



Resolution Number Thirteen

Submitted by the Greater NSW Branch Delegates Conference

Rural and Regional Taxation Zones

Background

Since 1945, special zonal tax concessions have been given to people working and living in rural and regional Australia. The concept of zonal tax concessions was originally implemented by Labor icon Ben Chifley, who as Treasurer at the time acknowledged the particular circumstances of rural living – "uncongenial climactic conditions, isolation [and] relatively high living costs."

The zonal tax concession was then, and is now, a significant contributor to the overall level of earnings that workers in remote and regional areas obtain each year. The rate of expansion in the resources sector during the last ten years, coupled with an acute skills shortage in key resources industries, has directly fed into a cycle of escalating costs for workers living in remote and regional Australia, whether those costs are related to housing, fuel, food or transportation. These economic factors also fall against a backdrop of declining public services in remote Australia; increased reliance by resource employers on fly-in/fly-out operations; and population drift from regional communities to the coast. In many respects, the confluence of these factors has also contributed to Australia's housing affordability crisis.

If Australia is to truly harness the productive capacity of its workforce and its natural resources, definitive steps must be taken to arrest the economic and social costs increasingly associated with regional and remote living. Greater efforts are genuinely required to ensure that the ongoing viability of rural communities is sustained, and that rural youth have genuine and meaningful choices in obtaining work in the communities within which they have grown up. These objectives can only be achieved if action is taken through the taxation system to maintain a direct incentive for workers and their families to continue to reside in rural and regional communities.

Resolution

This National Conference recognises the extremely valuable contribution that workers and their families in rural and remote communities make to Australia's overall economic performance. National Conference calls upon the Federal Government to undertake a comprehensive review of zonal tax concessions to ensure that the real cost of living in regional and remote communities are appropriately taken into account, and that incentives for people to live in these communities are enhanced.

Moved:

Seconded:

Outcome: