

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio

Supplementary Budget Estimates 1 - 2 November 2006

Question: sbt 53
Topic: Zone tax rebate
Hansard Page: E104

Senator JOYCE asked:

The next question is on the zone allowance or the zone tax rebate. How many people have we currently got in the remote areas?

Mr Ray—Zone A and zone B?

Senator JOYCE—Zone A, zone B, remote zone—whatever it is. What do they call it now? Y. What is the actual number of taxpayers we have got in those areas now?

Mr Ray—I suspect that is published in the tax stats. We might need to take it on notice.

Senator JOYCE—That is all right. I am not trying to be sneaky; I am actually trying to work something out. What I would like to have on notice is: of the people, the taxpayers, in those zones now, what portion of them were there in, let us say, 1970? I am just trying to get a trend. And how many people currently in those zones live in the towns of Townsville, Mackay, Darwin, Cairns—areas that would really be deemed now to not be remote? What I am alluding to is the possible reallocation of the rebate into areas that are more applicable, that are truly remote, as in the Centre, to try and get people out west. Can I put those on notice and get you to get back to us on those? You might have some of the answers here at your fingertips.

Mr Ray—I do not have how many people lived in Townsville in 1970 at my fingertips. I am happy to take the question on notice, but I suspect that it is not going to be easy to answer that.

Senator JOYCE—Is there any change in those zonal rebates? I know special zone B in 1947 was £20. That is \$40, and today it is \$57. Is there any possible scaling-up of that to catch up with inflation?

Mr Ray—Certainly in the past, Senator, the value of the zone rebates has been changed.

Senator JOYCE—Have there been any studies done in the taxation department about a reappropriation of the zonal rebate system so that we take out areas first considered in 1947 that have moved on into the 21st century and apply it more appropriately to areas that truly are remote?

Mr Ray—That is really going to that policy question, so it is a bit hard to answer, but I think the short answer is that we have not been looking at changing the lines on the map in recent times.

Mr Gallagher—The zone rebate data is collected with the overseas forces rebate data, and in the 2003-04 income year there were 503,197 recipients. The taxation statistics that I have do not run to the particular areas they were in. One issue here which will affect the estimates that you are seeking is where defence forces are actually allocated in the country, and also the number of defence forces we have overseas; so the data, when we look at your question on notice, may not be pure.

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Answer:

The Australian Taxation Office does not publish detailed data at a regional or postcode level with respect to the zone or overseas forces tax offset, however, the 2003-04 Taxation Statistics provides the following time series of the aggregate number of claimants and aggregate amounts claimed.

Table: Zone or overseas forces tax offset

Income Year	Number	Total value (\$)
1994-95 ¹	470,749	183,000,000
1995-96	508,130	199,325,382
1996-97	515,774	205,017,836
1997-98	515,442	208,876,221
1998-99	512,793	208,667,981
1999-00	504,301	202,083,050
2000-01	497,459	198,607,603
2001-02 ²	502,738	205,453,931
2002-03 ²	507,727	209,819,869
2003-04 ³	503,197	208,779,922

1. Amounts (\$) reported for the 1994-95 income year are rounded to millions. Actual amount figures are not available.

2. The 2001-02 and 2002-03 income year statistics reported in this table may not match the statistics reported in previous editions of Taxation statistics because the statistics for these income years have been updated in this edition.

3. The statistics for the 2003-04 income year were sourced from 2004 individual income tax returns and associated business and professional items schedules processed by 31 October 2005. The statistics are not necessarily complete. Therefore, caution should be exercised in making comparisons between the statistics for the 2003-04 and prior income years. For further information please refer to the 'Source of personal tax statistics' section in the 'Personal tax' chapter of Taxation statistics 2003-04.

Overseas forces offset recipients cannot be separately identified and removed from the data to obtain the number of individual taxpayers in receipt of some zone tax offset only.