

**Submission  
No 19**

## **INQUIRY INTO ZONAL TAXATION**

**Organisation:** Regional Development Australia - Riverina  
**Name:** Ms Rachel Whiting  
**Position:** Director of Regional Development and CEO  
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The Chair  
Mr Michael Johnson  
Legislative Assembly Committee  
on Investment, Industry and Regional Development  
Parliament House  
Macquarie Street  
Sydney NSW 2000

### **Re: Inquiry into Zonal Taxation**

Dear Mr Johnson,

The Riverina region is deeply connected to its surrounding regions and could not be cordoned off in such an unnatural way as to create taxation zones without flow on effects.

RDA Riverina would especially like to note our close connection to the Murray region as well as our proximity to Victoria. Our trade links with Victoria are exemplified by the presence of a 15 year-long partnership between Port of Melbourne and the Riverina. Our connection to the Murray region is built around our mutual agricultural and irrigation interests, based on geographic proximity and political crossover (the Federal seat of Farrer concerns both the Riverina and Murray regions).

It is not the position of RDA Riverina to believe that individual zones within NSW should be taxed differently. Having reviewed the submissions made by the NSW Chamber of Commerce, we concur that considering areas such as the Riverina as stand-alone economic zones is not feasible.

RDA Riverina would like to state it supports for section 2.40 of the 'Inquiry into Zonal Taxation: Interim Report' which states:



*'...we support a further review of the regional payroll tax arrangements in Victoria in order to assess the impact on New South Wales and analyse the scheme's advantages and challenges. This is particularly important as some submission makers indicated that businesses consider payroll tax costs when deciding against expanding in regional areas. As the Victorian regional payroll tax approach distinguishes only between 'regional' and 'metro' areas of the state, it is worth examining whether this method avoids many of the concerns previously expressed about zonal taxation efforts and the drawing of intra-state tax borders.'*

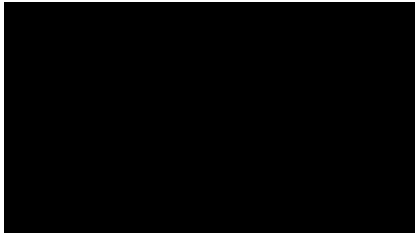
RDA Riverina supports the notion of 'regional' vs 'metropolitan' rather than attempting to create overly narrow definition of economic regions throughout the state. A narrow and changing zonal payroll tax could be problematic as noted by both the NSW Business Chamber and Chartered Accountants Australia and New Zealand in their respective submissions.

Regarding fuel levies, it is worth noting that the 'Transport, Postal and Warehousing' sector contributes significantly to the Riverina region, making up 4.6% of the region gross value-added and 4.3% of the regions employment. It is worth noting that between the 2011 and 2016 census periods, the regions total value-added increased by 13%. Over the same time frame however, the value added by 'Road Transport' industry sector decreased by -2.8%, despite employment in the sector growing by 4.0%. This could suggest that there are factors influencing the capacity of this sector to create value-added to the region. It is the opinion of the RDA Riverina, that potentially reviewing fuel levies for all regional parts of NSW could have a positive impact on an important industry sector within our region.

RDA Riverina recognises the widespread inequities aligned to operating business in regional Australia but do not support the establishment of regional economic zones which would only create silos, would limit the cooperative advantages of cross regional development and create complexities that would inevitably stifle growth.



Regards,



Rachel Whiting,  
Director of Regional Development and Chief Executive Officer  
Regional Development Australia Riverina NSW

