encourage the movement of people to remote areas. Whilst there is acknowledgement of the Australian Government's encouraging

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<sup>1</sup> <https://www.pc.gov.au/inquiries/current/remote-tax/issues>

<sup>2</sup> [https://www.pc.gov.au/\\_data/assets/pdf\\_file/0011/242669/sub094-remote-tax.pdf](https://www.pc.gov.au/_data/assets/pdf_file/0011/242669/sub094-remote-tax.pdf)

announcement it would remit all or part of an individual's Higher Education Loan Program debt after they have been engaged as a teacher for four years at a school in a very remote location, AgForce continues to recommend a policy that achieves the same for all residents of remote areas, not just teachers.

AgForce along with other stakeholders, including those representing parents of isolated children, have concerns about the recommendations on reducing FBT concessions and subsequent potential impacts on the ability to retain an agricultural workforce living in remote areas.

We look forward to providing a fuller response and having further discussions on the draft recommendations at our meeting with representatives of the Commission on 16 of October.

Further inquiries should be directed in the first instance to Dr. Dale Miller, General Policy Manager,

Yours sincerely

Michael Guerin  
Chief Executive Officer