

Manager  
Budget Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Manager,

## FEDERAL BUDGET SUBMISSION 2020-2021 – TOWN OF PORT HEDLAND

The Town of Port Hedland (Town) is located approximately 1800 km north of Perth in the Pilbara region. Comprising residential localities of Port Hedland and South Hedland, the business areas of Wedgefield and Kingsford Smith, as well as a number of Aboriginal communities, the Town's resident population is 15,144 of which 16.7 percent are Indigenous.<sup>1</sup> The Town has a high proportion of population aged 0-9 and 25-39 years,<sup>2</sup> evidencing the high number of families which are resident in the town. It also hosts workforce accommodation facilities and an estimated 33,685 fly-in, fly-out workers are employed in the Pilbara (the highest in Australia).<sup>3</sup>

The Federal Government is cognisant of the significance of the Pilbara given the predominance of mining, primarily iron ore, and the scale of global exports. The local economy is estimated at \$3.7 billion and despite economic fluctuations over the last 15 years, it has grown at an average annual rate of 6.7 percent.<sup>4</sup> Approximately 70 percent of local industry is mining.

The Pilbara has an annual economic output of \$67.47 billion.<sup>5</sup> Significant surges in iron ore export volumes have been evidenced since March 2020 with Australia's iron ore income reaching \$101.7 billion for 2019-2020 (the first export commodity to reach the \$100 billion mark and substantially out performing the previous annual benchmark of \$77.5 billion set by iron ore in 2018-2019).<sup>6</sup> The Chief Economist forecasts resource and energy exports in 2020-21 to be about \$263 billion and \$255 billion in 2021-2022. While this is a drop from forecast economic exports of \$293 in 2019-2020, \$293 billion is the largest export figure in Australian history and \$263, the third largest.<sup>7</sup> Iron ore exports have been one of the bulwarks of the Australian economy during the Covid-19 pandemic.

Critical federal infrastructure investment is required in Port Hedland to support strong and sustained economic growth and diversification; protect key economic and social infrastructure and biodiversity values;

<sup>1</sup> .idcommunity, Town of Port Hedland Population Highlights. Available at: <https://profile.id.com.au/port-hedland/highlights-2016>

<sup>2</sup> RFFAustralia, prepared for the Hedland Collective, *Hedland Early Years Education and Care Strategy – Infrastructure*, September 2019, p10.

<sup>3</sup> AEC Group Ltd, *Port Hedland Socio-economic Profile and Competitive Assessment*, September 2019, p59

<sup>4</sup> RFFAustralia, prepared for the Hedland Collective, *Hedland Early Years Education and Care Strategy – Infrastructure*, September 2019, p8.

<sup>5</sup> Remplan Economy Profile prepared for the Department of Primary Industries and Regional Development, *Economy, Jobs and Business Insights*. Accessed 17 August 2020. Available at: <https://app.remplan.com.au/pilbararegion/economy/industries/gross-regional-product?state=Ma5Rlx!pWjRF2YvJSoErpXtxEqBPiptphvaVTlh1hBtGhNP8>

<sup>6</sup> Australian Mining, *Iron Ore becomes Australia's \$100bn export industry*, 27 July 2020. Available at: <https://www.australianmining.com.au/news/iron-ore-exceeds-100bn-in-export-value/>

<sup>7</sup> Ibid.

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and facilitate early intervention programs for vulnerable children and families. A significant shortage of childcare in Port Hedland and the constraining effects on labour availability in a narrow labour market, and requirement to offer early childhood education / programs to improve psychosocial outcomes, warrants urgent policy consideration and funding approaches at the federal level.

Critical considerations for federal infrastructure investment (under a co-funding arrangement) include:

- Construction of three seawalls to protect high-value assets at three sites considered to be at intolerable risk from erosion in the immediate term:-
  - o West End (\$3 million)
  - o Sutherland Street (\$11.4 million)
  - o Goode Street (\$3.4 million)
- Upgrades and expansions to three recreation and program hubs that collectively are at capacity, are non-compliant with current code, substantially aged, or where the layout does not facilitate multi-use purposes, including: -
  - o South Hedland Integrated Sports Hub (\$97.423 million)
  - o McGregor Street Sports Hub (\$37.856 million)
  - o JD Hardie Youth and Community Hub (\$33.69 million)

The afore-mentioned recreation hub master plans were developed pursuant to findings from an extensive community engagement program (including with industry) to underpin the Town's *Strategic Community Plan 2018-2028*. The latter identified the need to:

- Create improved connections with, and opportunities for, ATSI people within the Town;
- Create safe recreation spaces and enhance access to facilities and programs;
- Improve existing facilities and offerings as opposed to constructing new facilities;
- Improve facility performance;
- Plan for future growth and challenges (including technology); and
- Encourage residential settlement for community connection and economic diversification.

A detailed consultation process was subsequently conducted to scope the facilities to ensure they aligned with community need, both presently and in terms of being forward-focused.

Key considerations in relation to the substantial shortfall in childcare placements include:

- Support for development of childcare facilities at the aforementioned recreation hubs to realise an additional 150 placements; and
- Policy considerations regarding the following:
  - o federal contributions for infrastructure where private sector investment in early learning and care centres cannot be effectively secured to meet demand.
  - o reasonable average rates of pay for childcare workers as an incentive for attraction to the profession.
  - o mechanisms for staff attraction and retention (i.e. regional incentives/subsidies).
  - o funding for remote childcare training packages.

