

2 May 2019

Mr Jonathan Coppel
Presiding Commissioner
Australian Productivity Commission
GPO Box 1428
CANBERRA ACT 2601

By email to: remotetax@pc.gov.au

Dear Mr Coppel

Re: Productivity Commission Review of Remote Area Tax Concessions and Payments

Thank you for the opportunity for Bundaberg Regional Council to make a submission into the Productivity Commission's Review of Remote Area Tax Concessions and Payments.

The Bundaberg Regional Council area in Queensland is not currently classified by the Australian Tax Office as a remote area. As such our region does not qualify for any of the following concessions or allowances being considered in the Review, namely;

- Zone tax offset (ZTO)
- Fringe benefits tax (FBT) remote area concessions
- Remote Area Allowance (RAA)

Given the definition of remote Australia is largely based on arrangements established as far back to 1945, we believe the Productivity Commission's Review is well overdue.

Our submission seeks that the Review recommends similar concessions and allowances available in remote Australia, be trialled in the Bundaberg Regional Council area of Queensland.

Arguments for this consideration are three-fold;

1. With the highest recorded unemployment rate in Australia¹, the relative social and economic challenges facing our region are higher than any region covering remote parts of Australia. New tax concessions and allowances would help address this this issue.

¹ State of the Regions Report 2018-19, page 94. Commissioned by the Australian Local Government Association.

Live, work, play, invest



2. The Australian Government's Cashless Debit Card trial in our region requires further policies, such as new tax allowances and concessions, to effectively support disadvantaged Australians living in our region.

As the only non-indigenous region in Australia selected to trial the Cashless Debit Card, further tax concessions could be effectively trialled through an existing federal program.

3. The wider Bundaberg region is also home to one of Australia's most abundant agricultural food bowls – with over one-quarter of the state's agricultural workforce employed in our region.

While already a significant industry, our region's agricultural sector has nascent potential to better position Australia's role in feeding Asia over the coming decades.

Similarly, the trialling of new agricultural tax concessions and allowances in our region could leverage this potential – creating thousands of new jobs that will help address local unemployment.

I look forward to the outcomes of the Productivity Commission's Review in early 2020.

For further information regarding Council's support for the Review or ideas submitted in this document, please contact Council's Executive Director of Strategic Projects and Economic Development, Mr Ben Artup .

Yours faithfully