An aerial photograph of a landscape featuring reddish-brown soil and scattered green bushes. The text is overlaid on the left side of the image.

# Regional and Remote - Special Economic Zone

(R&R SEZ) VERSION 3

Two white wavy lines that cross each other, positioned at the bottom of the page.

# Objective

Establish a Regional and Remote Special Economic Zone (R&R SEZ) to revitalise regional, remote and very remote Australia by addressing structural disadvantages in services, infrastructure, and employment. The R&RSEZ would attract and retain population through a comprehensive package of incentives i.e. financial, professional, lifestyle and infrastructure, encouraging individuals, families and businesses to relocate, invest and grow in the region.

With the upcoming Olympic Games 2032 and continual improvements in liveability in the metropolitan areas, the regions are at real risk of losing skilled individuals to these areas.

#### Tailored incentives can:

- reduce growth pressures on metropolitan areas
- strengthen local communities
- improve council sustainability
- enhance liveability
- deliver much needed skills to rural and remote Australia, and
- boost both State and National productivity

As a minimum, tax rebates/offsets as a base for these regions needs a significant review. The value of current offsets no longer achieves their initial intention of offsetting the costs of living in the region and encouraging populations to move or remain in the region.

Beyond taxation measures, this broad suite of incentives could support the establishment of new enterprises, the expansion of existing businesses, and the creation of vibrant, resilient regional economies.

# Policy Imperatives

## Demographic Renewal

- Reducing workforce, loss of services and reduced community liveability
- Young people leaving for education/employment and not returning
- Reliance on fly/drive in/fly/drive out workforce/services

## Service Equity and Community Wellbeing

- Limited services such as policing, healthcare, education, childcare and aged care
- High rates of suicide<sup>1</sup> and mental health issues
- Higher rates of chronic disease and reduced life expectancy in remote areas

## Infrastructure Foundations

- Limited road, rail and air connectivity raises costs and reduces accessibility
- Unreliable and expensive connectivity limiting education, health and business opportunities
- Lack of affordable, quality housing constrains population growth and workforce attraction
- Inadequate health, education and community facilities

## Economic and Structural Barriers

- Low return on investment (ROI) deterring private sector participation
- High logistics costs, freight and supply chain inefficiencies undermine competitiveness
- Environmental and planning approvals create delays and uncertainty
- Over reliance on a narrow set of industries and resource extraction
- Most raw products leave regions unprocessed, missing higher value opportunities

## Strategic and National Imperatives

- Food, energy and medical supply chain risk
- Underutilisation of inland/northern regions
- Increasing need for resilient infrastructure and adaptive economies in the face of climate and disaster vulnerability
- Significant opportunity to support Traditional Owners in leading economic development

<sup>1</sup> Compared with major cities and inner regional areas. In Queensland in 2023, 18.5% of persons died by suicide in outer regional areas, remote areas and very remote areas, however a much smaller percentage of Queensland's population lives in those regions compared with major cities and inner regional areas.

# Benefits

## **Economic Benefits**

- Boost regional and remote economies by stimulating private sector investment and supporting local circular economies
- Attract and retain skilled migrants, professionals, and remote workers to grow the population and expand service delivery
- Encourage regional manufacturing and industry development
- Diversify regional economies by supporting new industries such as renewable energy, critical minerals advanced agriculture, defence supply chains and digital services
- Enhance export competitiveness and position regions for Asian and Indo-Pacific trade, export and manufacturing opportunities

