

31 August 2021

**Committee Secretariat**  
**Inquiry into housing affordability and supply in Australia**  
**Parliament House**  
**CANBERRA ACT 2600**  
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Dear Chair Falinski,

Housing affordability is commonly perceived as a 'big city' problem, yet across Australia there are unique affordability challenges for many communities. Within the remote mining communities which support this country's largest single industry sector, mining, a handful of communities bear the brunt of housing supply shortages and poor affordability in both the rental and owner occupier markets while the nation benefits from the proven recession proof nature of this industry.

Those communities include towns and cities in the areas of:

- City of Karratha, Town of Port Hedland, Shire of Ashburton, Shire of East Pilbara, Western Australia (Pilbara)
- City of Kalgoorlie-Boulder, Shire of Coolgardie, Shire of Leonora, Western Australia (Goldfields)
- Isaac Regional Council, Queensland
- Mount Isa City Council, Queensland
- Broken Hill City Council, New South Wales

Collectively, these regions represent Australia's primary resource export industries of LNG, gold, coal, iron ore, and other fuel and minerals.

These mining regions deliver a huge portion of country's wealth in GDP annually and have gotten us through some of the toughest times in the last couple of decades. During the Global Financial Crisis, and more recent COVID crisis, the nation has turned to the resource sector to bolster our economy.

But these same mining investment cycles create harm to our societies, with major resources companies consuming available supply faster than new stock can be developed during times of growth, and the subsequent financial hardship of rapid price declines at the end of the cycle restraining appetite from individuals, investors and financiers alike to make any investments into expanding the stock of housing in readiness for the next upswing. What accompanies the resources investment cycle, therefore, is a matching cycle of poor affordability in times of growth, and poor supply in times of recovery.

These wild fluctuations in property prices affects small businesses, sporting clubs, community groups, and the underlying labour market for residential, non-mining related employees, maintaining a sense of transience and lack of economic diversity in remote mining communities.

As a nation, we can no longer celebrate commodity cycle revenue windfalls but ignore the individual costs and risks that are inherent in these cycles.

Numerous initiatives at local, state and federal level have been undertaken to address housing affordability and supply in remote mining communities. These are frequently a form of direct investment, allocating limited funds to contribute to specific one-off developments. What these initiatives lack is the broad-based impact needed to fix the root causes of housing affordability and supply problems in these markets. They offer symptomatic relief at best when the real problem to address is the lack of timely investment in supply initiated by market players at all stages in the resources investment cycle, rather than only during the most heady moments of a boom.

This submission therefore seeks to bring the Committee's attention to a lobbyist body formed by the abovementioned local government areas, which is seeking targeted changes to the application of Fringe Benefit Tax rules in these locations, as a means to enhance the economic drivers for a private individual to purchase, build or otherwise reside for longer within these communities.

Named 'More Than Mining' this group is lobbying for the following:

- Definition of a new category of remote area within the taxation legislation named "Remote Area – Mining Community" and defined as communities affected by the volatility of mining construction and commodity price cycles and impacted by Fly-in-Fly-out workforces.
- Remote Area Mining Communities to benefit from 100% Fringe Benefit Tax exemption for rent, owner occupier housing purchase cost and mortgage interest when an employer pays these expenses out of the employee's pre-tax income.

This policy would give the individual more disposable income to pay off their mortgage faster, increases their purchasing power, and allows them to reinvest in their local communities. In turn, this will result in:

- More engaged, invested, and inclusive resident communities
- Equitable home ownership opportunities for non-mining sector employees
- Stable, mobile, replenishing labour pools enabling sustainability of small businesses
- Improved quality and accessibility of healthcare, education, childcare and social services
- Growth and renewal of housing stock
- Normalising housing costs essentially means removing the dependency on resource sector employers for provision of housing in regional mining communities. It gives individuals control over their living situations and enables them to benefit financially.

More Than Mining promises greater security, prosperity, and longevity to residents, transforming these cities and towns into desirable and thriving communities.

As a resident and business owner I have seen firsthand the affordability and supply issues caused by our cyclical local economy within my local town of Karratha. I support the More Than Mining campaign because it offers a viable means of addressing the root causes of ongoing affordability and supply which continue in both upswings and downswings.

Moreover, I see a yet broader appeal for this reform, which touch on matters of national significance as well as direct relevance for our local community:

- Regional Transformation: stable housing markets will create stable populations which means enhanced viability for establishing the new nationally significant industries of the future, including renewable energy production, downstream minerals processing, transition from coal and advanced agriculture.

- Achieving Equity: allowing all people within our community to participate in the housing market on a more level playing field with big business which is otherwise able to access tax advantages the individual currently cannot.
- Facilitating the decentralisation of white-collar workforces, a trend apparent following the threat of COVID, though conceivably a necessary purposeful push to address the threats to life and economy from likely future pandemics.
- Reducing our reliance on Fly-in-Fly-out workforces, and the proven social, family and mental health problems of this flawed model of staffing.

The challenges we face are very specific to our regions. I am certain that the best approach our leaders can take is to target their responses appropriately. I am calling on our leaders to understand that our unique challenges should be addressed with a unique policy. Anything but that sadly leaves our regions, who are so important to our national economy, sidelined and forgotten – a matter of great shame.

Sincerely

Jordan Ralph

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