
Remote Area Tax Concessions and Payments

Brief comments up to 6/11/2019

no	Comment
1	<p>Kangaroo Island by its very nature is a remote location. Living on the island comes at a cost to every resident through transport and freight costs. The precedence for a tax offset has been established with the likes of Norfolk Island & King Island. With only a small number of tax earners the impost would be minimal but help many struggling families. Everything we purchase is more expensive with hidden freight charges so a little help could go a long way. I have lived on the island for over 20 years and the population has remained stagnate mainly to do with the cost of living. For the benefit of the residents, the islands economy and future I hope the commission considers the impact a tax offset would have in assisting this low socio-economic part of South Australia.</p>
2	<p>Please consider Kangaroo Island for the zone offset, as it is remote not by kilometres but by having to travel via ferry, or aeroplane, leading to additional costs of living to residents.</p>
3	<p>Our zone rebate has not increased in the 34 years that I have lived in Exmouth WA. We pay 30c more a litre for fuel, our insurance premiums are through the roof, because of the climate our air conditioners run for five months a year. The zone rebate has not even increased with the CPI and is well overdue for a rise.</p>
4	<p>As a resident of a remote zone I have seen a continuing reduction in services in my community. A reduction in services at the local hospital, meaning very limited services are provided and anything with even a mild risk factor with require travel to a major centre. In this case 500 km or more likely a capital city (900 km). Reduced opportunities in education including TAFE and more concerning for secondary student with anything more than below minimum standard achievement. Mean even average students need to relocate to achieve their potential. this results in population reduction, putting more pressure on to reduce services because of cost. Reduced local services means more travel for residents to access the services and this COSTS. a lot more than the current tax offset. People in Remote areas generally work in key export industries making them critical to the prosperity of the nation and the nation is penalising them for their location. Remove the location on the list currently that enjoy full services like Cairns and Darwin and time the offset by 10 for truly remote residents and index it like you do my fuel bill.</p>
5	<p>I wish to make a submission on behalf of the Residents of Kangaroo Island, I will be sending in my submission soon to the Commission, In hopes that we will be eligible for special area allowance due to the high costs of travelling on and off the Island, the Isolation factor and many other factors.</p>
6	<p>Rather than considering the poor volume of submissions as an apparent interest, it may be that there is a raft of factors that have influenced the apparent lack of response or interest:</p> <ul style="list-style-type: none">• The review came at a time when people were pre-occupied with the Christmas period, school holidays and the like;• During the time there were a number of significant weather events such as droughts, tropical cyclones, and floods that distracted a good third of the population of rural and remote Australia;• Taxpayers may feel that the ZTO is so insignificant that it is simply not worth the effort to address it; and• There have been so many fruitless submissions in the past 22 years that they have simply given up. When those factors are taken into account, those who have responded have been truly dedicated. <p>-----</p> <p>As to the constitutional validity of the ZTOs, there will always be those that argue governance in Australia is unconstitutional on various grounds. An example can be found at https://economics.org.au/2011/09/the-unconstitutionality-of-government-in-australia/. There are</p>

some in Western Australia who have argued that local government itself is unconstitutional and refused to pay local government rates on that basis. I believe the matter of the Constitutional validity of ZTOs was well considered by the Attorney General at the time. He stated: 'In my opinion, therefore, the taxation proposals outlined by the Commissioner may validly be enacted, whether the definition of the areas is contained in the Act or left to Regulations. If Regulations are to be used, I suggest that the Act should indicate the principle which the Regulations are to implement.' That has remained unchallenged in the courts for the past 74 years. The opinion may be found at <https://legalopinions.ags.gov.au/legalopinion/opinion-1740?opsearch=true>

As to ZTOs for inhabited Australian Islands. It is noted that TR 94/28 which prescribed locations within the zones, that most of Australia's island communities fall within rural and remote zones for ZTO purposes. A notable exception is Kangaroo Island off South Australia. Kangaroo Island falls well within the prescribed 250 km radius of a population centre of more than 2 500 (Adelaide). The proximity test is termed by a surface route and includes a sea route. Kangaroo Island is serviced by the communities Sealink Ferry system and therefore is excluded on the face of it from being considered 'remote'. However the small population is faced with a series of difficulties and inconveniences which the community of Northam does not face in its connections with Perth in Western Australia. Travelling via the Sealink Ferry is by no means as convenient or regular as the Great Eastern Highway linking Perth to Northam. In addition frequent winter storms sometimes interrupt passage. It is suggested that ALL inhabited Australian Island communities be considered at least ordinary Zone B, unless a higher zoning criteria exists.

