



7 October 2019

RICK WILSON MP

Federal Member for **O'Connor**

Jonathan Coppel
Presiding Commissioner
Remote Area Tax Concessions and Payments
Productivity Commission Review

Dear Commissioner

RE: Remote Area Tax Concessions and Payments Draft Report

I am the Federal Member for O'Connor and I represent a large area of remote Western Australia. The O'Connor Electorate covers a large region that boasts a wide range sectors including agriculture and resources.

As an independent agency, it is obvious that the Productivity Commission's draft report does not take into account any current or future Government Policy. The current Morrison Government has multiple agencies and departments working towards promoting and expanding regional and rural Australia. Not only to ease congestion in the major cities but to allow our regional communities to expand and flourish as deserved by way of easing labour shortages, medical and health services and other important services required.

As the Member for O'Connor, I simply cannot agree with the approach to merely look at the bottom line costs savings to the Federal Budget while overlooking significant amount people occupying the communities in Regional Australia.

Areas within my Electorate are currently benefiting from Government initiated programs based on promoting lifestyles and relocating/settling within remote and rural Australia. The Designated Area Migration Agreement was implemented in the Goldfields in mid-2019, while many areas are benefiting from the Destination Australia program promoting studying in regional education centres. These are just two of many Government initiatives endorsing Australians, Tourists and Visa holders to relocate to regional communities.

I wholeheartedly agree that the current boundaries for the Tax Zone offset are outdated and believe that the ABS Mapping system mostly provides a more broad and accurate approach to the classification of remote and very remote for these purposes. However, I do not agree that Kalgoorlie-Boulder should be classified as 'outer regional' the same classification as Darwin, Cairns and Townsville – all coastal towns with a population well over four times that of Kalgoorlie-Boulder.

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The battle against Fly in Fly Out (FIFO) operations within Western Australia is ongoing, and not only highlights the intense labour shortages in certain areas, the recommendation that the current Fringe Benefits Tax (FBT) system should be overhauled to remove the concessions all together is a barbaric suggestion. The FBT system must be reprogrammed to better service the businesses and employees within regional Australia.

The draft report consistently states that people choose to live in remote and rural areas, and it is not up to the taxation system to provide monetary benefits due to a personal choice. Whilst it is an arguable point that most may appear to have a choice in where they choose to live, it is also a priority to ensure economic efficiency within our Country. It is simply not economically efficient to have the major cities and coastal towns heavily populated. There are unlimited kilometres of land and communities outside of these coastal regions that are the backbone of the country's economy. It is notable that the cost of living is significantly higher in these regions, the cost of accessing services (medical, health and educational) that are readily available in metropolitan area's is higher and of much greater distance. However despite these daily difficulties, the constituents in my Electorate choose to build their lives, families and businesses within the heart of our country.

The final report should provide workable suggestions to level the playing field across the country whilst encouraging residential workforces in regional and remote Australia. I believe it should promote changes that could benefit both employers and employees and that benefit's small businesses to ease access to available concessions.

I will continue to express my views on the draft report throughout the Electorate and in Parliament.

Rick Wilson
Federal Member for O'Connor