

**SENATE STANDING COMMITTEE ON ECONOMICS QUESTION**  
(Supplementary Budget Estimates 20 October – 21 October)

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**Question: SBT 8****Topic: Cost of Zone Tax Rebates by State and/or Region**

Senator Macdonald asked:

What is the cost to Revenue of the Zone Tax Rebates, if possible by State and/or Region of location of the recipients.

**Answer:**

The estimated cost to revenue of the zone and overseas forces tax offset, is \$226 million for claims made in relation to the 2007–08 income year. This aligns with the Treasury publication, *Tax Expenditure Statement 2009*, item A49.

The information on location of individuals claiming the zone or overseas forces tax offset is based on the residential postcode of the individual at the time of lodging their income tax return. To be eligible for the zone or overseas tax offset, individuals need to have lived or worked in a remote area – not necessarily continuously - for 183 days or more during an income year (part year claims are also possible). Individuals could have previously lived in or worked in a remote area during the year, but when they lodge their tax return are no longer in that remote area.

Table 1. Estimated Zone or overseas forces tax offset cost to revenue for claimed from the 2007-08 income year.

| cost to revenue of zone tax rebates (\$) |            |
|--|------------|
| NSW major urban - capital city           | 1,188,300  |
| NSW other urban                          | 757,600    |
| NSW regional - high urbanisation         | 2,317,600  |
| NSW regional - low urbanisation          | 764,100    |
| NSW rural                                | 1,371,900  |
| NSW other                                | 68,600     |
| VIC major urban - capital city           | 1,324,500  |
| VIC other urban                          | 308,800    |
| VIC regional - high urbanisation         | 500,300    |
| VIC regional - low urbanisation          | 363,000    |
| VIC rural                                | 749,800    |
| VIC other                                | 77,800     |
| QLD major urban - capital city           | 3,039,400  |
| QLD other urban                          | 32,060,900 |
| QLD regional - high urbanisation         | 8,483,500  |
| QLD regional - low urbanisation          | 7,540,000  |
| QLD rural                                | 28,528,300 |
| QLD other                                | 134,600    |
| SA major urban - capital city            | 4,642,700  |
| SA regional - high urbanisation          | 2,184,400  |
| SA regional - low urbanisation           | 3,644,700  |
| SA rural                                 | 4,423,800  |
| SA other                                 | 37,200     |
| WA major urban - capital city            | 20,525,700 |
| WA other urban                           | 1,894,800  |

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|                                  |             |
|----------------------------------|-------------|
| WA regional - high urbanisation  | 18,983,200  |
| WA regional - low urbanisation   | 11,031,900  |
| WA rural                         | 12,466,800  |
| WA other                         | 929,400     |
| TAS major urban - capital city   | 164,200     |
| TAS other urban                  | 131,100     |
| TAS regional - high urbanisation | 201,600     |
| TAS regional - low urbanisation  | 110,400     |
| TAS rural                        | 2,006,500   |
| TAS other                        | 8,600       |
| NT major urban - capital city    | 17,313,800  |
| NT regional - high urbanisation  | 12,489,200  |
| NT regional - low urbanisation   | 6,942,600   |
| NT rural                         | 8,614,300   |
| NT other                         | 7,611,300   |
| ACT major urban - capital city   | 294,900     |
| ACT other (inc ACT rural)        | 2,800       |
| Overseas / invalid               | 30,600      |
| Total                            | 226,265,300 |

## Notes :

The costs of revenue are rounded to the closest \$100.

The total does not equal the sum of all regions due to these roundings.

This data is based on Taxation Statistics 2007-08.