

# 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 documents the community's aspirations for our region through the preparation and review of our Strategic Community Plan.

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 conducting research and data collection to understand and verify the issues and opportunities facing our community and preparing an agreed position statement on either a high-level outcome or a specific project, 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 and Shadow 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 ~~f~~E 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 ~~20 November 2024~~**13 November 2024**.

# Focus Area 1: Housing

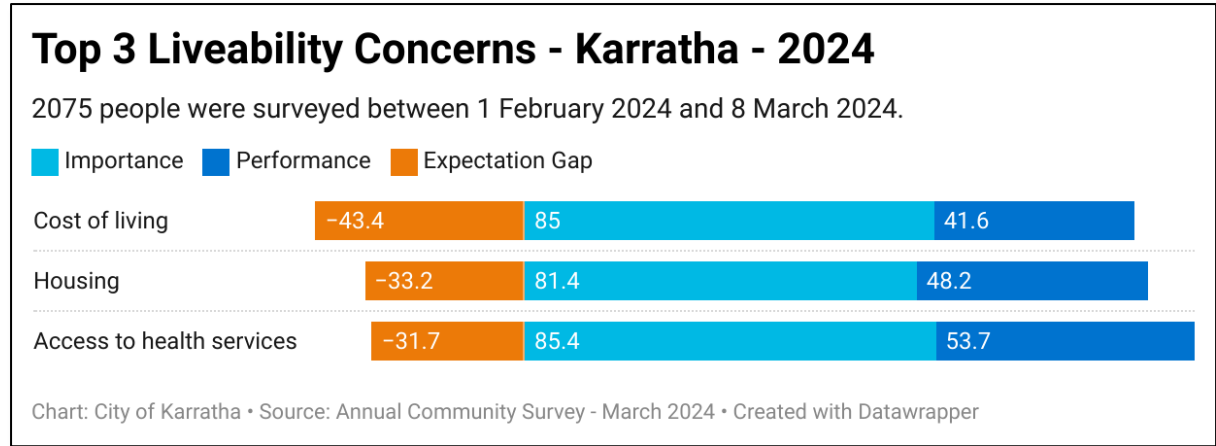
## The Context

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

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### THE PROBLEM

The Pilbara is the economic powerhouse of Western Australia and the City of Karratha is forecasting \$357Bn 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 10200 residential dwellings in the next 5-years due to these industrial projects. ~~We also know that for e~~Every 100 residential industrial workers living in the region generates demand for 3.586 additional indirect workers to provide services to this increased population. This population need to be housed and there is no market driven solution to ~~address this~~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 a risk to the future economic growth of the State and nation. 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 **that addresses both direct and indirect workforce housing needs** for each major project **as part of its assessment and approval**.
- 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

<u>Advocate to:</u> State Government Federal Government	<u>Partner with:</u> Industry Australian Mining Cities Alliance Pilbara Local Governments
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## 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 ~~s~~State ~~g~~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 ~~s~~State ~~g~~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.

~~4.~~

Advocate to:  
State Government Department of  
Communities  
State Government Department of Treasury

Partner with:  
Western Australian Local Government  
Association  
Regional Capitals Alliance Western  
Australia  
Pilbara Local Governments

## 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.

Advocate to:  
Federal Government

Partner with:  
State Government  
Regional Development Australia Pilbara  
Pilbara Local Governments  
Regional Capitals Alliance Western  
Australia

## 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

**Advocate to:**  
**State Government**

**Partner with:**  
**Pilbara Local Governments**

## 1.5 HOUSING SUPPORT PROGRAM

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### THE PROBLEM

The Federal Government has created the Housing Support Program (HSP) to support the delivery of housing. In Stream 1 the City was awarded \$400,000 to fund two Housing Analyst roles to support the delivery of our Housing Action Plan. For Stream 2 the City has applied for \$22.1 million in grant funding to support the delivery of headworks in Mulataga, an undeveloped land area to the east of the Karratha townsite. The grant would enable to the City to purchase the land from Development WA and have headworks installed for 130 residential lots.

### OUR POSITION

The Federal Government Department of Infrastructure, Regional Development, Communications and the Arts should:

1. Approve the City's application to the Housing Support Program to provide \$22.1 million in grant funding to enable the delivery of 130 development-ready residential lots in Mulataga.

