

13 September 2021

Committee Secretariat
Inquiry into Housing Affordability and Supply in Australia
Parliament House
CANBERRA ACT 2600
TaxRev.reps@aph.gov.au

Dear Chair Falinski,

We write in support of your investigation into housing supply and affordability in Australia.

Pilbara for Purpose (P4P) is the peak membership body of the 'For Purpose' social services sector in the Pilbara. Our members deliver a vast array of social services across the remote mining communities in the Pilbara region of northwest Western Australia. P4P is the connector of Pilbara community services in the Pilbara, enabling it to achieve best practice, foster effective collaboration and have a voice at the regional level. We have members from across the Pilbara who deliver a range of social services to the Pilbara communities. Governed by a group of experienced Directors from across the Pilbara, with a passion for the sector, P4P strives to operate as a regional peak body that is trusted, promotes innovation, actively collaborates and represents the vibrancy, resilience and needs of the For Purpose sector in the Pilbara.

The non-government, social services sector is one of the largest pools of people with incomes above state housing criteria but below affordability to currently rent or purchase in the Pilbara. This sector provide an invaluable service to the Pilbara community in terms of delivering the majority of social services to the Indigenous and disadvantaged Pilbara community. Yet they are finding it increasingly difficult to operate in an environment with prohibitive housing costs and increasing demands for services despite limited core funding from government.

The escalation of rental charges and house prices in the Pilbara, compounded by a shortage of housing, is seriously constraining the ability of NGOs to attract, retain and house qualified staff, which in turn is impacting on the level, quality and accessibility of healthcare, education, childcare and social services across the Pilbara. High staff attrition results in a loss of knowledge, familiarity and experience within the organization – staff consistency is key to building and maintaining trust-based relationships with vulnerable clients. Delivery of short term specialist services and visiting essential services to remote towns and communities is hampered by lack of housing for staff. Service expansion and diversification is compromised by inability to recruit new staff in professional and managerial roles due to lack of affordable housing.

The housing crisis is depriving people of their basic human rights such as the safety and security of a home as well as the economic and social opportunities having a home provides. Rental properties are prohibitive and financially untenable for an NGO worker on an average wage of \$70,000 per year (much



higher than the recommended maximum 30% of gross income). Some staff live in 'alternative accommodation' including couch surfing and living in a caravan. Others, in particular Aboriginal staff, live with extended family in overcrowded conditions, which not only affects health and wellbeing and productivity at work, but also raises potential social concerns including child protection issues, domestic/family violence and environmental health issues. The housing supply crisis means there is limited or no priority accommodation for clients, including young parents and young women, experiencing family and domestic violence. With nowhere to go, many see returning to the perpetrator as their only option. Children in care struggle to find housing once they turn 18 years old with little support to secure safe, affordable accommodation. Earning more than the Centrelink threshold but ineligible for government housing benefits or social housing, Aboriginal employees are being priced out of the housing market and made homeless on their own country. Aboriginal staff are forced to live in crowded, inappropriate housing, move or stop working in order to access social housing.

The housing crisis is having a significant effect on the physical and mental health of our staff struggling to meet the increase in demand for services related to housing and homelessness, as well as our clients facing homelessness and other social, health and economic challenges that result from the housing crisis.

Mining companies do not recognize the impact of poor housing supply on the NGO sector. In our inland mining towns, such as Tom Price and Paraburdoo, it is extremely difficult to remain in the town unless you work for a mining company, supporting industry or government. Whilst a number of NGO staff are living in houses provided by the mining company, once they leave their employment the house is passed on to the next incumbent. With no affordable housing available to rent or purchase in these towns, these staff have no option but to leave town unless they secure a job in mining or government that comes with accommodation. Long-term community members working for NGOs who decide to retire and want to remain an active community member currently have no option but to leave town due to no affordable rentals or houses for sale in the community. The community therefore loses valuable community members who could actively participate and contribute extensive knowledge and value to the community.

As resources projects ramp up in the Pilbara, with \$170 billion in the investment pipeline and an estimated 53,300 jobs, this will place further pressure on the ability of the social services sector to compete with the resource sector and industry for limited affordable housing.

Recommendations

We are aware that state and local government together are working with the resources industry and key stakeholders on actions to address housing affordability and supply in the Pilbara. We support the short and medium term solutions that have been put forward by the Pilbara District Leadership Group and other regional organisations during a recent workshop on 19 May 2021 in Karratha. However, these solutions will not address the current issues that many of our members are facing now. There is need for urgent solutions to address the unique housing challenges we are experiencing in the Pilbara to

ensure our sector can attract and retain staff and deliver essential services across all Pilbara communities to meet increasing demand.

We fully support adoption of amendments to the Fringe Benefits Tax framework as presented in the More than Mining campaign, which is lobbying for the following as a viable means of addressing the root causes of ongoing housing affordability and supply across the mining regions:

- 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.

We would also like to put forward the following recommendations for immediate consideration.

- Identification of undeveloped/available lots for install of granny flats and dongas until long-term solutions eventuate.
- Collaborative approach between stakeholders with willingness to fast-track necessary approvals.
- Repurposing of condemned houses with access to SHERP funding to have them repaired and accessible.
- State Government to place priority on the urgent repair and maintenance of existing unused housing stock across the Pilbara. Identify opportunities to utilise local Aboriginal corporations and not-for-profit organisations to undertake the maintenance work.
- Access to GROH housing at affordable rents with a ceiling of 25% of wages as stipulated in NGO Housing strategy.
- State government to work with resource companies to confirm ability for NGOs to access empty houses across the Pilbara.
- State Government to incorporate housing subsidies into agreements for all funded staff. This would then allow organisations to provide housing subsidy equitably where this is needed.
- State Government to provide increased or supplemented rental subsidies based on income threshold rather than welfare recipient status. Could be short-term targeted intervention, especially for Aboriginal employees.
- Moratorium on rents until housing shortage is remedied.
- Investigate suitability of using old mining camps to accommodate workers without families.
- State government to work with relevant agencies and service providers to provide training, wrap around support and employment pathways to support long term employment and retention of local Aboriginal people.
- State government to work with Aboriginal corporations and not-for-profit organisations to confirm available land assets and access SHERP funding for the construction of affordable staff housing.



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- Ensure any new builds to have affordable and social housing incorporated into the design specifications.
- Funding agreements to extend beyond 12 months to allow for the planning, recruitment and delivery of programs.
- Contractual arrangements to cover housing costs for NGOs in order to attract and retain suitable staff.
- Consider the establishment of pop up housing on Crown land (“My Home” Project WA example).

The housing challenges we face are very specific to our region. Attachment 1 provides an overview of these unique challenges facing our member organisations, staff and clients.

We are certain that the best approach our leaders can take is to target their responses appropriately. We are calling in our leaders to understand that our unique challenges should be addressed with a unique policy.

Yours sincerely,

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This submission is supported by the following P4P members in the Pilbara:

Headspace Pilbara, Karratha, Newman, Port Hedland
Tom Price Youth Support Association, Tom Price
Nintirri Centre, Tom Price
Youth Involvement Council, South Hedland
Puntukurnu Aboriginal Medical Service, Newman
Yaandina Community Services, Roebourne
Mission Australia, South Hedland
East Pilbara Independence Support, Newman
Pilbara Community Legal Service, Karratha, South Hedland, Roebourne, Newman

