Submission Number: 206
Date received: 17/3/14

From: Mayor Kelly Howlett
To: Committee, JSCNA (REPS)
Subject: Submission Joint Select Committee on Northern Australia - Miss Kelly Howlett
Date: Monday, 17 March 2014 5:55:58 PM

Dear Whom It May Concern,

Thank you for the opportunity to provide comment in terms of the current Joint Select Committee on Northern Australia.

I have been a resident within the Town of Port Hedland for just over 15 years. In that time I have been able to witness first-hand the negative impact that FI/FO has on our Town of Port Hedland community.

While appreciative that for specialist trades and the competitive construction industry, FI/FO is a necessary element, it really has to be limited to that. At the moment there is very little in place from State and Federal Government to dis-incentivise companies from adopting the practice of FI/FO and I feel strongly that this should be addressed. This is critical to ensure that FI/FO is not expanded and used for operational workforces that could otherwise be residentially based in Town.

In terms of this current Joint Select Committee on Northern Australia, I would like to see a focus and emphasis on the following:

- <!--[if !supportLists]-->• <!--[endif]--> A study to look into the current taxation regime and things that currently taxation wise favour companies using FIFO and to on the flip side look at changes to taxation that may promote the practice of residentially based workforces.
- <!--[if !supportLists]-->• <!--[endif]-->Obtaining some real life data and science behind the suggestions that it is cheaper to have FIFO workers compared to residentially based workers.
- <!--[if !supportLists]-->• <!--[endif]-->A full study of company/employer tax concessions, with a break down of what currently makes it beneficial for companies to have FIFO workforces and how this can be altered to encourage residentially based workforces (FBT concessions, Remote Area FBT concessions and Payroll tax and Superannuation Guarantee)
- <!--[if !supportLists]-->• <!--[endif]-->An examination of the current zone tax offset for the Pilbara and how the current indexation should be altered to reflect current cost of living pressures
- <!--[if !supportLists]-->• <!--[endif]-->Outcomes that see measures that could be put in place to "tip the economic scales" and make it financially favourable to have residential workforces as opposed to fifo workforces

In addition to the above, I would like to make the following comments:

- the proliferation of FI/FO in a community can have an extremely detrimental impact on local housing markets, particularly when resource industry based, associated service businesses operate on the FIFO model. Within the Town of Port Hedland the average house price was $1.12 million (2.3 times higher than average house price in Perth). Average rental rates are $1,772 per week. These are not sustainable and impact significantly on our Town.

- Many permanent residents, who do not have the benefit of a resource industry based income, are unable to pay the high rentals resulting from FIFO staff competing in the domestic housing market and are therefore forced to leave the community. We have seen a continual drain of long time locals having to leave town, sometimes their town of birth, simply because they were unable to afford to live here.

- Local small businesses and other local employers, who have traditionally been required to provide staff housing, are unable to compete in local rental markets due to prices paid by resource industry based businesses with FIFO staff.

- The community of the Town of Port Hedland is deprived of many of the services and trades which would be normally be found in a town of our size (approx 20,000) due to service trades and businesses servicing the resource industry operating FIFO operations.

Thank you for the opportunity to provide comment and I look forward to the Joint Select Committee coming to the Town of Port Hedland to further gain an insight and understanding of the issues and possible taxation related solutions that could be implemented for the benefit of our community and indeed the whole of Northern Australia.

Kelly Howlett
South Hedland based resident &
Mayor
Town of Port Hedland
[redacted]