

Advocacy Position Statements

City of Karratha | 2024-2026



About this Document

This document provides a collation of the City of Karratha's advocacy positions that drive outcomes in the Strategic Community Plan.

It provides the Karratha's stakeholders with deeper visibility of the vision, aspirations, and priorities of our community.

It also guides the advocacy efforts of the City of Karratha and is intended to be used as a resource to deliver strategies and projects.

This is an evolving document and will be updated periodically to reflect Council's view of the advocacy priorities of our time.

Advocacy Framework

The City of Karratha tackles advocacy issues that impact on the achievement of our vision and strategies. It responds to the strategic and economic issues that influence our community.

Forming an Advocacy Position

The City listens to the community to understand the practical issues our community face. We collect feedback through our community engagement strategies, such as the Annual Community Survey and the Annual Business Scorecard. The City also listens to our community during structured engagement programs, and in less formal ways in our day-to-day interactions.

The City will seek the opinion of other stakeholders to understand their needs and challenges. This includes engaging with:

- Indigenous bodies (groups) and other community organisations. They bring a unique perspective to understanding liveability.
- Industry, the Karratha and Districts Chamber of Commerce and Industry, and local businesses to best support economic development and diversification.
- Industry Associations at both state and national levels, to understand broader issues impacting Karratha and local government generally. We collaborate with these organisations to lobby on issues to create a collective impact.
- State and Federal Government to understand their perspectives and to influence policy, legislation, and standards.

Many of the liveability factors of importance to our community are outside the domain of Local Government. They require collaboration with Federal and State Government, Industry and Non-Government Organisations to achieve community outcomes.

Advocacy Approach

The City of Karratha's approach to advocacy is multifaceted, and typically involves preparing an agreed position and/or an advocacy plan.

Advocacy planning may be actioned through partnerships with other organisations who share our position, such as the WA Local Government Association.

The Advocacy Position Statements and Advocacy Plans are fluid and iterative planning tools that will evolve and change over time. They are reviewed periodically, to ensure they remain relevant and timely.

Unless there is sensitivity attached to an Advocacy Position Statement or Advocacy Plan (such as for commercial reasons), they are public and transparent to our community.

Community and stakeholder feedback is encouraged and welcome.

Advocacy Position Statements

- An advocacy position statement reflects an agreed and constant belief, held by the City of Karratha, that informs advocacy efforts.
- The advocacy position statement is adopted by Council and reviewed from time to time.

Advocacy Plans

- Advocacy plans are attached to specific projects and initiatives, and targeted to the delivery of outcomes.
- The advocacy plan may be approved by either the CEO or Council, depending on the scope and nature of the initiative.

Advocacy Roles

The Mayor and Chief Executive Officer (**CEO**) will advocate formally and informally with key stakeholders on the City of Karratha's behalf. In their roles, they:

- make representations to both State and Australian Government Ministers;
- regularly meet with and make representations to local Members of Parliament;
- actively engage with and make representations to all candidates participating in State and/or federal election processes;
- actively engage with local and state media;
- broker partnerships and strategic alliances with other local and regional organisations;
- actively participate in peak governing organisations and their advocacy efforts, including Western Australian Local Government Association;
- submit grant applications to secure funding to deliver priority projects and program delivery.

Councillors play an important role in liaising with the community to communicate the City's position. They also provide feedback to the Mayor and CEO on the expectations of the community and shape the evolution of our advocacy approach.

Action Plans and Status Reports

The CEO will develop action plans to support the City's advocacy efforts and provide a quarterly status report to Councillors on advocacy progress and outcomes.

The status report will identify opportunities to refine, iterate and improve the City's advocacy position statements.

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The City of Karratha's Advocacy Position Statements are updated regularly.
This document is current as at 13 June 2024.