<u>Advocate to:</u> <u>Federal Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts</u> <u>Federal Minister for Infrastructure, Transport, Regional Development</u>	<u>Partner with:</u> <u>State Government Development WA</u> <u>State Government Pilbara Development Commission</u> <u>Federal Member for Durack</u> <u>Regional Development Australia Pilbara</u>
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## 1.6 HOUSING AUSTRALIA FUTURE FUND

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### THE PROBLEM

The Federal Government created the Housing Australia Future Fund (HAFF) to support the development of new housing. While the City cannot apply directly, the City supported a number of applications for Round 1 of the funding. The applications that the City supported were not approved in Round 1 of the funding.

### OUR POSITION

The Federal Government should:

1. Commit to a further round of the Housing Australia Future Fund as soon as possible; and
2. Support the applications submitted within the City of Karratha, in particular the Walgu Apartment development as priority one.

<b>Advocate to:</b>	<b>Partner with:</b>
<u>Housing Australia</u>	<u>State Government</u>
<u>Federal Government Department of Finance</u>	<u>Regional Development Australia Pilbara</u>
<u>Federal Minister for Finance</u>	<u>Federal Member for Durack</u>
	<u>Development Industry</u>



## 1.7 WALGU APARTMENTS

### THE PROBLEM

Walgu Apartments is a mature housing development project that the City has been driving through an investment of approximately \$2 million in the project to date. It is a proposed 82 dwelling, landmark apartment complex on Sharpe Avenue, inclusive of commercial space on the ground floor. Approximately 75% of the apartments in the building have been pre-committed to Government Regional Officer Housing (GROH) and other State Government officer housing (e.g. for employees of Pilbara Ports Authority). The project has been awarded \$2.3 million in grant funding from the State Government Department of Planning, Lands and Heritage's Infrastructure Development Fund. The project has Development Approval.

The cost for the project has escalated since it commenced from approximately \$60 million to \$110 million. The City is exploring options to fund the project. Although the project cost has escalated the project will provide critical housing infrastructure that desperately needed in the region, is development ready and requires support from all tiers of government.

### OUR POSITION

The State and Federal Government should:

1. Consider all funding mechanisms available to ensure this project is developed, including but not limited to:
  - a. HAFF Round 2 grants;
  - b. Cash contribution;
  - c. Low or no cost financing options; and
  - d. Commitment to long term leases at an attractive rental rate.

#### Advocate to:

Housing Australia  
Federal Government Department of Finance  
Federal Minister for Finance  
State Government Department of Treasury  
State Government Treasurer  
State Government Department of  
Communities  
State Government Minister for Housing

#### Partner with:

Regional Development Australia Pilbara  
Federal Member for Durack  
Development Industry  
State Government Development WA  
State Government Department of Planning,  
Lands & Heritage  
State Government Pilbara Development  
Commission  
Local Member for Pilbara  
State Government Department of  
Communities

## 1.8 PROJECT DOROTHY

### THE PROBLEM

The City has a number of undeveloped residential land parcels. Given our housing crisis, the City advertised an expression of interest to the development market inviting housing proposals. The City offered incentives such as free or discounted land, finance guarantees, debt financing and joint ventures. The City received 15 submissions to the EOI, five of which have been progressed to the stage of preparing a business case.

### OUR POSITION

The State Government should:

1. Consider all funding mechanisms available to support the development of these projects, including but not limited to:
  - a. Cash contribution;
  - b. Low or no cost financing options; and
  - c. Commitment to long term leases at an attractive rental rate.

<b>Advocate to:</b> <a href="#">State Government Department of Treasury</a> <a href="#">State Government Treasurer</a> <a href="#">State Government Department of Communities</a> <a href="#">State Government Minister for Housing</a>	<b>Partner with:</b> <a href="#">Development Industry</a> <a href="#">State Government Development WA</a> <a href="#">State Government Department of Planning, Lands &amp; Heritage</a> <a href="#">State Government Pilbara Development Commission</a> <a href="#">Local Member for Pilbara</a> <a href="#">State Government Department of Communities</a>
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## 1.9 RETIREMENT LIVING

### THE PROBLEM

There is a shortage of affordable retirement living options in the City. The City's Aged Friendly Strategy identifies that the community are concerned about the lack of suitable housing options in the region with only 21 units available in the City of retirement living. The Strategy includes housing as a key priority area for improvement to enable older people to have opportunities to retire and remain in the City. To address this issue the Pilbara Development Commission has prepared a business case to develop retirement living options in Karratha.

