

BACKGROUND

The issue, at a glance

Australia's international competitiveness in the global resources market is at risk. Regional mining communities are the backbone of our economy, contributing over \$199 billion to our national GDP, but these communities are not sustainable.

It beggars belief that residents of these towns and cities regularly face housing affordability and unemployment crises.

Australia must embrace tax reform to deliver sustainable and affordable housing to the essential workforces in regional mining communities.

Challenges facing regional mining towns and cities

Regional mining cities and towns swell and contract in response to project lifecycles, and those employed in sectors outside the dominant resources industry are hardest hit by housing, labour and cost of living pressures.

The following challenges are common issues for people living in regional mining towns and cities:

- **House prices fluctuate with the mining boom-bust cycle**, exposing residents to substantial financial risks.
- **High cost of living** – people who are unable to access employer-provided salary packaging benefits must work harder and pay more out of pocket to live in these communities, despite being valuable contributors to the social, cultural and economic fabric of these cities and towns.
- **Limited access to services** such as childcare, construction, beauty, retail, hospitality etc.
- **Population churn** – people are hesitant to become long term residents in these communities, exacerbating the issues.
- **Small businesses struggle** to cover costs and maintain operations without a stable, critical mass of local customers.
- **Previous solutions have been reactive** and have not managed to influence critical mass and market demand to trigger sustained change.

The boom-bust mining cycle has been impacting people living in regional mining cities and towns for a long time. The consequences of wild fluctuations in property prices, changing labour markets and unstable population numbers have taken a toll on the liveability of our

regional mining communities. As a nation, we can no longer celebrate commodity cycle revenue windfalls, and turn our backs on the people who suffer the costs in the long-term.

A novel solution

The sustainability of regional mining communities depends on them being known for 'More Than Mining'.

Repositioning mining towns and cities as financially attractive, long-term propositions with economic diversity and thriving, inclusive communities has never been more important as it enables them to build resilience against resource sector downturns.

To incentivise regional relocation of skilled labour, *More Than Mining* proposes to reshape Fringe Benefits Tax policy to support people with an affordable housing solution, independent of resource-sector employers.

Incentivising at the individual level triggers a multitude of cascading benefits and effects:

- More affordable housing to buy and rent
- Relocation of skilled labour to regional communities
- Slowing population churn, as residents choose to live in these communities longer
- Stabilising demand for housing (and therefore stabilising house prices)
- Stabilising demand for local businesses, supporting their stability and prosperity
- Normalising cost of living and access to services.

The proposed *More Than Mining* policy reform seeks to equalise Fringe Benefits Tax concessions and allow all regional and remote Australian residents access to the same allowances as mining employers—increasing the concession from 50% to 100%.

This is the first solution with support from such a wide-reaching coalition of mining communities to take aim at the problem by empowering individuals. Past initiatives, while well-meaning, have proven to be reactive and failed to sustain the changes necessary to smooth the effects of the boom-bust cycle on regional mining communities.