

29 April 2019

Attention: Productivity Commission

Re: Review of the Zone Tax/Rebate/Offset – the Remote Area Tax Concessions and Payments

On behalf of Balonne Shire Council Located in Southwestern Queensland, please find below our response and input into the Review of the Zone Tax/Rebate/Offset – the Remote Area Tax Concessions and Payments.

Balonne Shire Council is not only in supportive of the current zonal taxation concession areas, but also asks the Productivity Commission to review and consider favourably our recommendation to expand the zonal taxation region to include additional remote areas notably Balonne Shire and its communities in the approved zones.

The region has been devastated by drought over the last several years and compounded by the water buy-back program, has been severely impacted economically and socially. As a result of the situation and media surrounding these events, there have been added constraints in the attracting and retaining of skilled professionals for government and private services and attracting further investment in tangible opportunities. There have also been challenges to attract and retain labour for our major employers within the agricultural and horticultural sectors – our main industries which hinder their expansion plans.

The majority of Australia's \$315 billion export market is derived from the remote areas -resources and agriculture sectors. Reinvesting back into these communities through zone taxation concessions will continue to grow remote communities which in turn will not only grow primary export production but expand through more value-added production. To achieve more value-added opportunities in these regions, opportunities and with that human capital are required and hence, make the region more attractive for these groups who in turn, will help diversify and expand these regional economies.

Challenges to attract and retain professionals in public sectors such as:

- Local government skillsets and specialists; and
- State and Commonwealth Government staff in area such as:
 - Health
 - Education
 - Agriculture supporting departments

With support to include additional remote communities, moving forward, long-term benefits will be realised throughout these communities significantly contributing to Australia's prosperity. These benefits, but not limited to, include:

- Catalyst for much needed services and skills into the region;
- Cost savings in specialist services working full-time than on contract basis;
- Encourages retention of youth in the community notably in the professional services sectors;
- Stimulates further economic growth by making it more attractive for inward investment opportunities and key staff and families relocating to these regions;

- Attractiveness for the professionals to invest and permanently reside in the region giving more long-term certainty to the community;
- Significantly reduces recruitment and training costs for organisations in the health, education and public sectors;
- Improves liveability and access to services in the communities;
- Reduces tyranny of distance for staff and their families;
- Provides a longer term of service for skilled and unskilled staff to deliver long-term impact projects for the communities;
- Encourages professional women to relocate to remote areas which all also had to the population growth and sustainability of the community – schools, services etc.;
- Makes remote communities attractive for migrant workers, semi-retirees and the emerging “economic refugees” due to affordability challenges in major centres;
- Encourages less reliance on grants for skill-sets which are “hit or miss”;
- Enables more capital to be retained and circulated in the communities greatly aiding to the sustainability of small businesses;
- Makes remote communities much more attractive for management and key staff to relocate and build capability in the regions and invest in our regions, and potentially recommission abandoned assets for economic and social purposes.
- Improves the talent pools in the communities not only for the businesses, but in the not for profit sectors and community groups (Board of Directors etc.) making these groups more sustainable and efficient;
- Adds significant value to the overall GRP of the region; and
- Overall, greatly aids in the long-term sustainability and liveability of remote communities.

In closing, with the possibility of the abolishing of these zone tax concessions, not only the growth, but may cause many of these remote communities to be ghost towns very quickly. Balonne Shire Council strongly encourages and recommends that the Commission decides favourably to retain the Zone Tax Rebate/Offset not only for the sake of the remote communities, but also the significant economic impacts that will impact the country as a whole if the program is abolished.

Thank you for your time and consideration of our response. Council looks forward to a favourable response on behalf of all remote communities across Australia.

Best regards,

Garnet Radford

Economic Development Officer

Balonne Shire Council