Focus Area 1: Housing

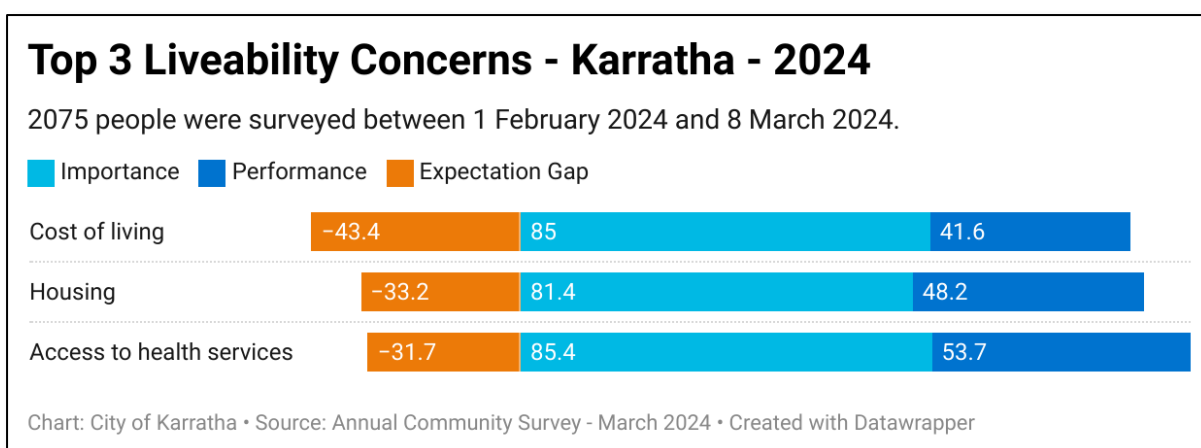
The Context

In the Pilbara, housing supply and pricing characteristics do not operate according to normal supply/demand conventions.

Typical regulatory levers are not effective due to the unique economic, demographic, and geographic features of the Pilbara, as compared to other Australian regions.

Lack of affordable housing is a throttle limiter to economic development and is a significant threat to the future economic aspirations for the Pilbara, the State, and the Nation.

In March 2024 the Karratha community advised us that cost of living and housing were their top liveability concerns, and this is a major focus of the City's advocacy efforts.



This graphic can be downloaded from the following link and may be reproduced with correct appropriation to the City of Karratha:

https://www.datawrapper.de/_BKzmP/

1.1 HOUSING AS CRITICAL ECONOMIC INFRASTRUCTURE

THE PROBLEM

The Pilbara is the economic powerhouse of Western Australia and the City of Karratha is forecasting \$37Bn in industrial projects over the next 5-years.

Large industrial projects lack adequate cumulative impact planning, resulting in poor outcomes for the local community. It is the most vulnerable who pay the ultimate price, with cost of living in the Pilbara being 65% higher than in metro areas.

Our modelling indicates a forecast shortfall of 1000 residential dwellings in the next 5-years due to these industrial projects. We also know that for every 100 residential industrial workers 3.5 additional workers need to be housed and there is no market driven solution to that shortfall.

In the Pilbara, housing supply and pricing characteristics do not operate according to normal supply/demand conventions, and State and Federal Government policies do not adapt to suit the unique characteristics, opportunities and challenges of this region.

We need context-specific, locally derived solutions to these challenges, and they need to be adequately funded. At present, the City of Karratha only receive 8% of 1-cent of every \$GDP generated in the region, which is not sufficient to fund this response.

Failing to address these challenges creates risk to future economic growth.
Get it right, and everyone benefits.

Domain rental report puts Karratha at No.1 spot for areas with biggest annual rent increase

Kate Campbell & Sam Jones | Pilbara News
Fri, 12 January 2024 3:36PM | 📌

OUR POSITION

The State and Federal Governments should:

1. Recognise the significant economic contribution of Karratha and the Pilbara to the State and National economies.
2. Enable a local response to the Pilbara's unique challenges, such as shortfalls in housing and community infrastructure, and
 - recognise that failing to do so creates a significant risk to the state and national economy, and
 - allocate to Local Government 1-cent of every \$GDP generated in the Pilbara, to fund local responses.
3. Strengthen cumulative impact planning early in major project feasibility.
4. Recognise housing as critical economic infrastructure and require a housing strategy for each major project.
5. Ensure there is adequate housing supply for residential (industrial) workforces and additional service workers.
6. Proactively release land, working on multiple fronts, to ensure residential land is development ready. The most immediate opportunity being the Mulataga precinct.
7. Incentivise the development of affordable residential properties in the Pilbara.

If the Pilbara is the goose that lays the golden egg, we need to feed and house the goose.

New resources boom in Western Australia's north likely to lift rents further as housing supply is stretched

ABC Pilbara / By Charlie McLean

Posted Fri 7 Jun 2024 at 9:56am, updated Fri 7 Jun 2024 at 2:02pm

1.2 HOUSING FOR STATE GOVERNMENT EMPLOYEES

THE PROBLEM

The Western Australian Government is overrepresented in the private rental market in Karratha.

