

ZONAL TAXATION

Organisation: Gunnedah Shire Council
Name: Mr Eric Groth
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Michael Johnsen MP
Committee Chair
NSW Legislative Assembly
Committee on Investment, Industry and Regional Development
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

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22 February 2018

Dear Mr Johnsen

Re: Gunnedah Shire Council submission to the NSW Parliamentary Inquiry into Zonal Taxation

Gunnedah Shire Council writes in support of the Parliamentary Inquiry into Zonal taxation due to the potential economic, infrastructure and service benefits to regional Australia.

Gunnedah Shire is located in the North West Slopes Region of New South Wales, about 450 kilometres north of the Sydney CBD and 650 kilometres south of the Brisbane CBD. Gunnedah Shire shares borders with Narrabri Shire, Tamworth Regional Council, Liverpool Plains and Warrumbungle Shire. A largely rural area, the Gunnedah Shire encompasses a total land area of 5,000 square kilometres.

Gunnedah Shire is situated in the heart of North West NSW on the banks of the Namoi River and is the gateway to one of the most productive and prime agricultural regions in Australia – the Liverpool Plains. Gunnedah is also home to the vast coal reserves of the Gunnedah Basin.

Gunnedah LGA has an estimated residential population of 12,551. Gunnedah has a high percentage of disadvantaged people with 21% of households represented in the low income category, earning less than \$650 per week. 12.8% of our population are Aboriginal compared to 5.5% across NSW and 2.8% nationally. Unemployment is 5.6% relative to the rest of the state 6.3%. attributing to a desperate situation of an under supply of labour for a growing business base within the LGA.

Gunnedah Shire's Gross Regional Product was \$0.63 billion in the year ending June 2016, declining 1.5% since the previous year. Agriculture is the dominate industry making it highly exposed to the boom and bust cycles synonymous with an agriculture industry driven by both climate and market impacts. Mining and industry servicing mining is also a large sector of the Gunnedah economy, although growing this sector has been known to be volatile due to elasticity of pricing and changing market conditions. Growth cycles also place pressure on existing labour market supplies, particularly with a focus on a non-FIFO (Fly-in-Fly-Out) workforce for the local mining operations.

Payroll tax, stamp duty and land tax utility charges and fuel costs all factor significantly into the overall cost of doing business in rural and regional communities. Any move to reduce the burden of these costs for local residents and businesses will contribute significantly to the creation of an economic environment that is both viable and sustainable in the long term.

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The proposed introductions of exemptions of concessions to Payroll Tax, Stamp Duty and Land Tax, would support efforts to attract new businesses to the area. Reduced business costs would provide opportunities for existing businesses to expand and grow.

While our Shire provides a high quality of life, with access to more affordable housing, and quality school, cultural and sporting pursuits, there are challenges in relation to attracting new families and retaining school leavers. Local businesses are struggling to remain competitive in the global business environment with our region currently experiencing a significant skills shortage across all employment sectors.


The proposed zonal taxation changes could provide the incentive needed for city families to relocate to country areas and encourage workers to the region. Our more disadvantaged residents would benefit from the reduced cost of living including the reductions in utility and fuel costs making it easier for families to get ahead.

Gunnedah Shire Council is extremely focused on economic development and is happy to support the Parliamentary Inquiry into Zonal Taxation. Any incentive to boost our economy by reducing cost of doing business would be welcomed.

Yours faithfully



Eric Groth
GENERAL MANAGER



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