



FIFO / DIDO inquiry

This is becoming more and more complex and the horse may have bolted through the lack of robust leadership. Legislation and policy in governments of Australia at Federal, State and local levels have not understood the impacts and it may now be too late to do anything to reverse the drain to super metropolitan living and the death of rural and remote regions.

Additionally, people now 'Fly In' from all over the world – not just within Australia – and utilise services here but take their earnings 'home' when they 'Fly Out'.

FIFO's come to a major town (e.g. Karratha, Port Hedland) and then daily Drive In and Drive Out or more usually Bus In and Bus out of the main town to smaller towns or remote camps (Onslow, Red Hill). So where should they actually be counted as living? Their home (maybe Scotland, Malaysia), their town where they spend all but their 6 or 8 weeks annual leave, or the town or location they actually work? Census has no chance of capturing what is occurring. Experience shows that it does not.

The biggest single issue is that there is NO robust tracking and counting of what is happening which makes it nearly impossible to address the issues.

At the macro level

- Lack of robust longitudinal studies on the affect and effect of the practice on people – mental and physical health, relationship breakdown etc
- Inability of Census to capture location information as people consistently misunderstand how they must count themselves in the area where they spend the majority of their days and nights in the year working rather than where their family live.
 - o NOTE: The Inquiry has a letter from a Census Collector in Newman which is a classic story of what the issues are – people don't tell the truth about where they live and quite often that is about the fear of losing their LAFHA and other tax breaks they get, or, it is about getting the services where their families live because they do not care about the towns that host them.
- No department or body responsible for tracking numbers of FIFO to an area (numbers unknown only 'guess-timated)
- Subsequent inability to redress issues at the level of where those people travel to and the overuse of services designed only for the residential populations use.
- Also, FIFO DIDO BIBO from an area and the inability to redress the over-servicing occurring where they are from - waste or underuse of services designed for a far greater population
- Industry say people want to do FIFO / DIDO, so they have to offer it to get the workforce – hence, isn't the taxation which was applied as compensation for those people 'forced' by their employer into this work regime now redundant (Living Away From Home Allowance LAFHA) now redundant?
- Would people make that choice the taxation encouraged them to live in the region instead?
- Would people make that choice if the infrastructure and services were put in the region where they are working?

Taxation

- The biggest single issue are the advantages which are given through taxation to companies and workers to engage in FIFO and DIDO.
- The advantages that people get cause them to lie about where they really live.
- Companies push people into doing FIFO because they (the company) get tax breaks that way.
- Companies are penalised for building the region (FBT)
- WA government gave their workers an increased District Allowance to try to incentivise workers into government in the region but it is not tax free like LAFHA – the federal government take a LARGE chunk in taxation.
- Eastern seaboard people see this as being the rich area and have taxed industry to grab money for the eastern states – look at this region and see how little is spent here to try to make the place liveable – let alone for it to grow develop and for people to have choice in services etc
- Royalties for Regions has been the biggest single bit of good news for the region ... since I have lived here (30+ years).

What to do?

- Level the tax playing field
- Incentivise people who actually live and work here and in other remote regions
- Provide huge incentives to people who actually 'buy in' to the point where they are owner occupiers of their own homes.
- STOP providing benefits to companies to use FIFO / DIDO. Level the playing field by ceasing to penalising for building the region.

Housing

- Address the issues by creating a special economic zone around constrained areas
- Extinguish native title in the area
- Provide owner occupier incentives where the homes are owned and occupied for periods longer than 2, 5, 10, etc years increased incrementally with longevity of ownership.
- Ensure that there is a redress of the situation when someone needs to buy a house and can not afford to get into the market because a house here is so expensive (banks and lending institutions). A \$700,000 house here is a dump someone would struggle to sell in Perth for \$150,000 to \$200,000 in an 'undesirable' location.
- To spend that in Perth would buy you a very nice house in Ascot, Fremantle, Kensington or (if you could find one) an equivalent house in City Beach , Cottesloe etc. This has to be addressed.
- The Senate report on housing (2008?) spent a whole chapter talking about the massive issues in the Pilbara and gave solutions. Nothing that was identified for the Federal Government to action was accepted it was all put back on the state. The issue here is that it is constraining industry and thus impacting on Australia's economy far more than a constrained housing market in Perth/ Sydney/Melbourne does.

Cost, Remuneration and 'local-ness'

People are penalised for being a 'local' and incentivised for seeing life in the area as somewhere you go for a while If you have to – usually seen as a career booster - the way to build your bank account to fund the lifestyle or property to have somewhere else.

The same job undertaken in the capital city (Perth) – would attract the same remuneration – except for the Zone Rebate which is pitiful. Working in State Government now attracts an additional District Allowance which is a slight compensation for the very much higher cost (see regional price index published by Regional Development and Lands – Pilbara is 127% over Perth). That was an initiative through the Royalties for Regions program but there are 2 problems with it; 1) it is available to everyone even if you do not buy a house in the region to actually live in and 2) it is taxed.

If a person who does not own a house is employed in the state government job - the Government would have to provide a house which would cost them around \$100,000 per annum.

If a person does own a house which they live in, then they receive nothing.

A person doing the same job for the Federal Government would receive nothing other than wage and zone allowance.