## **Social and Community Benefits**

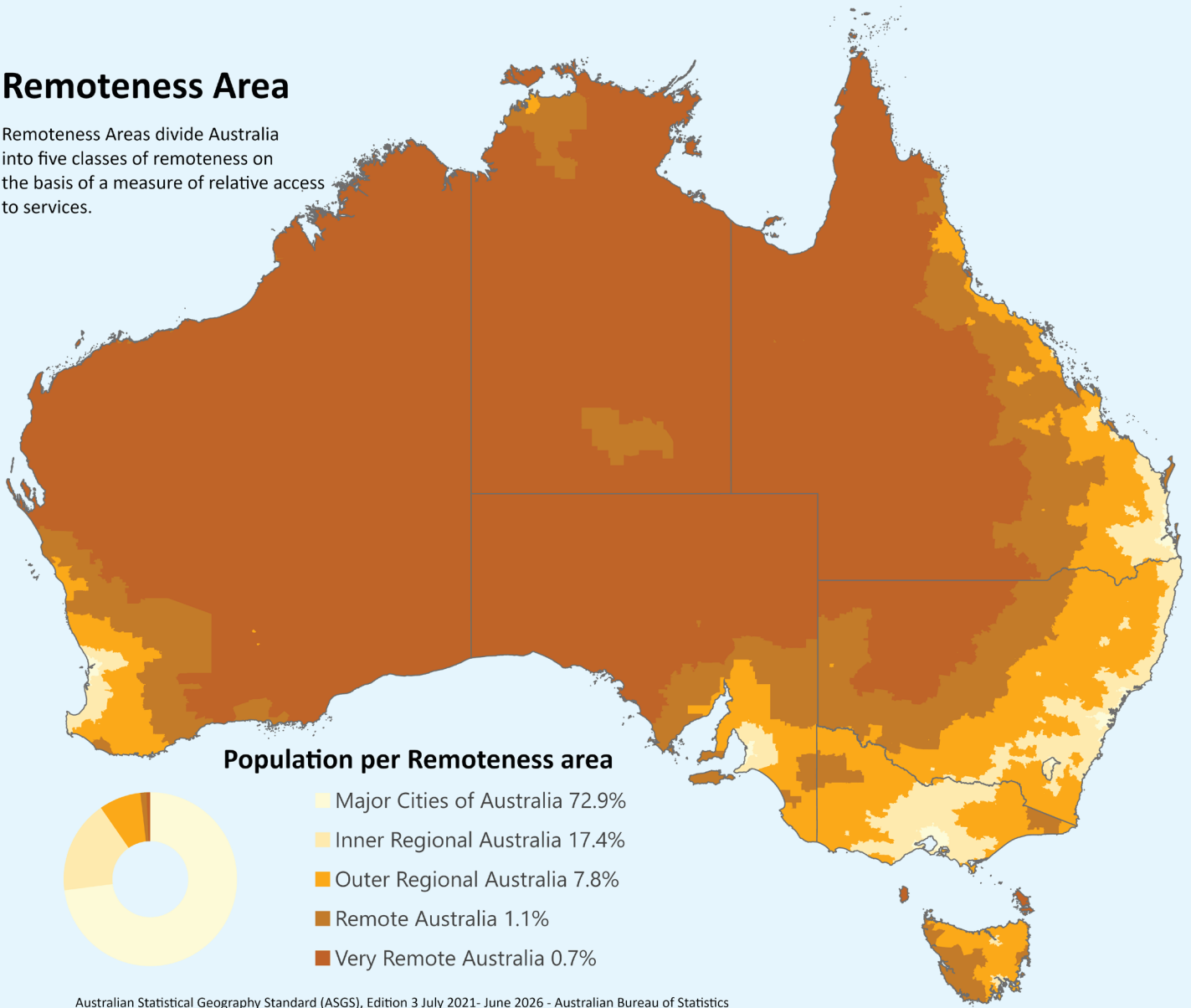
- Increase regional and remote populations, reducing growth pressures on metropolitan areas
- Improve liveability through investment in housing, infrastructure, digital connectivity and essential services
- Facilitate Indigenous economic participation and partnerships, creating new opportunities for cultural, social and financial prosperity
- Retain young people and families in the region by providing greater education, employment and lifestyle opportunities
- Strengthen local councils and community sustainability through a broader ratepayer base and expanded workforce

## **National Interests and Strategic Benefits**

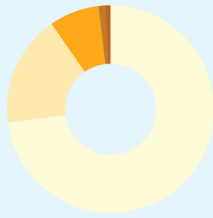
- Strengthen Australia's resilience by enhancing food security, energy security and supply chain reliability
- Support more efficient and sustainable government service delivery through stronger regional hubs
- Reduce economic and infrastructure pressure on high growth metropolitan areas
- Build resilience in the face of climate, disaster and geopolitical risks
- Position Northern and Inland Australia as a strategic contributor to national security and Indo-Pacific resilience

# Remoteness Area

Remoteness Areas divide Australia into five classes of remoteness on the basis of a measure of relative access to services.



## Population per Remoteness area



- Major Cities of Australia 72.9%
- Inner Regional Australia 17.4%
- Outer Regional Australia 7.8%
- Remote Australia 1.1%
- Very Remote Australia 0.7%

Australian Statistical Geography Standard (ASGS), Edition 3 July 2021- June 2026 - Australian Bureau of Statistics

The Regional and Remote geography is essentially those areas defined<sup>#</sup> as:

- Inner Regional
- Outer Regional
- Remote
- Very Remote Australia

<sup>#</sup> Within the mapped Remoteness Area (RA)<sup>2</sup> under the Australian Statistical Geography Standard (ASGS) within the Australian Bureau of Statistics.

