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Remote Area Tax Concessions and Payments  
Productivity Commission  
GPO Box 1428  
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Greetings Commission Members

Thank you for the opportunity to respond to the Productivity Commission's Draft Report on Remote Area Tax Concessions and Payments Inquiry.

## **1. Zone tax offset**

I highly disagree with the draft recommendation that the zone tax offset (ZTO) should be abolished. I agree that the ZTO is flawed and outdated, however it should be revised rather than simply eliminated.

In my electorate of Kalgoorlie, the average waiting time to see a GP is a week. Several practices do not even accept new patients as they prefer a continuity of care, but this is unfair to newcomers or tourists. Residents have to either fly to Perth to see a specialist or wait for a visiting specialist to come over, which can take up to 6 months.

The waiting list for childcare takes up to a year. The number of dual-income families is decreased because one of the parents has no choice but to stay at home and care for their child.

Simply speaking, residents in rural and regional areas are moving out in droves because of the lack of health services, good education and everyday services that people in the metropolitan areas take for granted. To assume that a ZTO is not required as an incentive for people to want to live and work in regional areas is mistaken. How can it be justified that "attempts by government to artificially create an advantage for a remote community, or attract people to live in high cost areas through tax concessions, typically result in net losses to the broader Australian community" (Draft Report) when these remote communities and regional areas are the economic backbone to our State?

## **2. Remote Area Allowance**

The Australian Government should review the remoteness structure to areas not only measurable by distances to major cities, but also take into account how accessible it is to get to a certain place. If possible, remote area allowances should be extended to all residents (within a certain age or income bracket) in remote Australia and not only for income support recipients.



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### 3. Fringe Benefits Tax remote area concessions

I recommend the Federal Government review the provisions of the Fringe Benefits Tax that relate to businesses providing housing for their workers. The aim of the review should be to remove the existing incentives for companies to use fly-in/fly-out workforces as opposed to providing housing for their workers to live in regional communities close to mines.

On the other hand, the government could adopt the very equitable suggestion of the City of Kalgoorlie-Boulder as per their initial submission that workers should be able to defray their mortgages against taxation so that employees are encouraged to directly rent or own homes in regional or remote areas, rather than relying on their employers.

The Queensland model could also be adopted to suit Western Australia with some minor amendments to the Mining Act 1978 for all mining proposals submitted within Western Australia. Basically the Queensland model revolves around the 'Strong and Sustainable Resource Communities Act 2017'. Under this state legislation, miners are made to conduct a social impact assessment process before being given approval where the proponent must cover as a minimum local business and industry procurement, housing and accommodation, workforce management, health and community well-being. The Queensland model is doing well and our state could benefit from adopting a similar approach.

Recently quite a few local West Australian shires have expressed support for this model as this is something the West Australian government can immediately address to help confront the issue. The issue of the Fringe Benefits Tax can be tackled separately at a federal level.

### Conclusion

With all due respect, it appears that several recommendations made in the draft report are not encouraging to promote regional growth and development. I strongly advocate for the Commission Members to heed the voices of regional Australia and to make the right decisions so that we have vibrant and thriving local communities. I look forward to reading the final report.

Yours sincerely

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