To house its own workforce, the State consumes 30% of available leasable properties and competes against mums and dads for rentals. Individual agencies are happy to pay high levels of rent. At an aggregate level, the State Government is driving up prices and failing to deliver the best-cost outcome for the West Australian tax payer.

One reason this occurs is that the State has low rates of direct home ownership in Karratha, and it could own more houses, and/or encourage its own workforce to own property.

The Department of Communities, who manages the Government Regional Officer Housing (**GROH**) Program, fails to adapt its contractual position for leasing properties to reflect the context of the Pilbara and the regions generally. Revising its commitment to long term leases would encourage private investment in building new residential properties.

This problem will only worsen as the City of Karratha forecasts a significant residential housing shortage.

GROH Own-to-Rent [Karratha vs Pilbara]		
2022	Dwellings Owned by the State	Dwellings Privately Leased
Karratha	28% (156)	72% (392)
Rest of Pilbara	58% (453)	42% (328)

Source: City of Karratha (2022) • Created with Datawrapper

OUR POSITION

The State Government should support the City of Karratha to be a permanent City, with a large proportion of homeowners.

The State Government should (in priority order):

1. Increase the number of state government employees who are owner occupiers by improving the ownership incentive scheme, and encourage their employees to buy, or build-to-own.
2. Consider the terms of state government employee contracts and job rotations, encouraging employees to commit to Karratha for the long term.
3. Build houses for its own workforce, rather than compete on the private rental market.
4. Commit to long-term leasing agreements on realistic terms (15 years) to underpin residential construction projects.

1.3 FBT REFORM

THE PROBLEM

Employees of large enterprises (mining, oil & gas) are buffered from the volatility of an abnormal housing market through higher wages and the provision of company housing.

Current taxation concessions inequitably benefit larger enterprises over small-to-medium enterprises and other community members.

They also embeds the ‘company housing’ model in mining communities, rather than encouraging home ownership that will build long term, sustainable communities.

OUR POSITION

The Federal Government should:

1. Modify taxation legislation to enable Pilbara residents to receive 100% Fringe Benefit Tax (FBT) exemption for rent, owner occupier housing purchase costs and/or mortgage interest, when an employer pays these expenses out of the employee’s pre-tax income.
2. Create a new category of remote area within the taxation legislation named “Remote Area – Mining Community”, to be defined as communities affected by the volatility of mining construction and commodity price cycles, and impacted by Fly-in-Fly-out workforces.

The increase in FBT concessions will make it easier for residents to live in Karratha as owner occupiers. It will slow population churn, stabilise the demand for housing in the regions, and encourage multi-generational families.

This initiative will also assist in normalising house prices in the Pilbara and smooth out the boom-bust impact of commodity prices on property values.

1.4 STAMP DUTY RELIEF ON INSURANCE AND PROPERTY TRANSFERS

THE PROBLEM

The State collects a stamp duty on insurances and property transfers.

Karratha residents spend roughly \$10k per year on house insurance for a standard family home, resulting in stamp duty of \$1000.

Many are now foregoing insurance because it is unaffordable, leaving Karratha residents vulnerable.

This is a significant cost that is not experienced in the metro area and creates a barrier to those seeking to own their own home.

For those people caught in a rental trap, stamp duty comprises 20 percent of the upfront cost of moving into a new home.

A 2022 CCIWA report “Stamping out stamp duty” advises that abolishing stamp duty would make it easier for people to move near jobs, family, and schools, or to downsize later in life.

Lower-income households are punished the most by taxes on property and would benefit the most from reform.

“Abolishing stamp duty would lower a key barrier to entering the regional housing market, helping to address concerns that currently exist with FIFO workforces and housing affordability.” CCIWA 2022

OUR POSITION

Stamp duty reform would improve not just economic efficiency, but also fairness.

The State Government should:

1. Abolish stamp duty on home, contents, and strata insurance, and property transfers, for communities above the 26th parallel.
2. Adopt the recommendations of the Chamber of Commerce and Industry (2002) report, “*Stamping out stamp duty*”.

“Making up 20 percent of the upfront cost of moving, stamp duty is an unfair barrier to Australians finding their most suitable and affordable home. Reform would ease the unfairly distributed costs and improve affordability and choice for the workforce. It would also support the efforts of regional communities to attract workers.” CCIWA 2022

Focus Area 2: Access to Health Services

The Context

The City of Karratha community have advised that a (lack of) access to health services is one of their top liveability concerns.