7 As to submissions referring to the inclusion of Kangaroo Island into the remote zones Tax Ruling 94/27 applies: Water Routes 24. If a water route is wholly or partly the generally adopted method of travelling to and from a population centre, that route, to that extent, is the practicable route. It is not reasonable, however, to treat a water route as being practicable if it is not readily negotiable, in terms of water conditions or distance. It might be a practicable route, however, even though it is not readily negotiable, if there is a regular passenger service available. 25. If there is a practicable water route, the fact that one or more of the residents of a particular area choose to fly rather than use the water route, does not make a point in that area a point within a special area. The key point to address is the availability of a 'regular passenger service'.

As of 1 July 2014 the Dependent Spouse Tax Offset (DSTO) was phased out. It had a further impact on reducing the ZTO to remote taxpayers by removing the 50% component of that offset for Zone A and 20% for Zone B. When the child/student rebate was phased out years earlier it was retained as a 'notional rebate' for ZTO calculation purposes. I suggest the consequential reduction to the ZTO from the phasing out of the DSTO was an unintended consequence and should be reinstated on a notional basis for the purposes of calculating the ZTO. Failing to do so inflicts a further penalty on remote taxpayers than was intended and contravenes the concept of vertical equity - treating different taxpayers differently.

A very good coverage as to the Constitutional validity of s79A (ZTOs) can be found in Scott Lang's paper to the University of Cambridge. It can be found at <https://www.finance.group.cam.ac.uk/beststudentpaperaward/Dissertation6ACriticalAnalysisofWhethertheZoneTaxOffsetContravenestheAustralianConstitution.docx> He concludes that the ZTOs discriminate between types of persons, not states or parts of states. While it has no legal validity, it is well researched and strongly supported. It may help to support the view that s 79A does NOT breach the Australian Constitution 1901.

8 To whom it may concern, the cost of living in Burketown causes immense financial hardship due the cost of living and day to day expenses. I could sit here and type the price list of items and the comparison of them in Woolworths and Coles but I am not. But I will give you my overall opinion. For anyone reading this you must remember the wages are low as there is not many places of employment so unemployment is high also. I am employed fulltime with the council and also my husband and I own a cattle property. As an owner of a cattle property to transport goods especially since we are in a drought (no wet season that we normally have) the transport of the fodder and lick to keep the cattle alive killed us financially. The cost of living has gone up just with the day to day of groceries items that you can buy from your local shop while you live in Mount Isa / Cloncurry. But then we have to add on the transport costs \$\$\$\$\$\$\$\$\$\$. So for instance last weekend I did a grocery order from Woolworths Mount Isa which is \$406.25. Now add on \$220 for the pallet and pick up costs / freezer costs. So instead of it just cost me \$406.25 it is going to cost me approx. \$700.00

to stock my shelves and freezers. And this is why you are always have your ear on the grapevine to see who is coming to town from Mount Isa or Cloncurry to see if they can bring goods up with them. Transport costs from Mount Isa: • 1 small box \$40 • 1 standard size pallet dry good \$220 - \$330 • Oversized pallets (common with loads of hay) cost can be \$330 - \$440 Transport from Brisbane – 1 pallet \$550 plus Pickups can cost from \$40 to \$100 depending on what it is and where. Then if you have freezer that comes on truck (this is not added to the pallet) you are charged another price on them. To get a small medical parcel onto Rex Flights minimum cost is \$35. Travel to Mount Isa with our own truck it costs \$1000.00 one way! Travel to Mount Isa in personal car is approx. \$400 one way. The cost of fuel is a nightmare. We have only one fuel supplier in town. No specials. No discounts. No days to fill up and save like you see on the TV for the city! Usually unleaded is around \$1.76 and diesel is \$1.84 per litre. If you want to keep people in the bush and rural communities they need assistance not a hand out but assistance long term to lower the burden of cost of living.

