



REMOTE AREA TAX CONCESSIONS AND PAYMENTS — FINAL REPORT

MEASURES TO SUPPORT REGIONAL AND REMOTE AUSTRALIA

Collectively, Australian, State and Territory governments direct billions of dollars to measures intended to assist individuals, businesses and communities in, and facilitate the development of, regional and remote Australia. The remote area tax concessions and payments are a very small share of this.

Government measures supporting regional and remote Australia

State and Territory governments, with support from local governments, have primary responsibility for service delivery within their jurisdictions. The measures include:

- remote area (district) allowances to attract police, teachers and other professionals
- support for patients needing to travel long distances to access specialist medical services
- distance education.

In addition, initiatives extend to the funding of regional projects. One example is the Western Australian Government's Royalties for Regions program — which directed over \$6.9 billion of State mining and onshore petroleum royalties to over 3700 infrastructure and community projects.

The Australian Government also supports regional and remote communities, including through payments to doctors to work in remote areas, subsidies for the supply of some utility services like telecommunications, assistance for industries prominent in regional and remote areas, specific funds such as the Building Better Regions Fund and significant infrastructure investments (including regional airports). This is on top of Australia's system of horizontal fiscal equalisation, which aims to give each jurisdiction the fiscal capacity to provide a similar level of public services, and considers the higher per capita expenditure on service delivery in remote areas.

Natural disaster relief

All governments have extensive involvement in the relief, recovery and reconstruction of communities devastated by natural disasters, such as the recent bushfires. The crux of this support is that it is targeted to the communities affected, wherever they are located.

Remote area tax concessions and payments are poorly suited for this purpose as they are small ongoing payments to people in a fixed geographical area — many parts of which will not be affected by a natural disaster — while other communities that are affected by natural disasters miss out. For example, most communities affected by the recent bushfires, such as those on the south coast of NSW, are in 'regional' areas, not 'remote' areas of Australia.

[END]