

## **Submission to Federal Tax Review**

Gulf Savannah Development (GSD) is the regional development agency for the Gulf Savannah region of North Queensland, and is based on Council and private sector membership.

It is disappointing that the Terms of Reference for the taxation review do not seek to ensure that there are appropriate taxation incentives to facilitate regional development (section 4 of TOR).

The tax system is a key tool to enhance regional development and particularly to build the populations of areas classified as remote or very remote.

The zonal tax system is decades old and requires urgent review, to encourage Australians to take up employment and business opportunities in regions such as the Gulf Savannah. Not only are the tax rebates for work and residence in remote areas grossly inadequate, we also have the ridiculous situation where fly-in/ fly-out workers whose families are located in developed areas, receive zonal tax rebates. Restricting these rebates to people actually resident in the region would be a strong incentive to localise these employment opportunities and so build the capacity of remote and very remote parts of the country, and enhance the social fabric of these communities.

Rob Macalister  
Chief Executive Officer  
14 October 2008