### OUR POSITION

The State Government should:

1. Progress with the development of retirement living options in the City of Karratha as soon as possible.

Advocate to:

Minister for Regional Development  
State Government Treasurer  
State Government Minister for Housing  
State Government Department of Treasury  
State Government Development WA

Partner with:

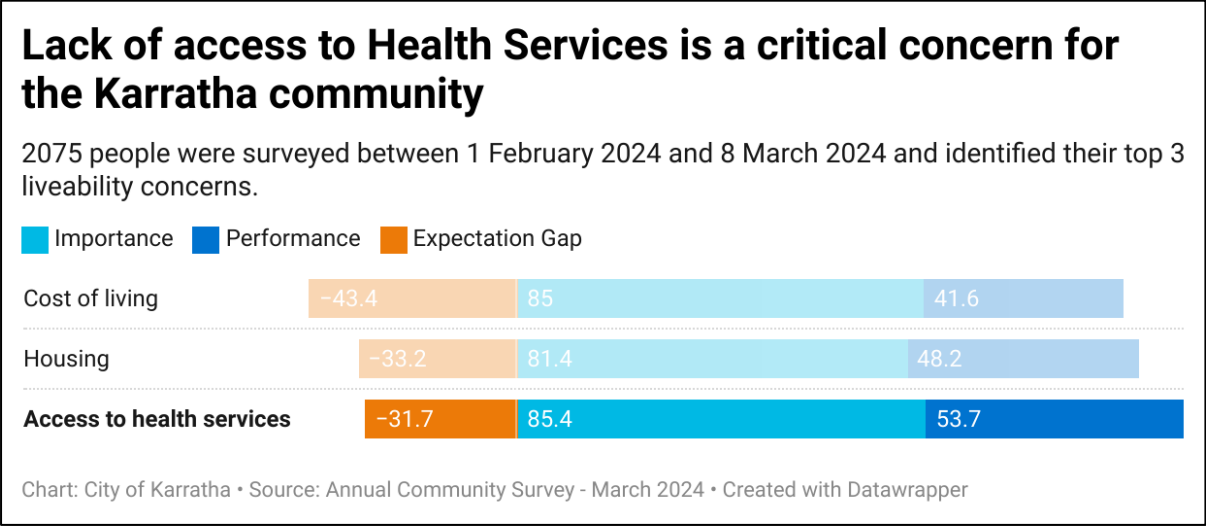
State Government Pilbara Development  
Commission

## 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.



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 26<sup>th</sup> 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.

The State Government has recently released a Request for Tender for the development and operation of the Step-Up Step-Down facility on Gregory Way, Karratha. While the City is encouraged by the construction tender recently being advertised, we remain frustrated at the length of time taken to lack of meaningful progress for this important project and need to see a continued greater sense of urgency to complete the project and commence service delivery to the community.

### **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.

**Advocate to:**  
Mental Health Commission  
Department of Health  
Minister for Health and Mental Health

**Partner with:**  
State Government Pilbara Development Commission  
Local Member for Pilbara  
Health Service Industry

## 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

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### 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.

<b>Advocate to:</b> State Government Department of Local Government, Sport and Cultural Industries	<b>Partner with:</b> Western Australian Local Government Association
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## Focus Area 4: Transport & Infrastructure

### The Context

The City of Karratha manages the Karratha Airport. We advocate for transport infrastructure and services that will connect our community and support the expansion of our airport business.

The City also advocates for the development of enabling infrastructure such as the sealing of major regional roads to connect our community and improve accessibility throughout the region.

In March 2024 the Karratha community advised the City through the annual community survey that development of additional domestic and international flight routes were a key area of improvement for the liveability of Karratha.

### 4.1 INTERNATIONAL AIRPORT STATUS

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#### THE PROBLEM

The Pilbara region has an investment pipeline of \$258 billion, approximately \$35 billion of this being in the City of Karratha. This project pipeline will create demand for approximately 62,000 jobs throughout the region and require a significant construction and operational workforce of about 11,000 jobs during construction and 2,200 jobs during operations.