9 These are all major issues living remotely: The cost of food and services The cost of education for our children, governess, accommodation, school building, etc. If mum is the teacher, the cost of home duties assistance Internet plans are severely limited and costly, an absolute necessity running a business and for schooling Fire Levy on insurance; if a fire starts in equipment sheds, houses, shearing sheds, etc. we are too remote to get help from fire units in time and yet we pay a fire levy We pay Shire rates but have no rubbish pickup, local swimming pool or access to local schools because of our location When not in drought agriculture in Australia provides enormous input in to the economy and we still have to cope with all the above burdens. Once again a huge divide between city and country.

10 It would seem that any rational person would seek to minimise the amount of tax they pay, while also maximising their quality of life. Zonal tax relief would be a powerful mechanism to drive population growth in our regions, recognising that people will make a trade-off between lower taxes and access to food, housing, health, education and employment. Combined with fast and reliable internet access it would be reasonable to expect a number of white collar workers to move to our regions. With this move would come the requirement for other services driving demand for blue collar and service related professions. The commission may even consider publishing a tool that might help people make a rationale decision to move to a tax effective zone.

11 I am aware that Rebekha Sharkie has brought this matter to the attention of your department and the relevant Minister with regard to Kangaroo Island SA. Why is Kangaroo Island not included in these forums? KI is remote and an Island that is only serviced by a ferry service and seasonal air services. Seems odd that Whitsunday Island receives this Tax Concession and Kangaroo Island does not.

12 Why has Kangaroo Island not been considered in the Remote Area Tax Concessions and Payments review? The average income on the Island is 20% less than the mainland but our cost of living is 20% more. That is a financial disadvantage of 40%. Surely we should qualify for consideration?

I am a local business person and the Chairperson of the Chamber of Commerce - Katherine. I believe the remove Tax Concessions from remote areas of the NT is ludicrous. We have 250,000 people in the whole of the NT with most towns currently experiencing a population decline. This simply does not reconcile with the position that the NT no longer requires these concessions. The situation for private business is dire. Private business has to compete with the liberal tax, accommodation, leave and salary packaging concessions offered by Not for Profits and with the more generous salary, annual leave and other benefits offered by Government organisations. It is expensive to live and work in remote areas where rent, fuel and other costs do not reflect capital city prices. Please contact me for more comment. We need Government to work for us, not keep pulling the rug from under us.

13 The PC is a mean and nasty organisation. How dare you take away my hard earned ZTO. Have you no decency? Don't you care? The ZTO is critical for us in Townsville. It should be increased to at least \$15000 because we are suffering at the hands of the Queensland Government and now the Australian Government. You are driving a stake through our heart and taking away our youth. I want the Government to abolish the PC and use the money to increase the ZTO, you should be ashamed of yourselves. Away you starveling, you elf-skin, you dried neat's tongue, you stock fish! Thou art a boil, a plague sore. Would thou wert clean enough to spit upon.

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15 People in Weipa go without a lot as it is I know we Tuesday leave here at one of the reasons that is tax take that away and it makes it less attractive leave here in Weipa and would probably be better off moving to a fly in fly out situation somewhere else The people looking at this need to come and look at the prices of fuel and groceries and all of the over traders in town all quite expensive compare to living in Cairns

16 I am a pharmacy assistant earning \$21.68 an hour living in a remote community geared for high income Rio Tinto employees. You can't even rent a 1 bedroom for under \$450 per week. I don't receive any benefits from my employer for remote living, the only offset I get is a zone rebate once a year in my tax return. Please don't remove the only benefit payable to some people living in a remote community where the cost of living is exorbitant.