## Industries in scope

- Government services
- Mining & resources
- Transport and logistics
- Agriculture
- Community services
- Agri-food
- Bio futures/fuels
- Indigenous economic development
- Healthcare
- Marine & aviation maintenance, repair and overhaul (MRO)
- Education & training
- Tourism & events
- Critical minerals
- Defence
- Advanced manufacturing
- Renewables & transmission

<sup>2</sup> <https://maps.abs.gov.au/index.html>

# Platter of Packages

The following suite of incentives could be tailored to the specific needs of each area based on postcode and applied on a sliding scale according to remoteness, as defined by the Australian Statistical Geography Standard (ASGS).

		State Responsibility	Federal Responsibility
<b>FAMILY-CENTRED INCENTIVES</b>			
Relocation	Relocation + retention bundle (for households), eg \$8–12k relocation grant	✓	✓
Childcare subsidy	An extra 15–25% gap subsidy for approved services for first 24 months in R&R SEZ postcodes		✓
Childcare capacity	Capital grants to add places in undersupplied towns, and incentives for extended hours to match shift work	✓ (and local government)	
Isolated Children Allowance	Provision of Isolated child allowance regardless of low socio-economic classification		✓
Refundable tax offset	Capped at \$1,500 per child per annum for approved educational costs		✓
Travel	Travel and accommodation support for remote boarding if it is required	✓	
Vehicle	Car registration discount	✓	
Personal tax	Personal tax incentive, e.g. increased remote area offset/allowance		✓
<b>Professional Attraction and Retention</b>			
HECS-HELP	Write-off of 10% of HECS-HELP debt per year of service in priority roles (health, teaching, engineering, planning etc)		✓
Salary loading	Regional salary loading guidance for state and federal funded roles	✓	✓
Zone Tax Rebate/offset	Zone Tax Rebate/offset Redesign could be replaced with a Zone Living Allowance Rebate. Could be \$5,000+ per adult, \$2,500+ per child, tailored specially for R&R SEZ areas		✓
Residential taxes/utilities	Offset/rebate for rent, mortgage interest or housing costs in approved R&R SEZ postcodes with an annual cap (e.g. \$7,500)	✓	✓
Fringe Benefits Tax	Partial FBT exemption on employer-provided relocation assistance, housing allowances, flights, vehicles, childcare, and flights for R&R SEZ employees. Could be capped at \$25,000 per employee per year		✓
Government Employee Home Ownership Support	Establish a dedicated Remote Home Ownership Assistance Scheme (RHOAS) for Government employees, modelled on the Defence Home Ownership Assistance Scheme but tailored to regional service delivery needs	✓	✓

		State Responsibility	Federal Responsibility
<b>Cost-of-living Relief</b>			
Air travel	Airfare fair-go: capped resident fares on designated regional air routes	✓	
Development charges relief	Targeted headworks rebates for workforce housing and childcare built by employers/consortia	✓	
<b>Housing and Liveability</b>			
Transfer duty	Transfer duty concession for home buyers and build-to-rent projects delivering key-worker housing in R&R SEZ postcodes. Given the high build and logistics costs in very remote regions, full exemption given on transfer duty up to \$600K, with scaled concession beyond \$600K up to \$800K (based on incremental brackets)	✓	
Insurance	Reduction/elimination of Stamp Duty on insurance	✓	
Arts and Culture	Incentives for cultural, arts and live music/festivals to extend their tours into R&R SEZ postcodes	✓	✓
<b>Workforce Pipelines (school → TAFE/university → job → upskill)</b>			
Placement contracts	Guaranteed placement contracts with TAFE/university & employers: final-year placements convert to job offers (with appropriate requirements met), with a retention bonus after 12 months in the role	✓	
VET and apprenticeships	School tech & trades stream: expand VET in schools; paid pre-apprenticeship summer programs	✓	
<b>Workforce</b>			
DAMA	Expand the existing DAMA program to include incentives to move to R&R SEZ postcodes		✓
Qualifications	Harmonise international qualifications/skills across the nation and provide more streamlined transfer of accreditation across a range of fields, including engineering, medical and allied health	✓	✓
<b>Industry Incentives</b>			
Lending	Banks underwritten by Federal Government (i.e. NAIF) so banks may be more prepared to loan to local residents to build/buy a house/business (i.e. lower risk profile of banks so they don't require 70% deposit before approving a loan)		✓
Regulatory Approvals	Streamlined housing development approvals	✓ (and local government)	✓
Manufacturing		✓	✓
Payroll Tax		✓	
Transport and Logistics		✓	✓
Research and Development	R&D tax offset to stimulate rural innovation	✓	✓
Depreciation	Accelerated depreciation of capital	✓	✓
Exports	Subsidy for exports through remote ports/hubs	✓	✓
<b>Health Incentives</b>			
Medicare	Reduction/Elimination of Medicare Levy		✓

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