



OUR REF: 496150
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28th September, 2011

Tax Forum Treasury
Langton Crescent
PARKES ACT 2600

Dear Sir,

Reference: Tax Zone Allowance & Tax Forum 4-5 October 2011

In analyzing the tax zone allowance, consensus is agreed with the view that the present structure is now significantly outdated with the following factors being relevant:

- Significant population movement since 1981 (when last reviewed)
- Significant additional costs incurred by residents of areas outside of large coastal and capital cities
- Significant variation on level of services available to residents which is accepted as standard in more populated areas
- Additional cost to access in some cases even a minimum level of social, sporting and residential provision
- Need to encourage residents to remote areas offsetting the higher cost of living when compared to accommodation and facilities in the large cities
- Many residents of Emerald actually travel for 3 hours just to access health services not available in remote areas requiring in many cases an overnight stay.
- The standard and quantity of services varies significantly in coastal cities compared to remote areas
- Unless experience has been gained in evaluating the large differences between services in cities compared to smaller rural cities and towns, a misconception can develop based on perception rather than actual differences.
- Cost of living is higher in all areas and is also matched by the variation of cost of goods sold between large cities and rural areas
- Basic entitlements like children's education, is much more expensive with many children required to go to boarding schools.



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- The rent in these areas due to cost of relocation is also much higher than in the larger cities.

Your consideration to these factors in modifying the areas that are applicable to zone allowance would be appreciated. It is also relevant that an imputation type approach maybe more relevant than a rebate approach. This allows the benefit to be gained when it is needed.

Should you have any queries in regard to this matter please do not hesitate to contact me.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Andrew Brown", written in a cursive style.

**Andrew Brown MBA., M.Econ., Grad. Dip., Man., B.Bus.,CPA, ALGMA
Chief Financial Officer**