17 Bigger of you thieving grubs and get your taxes elsewhere, like your own pockets. Regional Australians are doing it hard enough without you parasites trying to milk us for things we haven't got.

18 As small business owners each year we have increase after increase in costs such as freight, fuel, airfares etc. Having to access specialised health care in other towns costing fuel, accommodation and lost days work. It seems we country people take hit after hit for trying to just run a very small business, just keeping our heads above water. We OBJECT strongly to the cancellation of the RAT

19 Darwin should remain in the tax zone offset: Medical services in Darwin are no where near comparable to major hubs on the East Coast. Urgent medical needs only met by hopping on a jet and finding a service provider in Brisbane or Adelaide. Travel and Accommodation costs add considerably to the cost of treatment. Other Costs of living in Darwin greater than Brisbane, Sydney etc Travel within NT relies on very very expensive air travel. Extreme climate areas such as Darwin require increased costs of air conditioning. Power bills are much higher.

20 The costs of living in remote areas is already high enough without removing this offset. Although Darwin is a capital city, there are still increased costs to living here compared to elsewhere which is why Centrelink and employers provide a remote area allowance.

21 As a small business owner, approx. 35 staff, located in the Pilbara, I am very aware of extraordinary costs of operating, and living, in a remote area and factors to be considered are: overall living costs, housing costs including insurance costs, airfare costs, shortage of skilled and/or job ready workforce, lack of training options, cost of sending staff to Perth etc etc. FIFO workforces does not work for small business and adds little to the social fabric of Northern communities. We require incentives to encourage labour-force mobility if we want the North to realize it's economic potential. Rather than focus on large-scale investment programs like the Northern Australian Fund, which have never had more than very limited success, direct and meaningful individual tax incentives would create a genuine impetus for workers to relocate to the north. The multiplier effect of developing the northern regions and the economic benefits of the increased economic activity will accrue will undoubtedly offset any income tax receipt reduction.

22 I object to the removal of Remote Area Tax Concessions and Payments and request that ways to increase concessions and payments be considered instead. It is indisputable that the cost of living in a remote area is more than living in a metropolis. Is the aim of this review to provide incentive for people to return to the metropolises and/or for less incentive for people to move to remote areas albeit that the existing concessions are already minimal and access to many things available in the metropolises is limited to remote areas? Things have indeed changed since 1945. Examples of higher cost items • Home ownership • Rent • Home insurance • Shire Rates • Fuel • Electricity • Gas • Home maintenance Additional costs incurred • Freight • Postage • Travel to access essential services • Travel to access non-essential services

23 Having lived in 7 different remote rural towns over the last 30 years while in different circumstances - single, couple, family with young children, family with teenagers and now family with uni students. I can say the authors of the draft report have no idea of what living remotely is like. Having travel 4 - 12 hours to see any sort of medical specialist, lawyer, dentist, accountant etc etc. Petrol and accommodation costs are high. Lack choices in education, shops, doctors to name a few. We need remote workers to run mines and farms and businesses. Not everyone is on high wages. The FIFO lifestyle is very hard on families and mental health and the government should do more to help families stay together. Especially targeting small communities. There are lots of disadvantages living remotely and it is really expensive.

24 Living remotely, we experience hardships not experienced by those in eastern states and urban centres. Our climate is harsh and has extremes. The cost of food and services are higher, freight added to everything. The building code has higher standards, higher cost of buildings which is passed onto buyers, owners and renters. Incentives are needed to offset the difficulties experienced. It costs so much to fly out of Darwin. Trying to keep connected with family interstate, and support ageing parents from afar is near impossible with the high costs of flights. Products do not last as long in the tropics. Shoes disintegrate after one season, sometimes you may be lucky to get two seasons wearing. There is a high cost of electricity. Recent building developments have forced greater reliance on air cons as they restrict airflow with concrete structures. With a declining population more needs to be done to support and entice people to stay remote. An increase in allowance is needed, not removal. A huge d between city and country.
