



PO Box 139

Burnie

TAS 7320

April 28th, 2019

The Productivity Commission

4 National Circuit

Barton ACT 2600

RE: Remote Area Tax Concessions and Payments

Dear Sir/Madam

The Burnie Chamber of Commerce and Industry was pleased to meet with representatives of the Productivity Commission during their recent visit to Tasmania.

Our organisation is focussed on assisting businesses in the North West and West Coast regions of Tasmania. Currently the major concern for our members is the shortage of workers available for the many projects that are in the pipeline for coming years.

I speak primarily of the two large windfarm projects (Granville Harbour and Robbins Island) plus another mooted for Port Latta; the laminate timber mill near Burnie proposed by The Hermal Group, the pumped hydro scheme of the federal government and numerous mining projects. Additionally, we want to be able to attract and retain workers in our important agribusiness and tourism sectors.

Our problem is attracting workers to fill the jobs. The Chamber decided that a multi-pronged approach is required and is making efforts to bring workers here from mainland states (& overseas) by way of promotional videographies of people who have successfully relocated to NW Tasmania; in an attempt to sway workers to choose projects in NW Tasmania rather than other regional centres around the nation.

Additionally, the Chamber is pursuing funds from Regional Development Australia to provide industry led employability training for unemployed people in the Burnie region to make them more attractive to employers in the region.

We feel that there is more that can be done to make the move here more attractive and one of those measures would be to increase the zone tax offset. Currently set at around \$1 per week for Zone B in mainland Tasmania the amount presents no incentive whatsoever to live in the harsh climate of the Tasmania's west coast. (Actually, I wonder if the offset doesn't cost more to administer than it delivers to workers.) As a consequence, much work is given to fly in fly out (FIFO) workers who make little contribution to the local economy or society. We want to encourage people to help grow local economies, become part of the fabric of society in these remote areas and build communities.

Our recommendations for your consideration are to:

1. substantially increase the Zone B offset to around \$1500 per annum to provide a meaningful incentive.
2. expand Zone B to include much of the Circular Head area to capture the agricultural sector as it is not a highly paid workforce and staff retention is difficult.
3. consider making the offset industry specific e.g. forestry - Hermal timber mill is located 30Km south of Burnie and will need 220 workers once construction is complete / agriculture – to support the dairy industry in Circular Head.
4. provide tax rebates for relocation costs to workers moving their primary residence into a Zone B location.

We believe these proposals would be successful in bringing new workers to Tasmania as we prepare to enter a golden period of economic growth.

Yours sincerely

Ian Jones

President