A particular area of concern is the inability to access mental health services. As a result, this is a key advocacy focus for the City.

Lack of access to Health Services is a critical concern for the Karratha community

2075 people were surveyed between 1 February 2024 and 8 March 2024 and identified their top 3 liveability concerns.

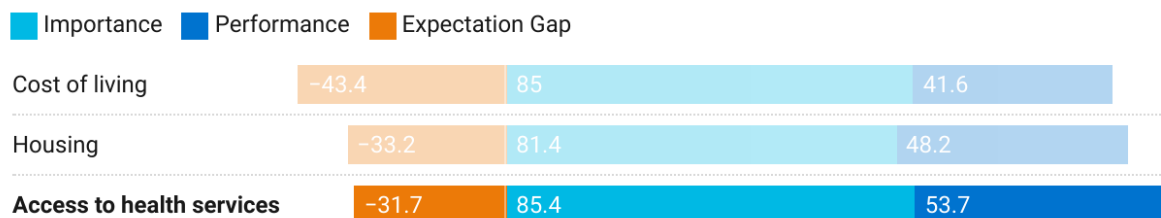


Chart: City of Karratha • Source: Annual Community Survey - March 2024 • Created with Datawrapper

This graphic can be downloaded from the following link and may be reproduced with correct appropriation to the City of Karratha:

<https://datawrapper.dwcdn.net/cw54T/4/>

2.1 STEP-UP STEP-DOWN FACILITIES

THE PROBLEM

The City of Karratha has been awaiting the Mental Health commission's delivery of a Step-Up Step-Down facility at Karratha since 2017.

The Karratha community are increasingly concerned at the lack of Mental Health services in the Pilbara. There are six Step-Up Step-Down facilities operating in Western Australia, and none are located above the 26th parallel:

- Joondalup, 22 beds, opened May 2013
- Rockingham, 10 beds, opened October 2016
- Albany, 6 beds, opened November 2018
- Bunbury, 10 beds, opened March 2020
- Geraldton, 10 beds, opened January 2021
- Kalgoorlie, 10 beds, opened January 2021

The City sold a parcel of land at Gregory Way to the Mental Health Commission in 2019 and has repeatedly advocated for this important project to be delivered.

We remain frustrated at the lack of meaningful progress for this important project and need to see a greater sense of urgency.

OUR POSITION

The State Government should:

1. Deliver the Step-up Step-down facility at Karratha in 2025. This is achievable if project design and procurement are completed in 2024.
2. Ensure the Step-up Step-down facility is sustainable by:
 - a. Planning for residential accommodation for employees, and not rely on Fly-in Fly-out resources;
 - b. Developing employee retention strategies, including incentives for employees to stay in the Pilbara region.

Focus Area 3: Local Government Act & Regulations

The Context

The City of Karratha is governed by the *Local Government Act 1995* and its related Regulations.

As a progressive and innovative Local Government, we advocate for innovative regulatory reform for the benefit of our community and the sustainability of our organisation.

3.1 REVIEW OF RATING EXEMPTIONS FOR CHARITABLE PURPOSES

THE PROBLEM

Charitable exemptions for property rates are being applied under Section 6.26 of the *Local Government Act 1995*.

The not-for-profit (NFP) sector has evolved significantly since the Act was created in 1995, due to the adoption of the *Australian Charities and Not-for-profits Commission Act 2012*, and other associated acts such as the *National Disability Insurance Scheme Act 2013*.

The increasing professionalism in the NFP sector is welcome. However, the volume of organisations seeking charitable exemptions has now extended beyond the original intent of the Act. The level of rates exemptions are having a significant impact on Local Government revenue.

Additionally, charitable organisations are increasingly managing commercial enterprises to support their charitable purposes, and those enterprises may also be rates exempt.

These rating exemptions may unfairly increase the rates burden on other ratepayers, which was not the original intent of the Act.

OUR POSITION

The State Government should:

1. conduct a broad review into the justification and fairness of all rating exemption categories currently prescribed under Section 6.26 of the *Local Government Act 1995*.

Where the State is unwilling to address this issue through regulatory reform, it should:

2. establish a compensatory fund for Local Governments, similar to the pensioner discount program.

Version Control

Version	Date	Council Resolution Number	Description
1.0	28 June 2024		