

## FREQUENTLY ASKED QUESTIONS

### How does it work?

The proposed More Than Mining reform to the Fringe Benefits Tax seeks to expand the FBT concession from 50% to 100% for people seeking housing in remote mining communities. This means people can purchase or rent a house completely with pre-tax income; diverting money that otherwise would have been paid into tax to mortgage or rental payments. This increase in FBT concessions will make it easier financially for residents to live in mining towns and cities for longer, slowing population churn and stabilising the demand for housing in the regions. This helps to stabilise house prices and smooth out the boom-bust impacts on property values.

### Who can benefit?

Any resident of an eligible region with taxable income and housing costs (as owner occupier or residing tenant) can benefit from the policy. Region eligibility would be determined by evidence of having a volatile commodity cycle that negatively affects housing affordability.

### How much can people save?

Find out how much you could save online at [www.morethanmining.com.au](http://www.morethanmining.com.au) and sign the petition to change the Fringe Benefits Tax rules for mining communities.

### Which regions can benefit from the proposed tax reform? Why these regions?

The organisations supporting the More Than Mining campaign include:

- Karratha & Districts Chamber of Commerce and Industry (KDCCI)
- Regional Development Australia (RDA) Pilbara
- Australian Mining Cities Alliance (AMCA), as representative body for:
  - City of Karratha
  - City of Kalgoorlie Boulder
  - Isaac Regional Council
  - Mount Isa City Council
  - Broken Hill City Council
- With additional support from partnering remote mining LGAs:
  - Shire of East Pilbara

- Town of Port Hedland
- Shire of Ashburton
- Shire of Coolgardie
- Shire of Leonora

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 the country's wealth in GDP annually and have bolstered our economy through some of the toughest times in the past few decades, including the 2008 Global Financial Crisis, and the more recent COVID crisis.

### **What does this mean for mining companies?**

Incentivising individuals to relocate to regional communities is the pathway to sustainability. This policy creates no new costs for mining companies, rather, it seeks to normalise living costs and empower individuals to purchase or rent their own properties and able to comfortably afford their living expenses. This normalises conditions in regional communities, meaning employees are not dependant on employers for housing provision.

### **Is there the housing and land stock to meet demand if this policy is adopted?**

By incentivising relocation at the individual level, this reform pulls on market demand levers to attract private sector developers and builders to invest in regional communities. Until such policy reform is adopted, the public will be largely reliant on government to deliver housing and land stock to market – which historically, has been reactive and ineffective at sustaining a stable housing market.

### **What policy is this proposal addressing?**

More Than Mining 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 FIFO workforces.
- Remote Area Mining Communities to benefit from 100% FBT exemption for rent, owner occupier housing purchase cost and mortgage interest.

**What is the total cost of this policy to Government?**

The total cost of this policy is currently being independently modelled and will be shared with stakeholders in due course.