The Karratha airport is a key node for the movement of people into and throughout the region for work. In addition, approximately 60,000 people live in the Pilbara region and the Karratha Airport enables this local community to connect with and access goods and services throughout the region.

The Karratha Airport is owned and operated by the City and is the second largest airport in Western Australia. It does not have international flight approval and the City is currently undertaking a project to develop a business case and obtain the relevant approvals for international status to be approved and implemented.

Upgrading Karratha Airport to international status would enable direct flights from key labour markets in Asia, significantly reducing transit times and logistical costs involved in recruiting an overseas workforce. It would also greatly enhance the liveability of the region for residents, improving connectivity and access to global destinations. With international container shipping already available at Dampier Port, Karratha is well-positioned to become a central transport hub, effectively linking air, sea, and land logistics to support the resource industry's growth and the broader community's development throughout the Pilbara region.

For Karratha Airport to gain international status, a prerequisite is a firm commitment from an international carrier willing to operate flights to and from the airport. However, lead times to evaluate a proposal and establish border services for a new international port can extend up to 14 months after a decision by the Australian Government. This extended timeline creates a significant barrier, as airlines generally aren't prepared to commit to a route and then wait more than 14 months for operational clearance.

Although discussions with international carriers in Southeast Asia are ongoing, airlines have been hesitant to commit due to the lack of international operating rights at Karratha Airport. Granting restricted international status would alleviate this barrier, enabling the airport to secure formal agreements with carriers, thereby facilitating the expansion of international connectivity for the Pilbara region.

OUR POSITION

Once the City has completed its business case and lodged its application, the Federal Government should:

- 1. Approve Karratha Airport’s proposal for ‘Restricted Use International’ status, without a confirmed airline commitment. This restricted status would allow the airport to pursue and finalise airline agreements, knowing that international rights are provisionally approved; and
- 2. Expedite support from relevant agencies to streamline necessary regulatory approvals for immigration, customs, and biosecurity compliance.

<p>Advocate to:</p> <p>Federal Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts</p> <p>Federal Minister for Infrastructure, Transport, Regional Development</p> <p>Civil Aviation Safety Authority (CASA)</p> <p>Australian Border Force</p> <p>Department of Agriculture, Water and the Environment</p> <p>Department of Home Affairs</p>	<p>Partner with:</p> <p>State Government Pilbara Development Commission</p> <p>Federal Member for Durack</p> <p>Regional Development Australia Pilbara Industry</p>
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## 4.2 CAPPED PRICE REGIONAL AIRFARES

### THE PROBLEM

The Zone Cap Fares program was introduced by the Western Australian Government in July 2022 to support regional communities by reducing the cost of air travel between Perth and various regional towns including Karratha. Recognising the high cost of flights as a barrier to connectivity, the Government implemented the program to cap airfares at more affordable levels.

The initial funding commitment aimed to reduce the financial burden on residents needing to travel for essential services and family, fostering greater accessibility to Perth and stimulating its economy. This initiative was a response to ongoing community feedback highlighting the need for affordable air travel to mitigate regional isolation and improve economic and social outcomes across Western Australia. Since its inception, the Zone Cap Fares program has been widely embraced, with a total of 361,414 flights utilised between June 2022 and June 2024, with Karratha being the highest at 89,882 flights. It is a critical program that improves the liveability of our community but is scheduled to end in December 2025.

The City's current modelling indicates that the program contributes significantly to the Perth economy, with the total contribution across the State estimated to be approximately \$264 million, and the contribution from the City of Karratha estimated to be approximately \$65 million.

### OUR POSITION

The State Government should:

1. Commit to the continued funding of the Zone Cap Fares program long term to ensure that affordable airfare options remain available for regional communities across Western Australia.

Advocate to:  
Department of Transport  
Minister for Transport  
Department of Treasury  
State Government Treasurer

Partner with:  
State Government Pilbara Development Commission  
Local Member for Pilbara  
Western Australian Local Government Association  
Regional Capitals Alliance Western Australia  
Pilbara Local Governments  
Industry

## Version Control

Version	Date	Council Resolution Number	Description
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1.0	28 June 2024	<a href="#">OCM240628-21</a>	<a href="#">Advocacy Position Statements</a>
<a href="#">2.0</a>	<a href="#">9 December 2024</a>		<a href="#">Proposed Amendment to City of Karratha Advocacy Position Statements</a>