## Coastal Hazard Risk Management

The Town is aware that the Coastal Hazards Working Group established by the Environment Ministers in 2019, pursuant to a COAG referral, is examining the issue of coastal erosion. The Town of Port Hedland recently submitted to the *National Survey on Coastal Hazards* initiated by the Australian Coastal Councils Association Inc, with questions informed by the above working group.

Port Hedland's situation on a narrow headland, its physical landscape and risk of cyclones and extreme weather events makes it extremely vulnerable to sea-level fluctuations, inundation and coastal erosion. In 2019, a *Coastal Hazard Risk Management and Adaptation Plan* (CHRMAP) confirmed extreme or intolerable

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erosive risk in the immediate term at three sites (West End, Sutherland Street and Goode Street), and recommended consideration of immediate adaptive options. The CHRMAP noted that the immediate coastal hazard risks in the Port Hedland townsite are likely to result from the occurrence of a significant storm or cyclonic event with potential loss of land to result in permanent asset and value impacts.

In March 2019, Tropical Cyclone Veronica (not considered in the CHRMAP) generated high onshore winds and waves, causing \$23.2 million damage (Council only) to natural coastal and built assets. This substantially progressed coastal erosion at the three sites, shifting the shoreline landward and escalating risk.

Coastal engineers and planners have confirmed that Tropical Cyclone Veronica has placed natural and physical assets including, beach, dune and turtle nesting habitats (threatened flat back turtle species), roads, extensive service infrastructure, residences (Port, Industry, Town and privately owned), buildings, and landscaped areas, at intolerable or extreme risk from erosion. Further, that the impact of another cyclone or consecutive extreme weather events, could cause extensive and possibly irreparable damage to these assets given the presence of minimal shoreline buffers at all three locations. Engineers recommended that areas be isolated due to public safety risks associated with near vertical erosion scarps (up to seven metres in height) and/or undermining of adjacent paths, concrete walls and carparks and urgently progressing adaptive measures to address erosion risks.

### *Work to date*

Detailed engineering assessments of protective measures for the three sites have been undertaken based on findings of the CHRMAP, damage assessments from TC Veronica, hydrodynamic modelling, geotechnical survey data and aerial imagery to peg shoreline movement. They included a review of sand nourishment and dune stabilisation, managed retreat, and the construction of rock armour seawalls for the West End and Sutherland Street. Goode Street included an assessment of the latter adaptive options (with various forms of seawall construction) plus groynes coupled with sand nourishment. The engineers concluded that the construction of seawalls at all three sites was the most financially viable and effective adaptive option given:

- their capacity to protect assets from intolerable/extreme erosive risk
- construction can occur in a relatively short timeframe, imperative in the context of cyclone risk
- the West End seawall is unlikely to impact the shipping channel, unlike sand nourishment
- the proposed 50-year design life of a seawall can be extended
- annual maintenance costs for the Town of Port Hedland are substantially lower than for sand nourishment
- dune stabilisation through vegetation is unlikely to take hold
- sand nourishment as an adaptive option requires large quantities of sand to extend beach width; can wash away quickly in a cyclone or consecutive storm event; and annual sand replenishment is costly
- the preclusive cost of managed retreat

As per the above, the costs associated with construction and associated works are West End (Marapikurrinya Park, Richardson Street and Gap) - \$3 million; Sutherland Street (\$11.4 million); and Goode Street (\$3.4 million). A grant of \$227,000 has since been secured from the State Government for the West End seawall.

### *Commonwealth assistance*

The cost of adaptive measures to manage coastal hazards is prohibitive for most remote local government authorities given cost challenges, limited revenue streams, a broader delivery mandate and staff attraction and retention issues. Further, shoreline and adjacent assets are not the only asset impacts from coastal erosion. Port Hedland hosts Port and supply chain infrastructure and critical freight corridors.

Port Hedland sits within the most cyclone prone area of the Australian coastline and with each passing cyclone season there is an ever-present risk of loss of valuable and some irredeemable assets. Further, sea-

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level is rising in the north and south-east of Australia at a faster rate than the global average, and cyclones in the region are forecast to intensify.<sup>8</sup>

Given the value of the region to Commonwealth revenue; the Commonwealth Government's responsibility for stewardship of the national economy; its commitment to developing the north; and current investment by the State and Town in the Spoilbank Marina, the Town respectfully requests that the Commonwealth give further regard to its position in directly funding urgent adaptive measures to secure life and economic assets for the Town of Port Hedland. Current access to *ad hoc* funding rounds and the proportionate government funding contribution for adaptive measures makes it extremely difficult for local government authorities to protect their communities.

A 2013 paper by Deloitte Access Economics entitled *Building our nation's resilience to natural disasters* asserted that an annual program of \$250 million per annum of pre-disaster resilience could generate budget savings of \$12.2 billion for all levels of government and reduce disaster costs by more than 50 percent by 2050.<sup>9</sup>

### Liveability infrastructure

The 2017 Productivity Commission Report, *Transitioning Regional Economies*, reviewed the adaptive capacity of regions following the last mining boom. It applied a single metric of relative adaptive capacity based on a complex set of factors that influenced a region's ability to be resilient, these included skills and education of regional workforces, access to **infrastructure and services**, availability of natural resources, financial resources accessible to businesses and individuals, and industry diversity. The report found that regions with a high share of employment in mining generally have low adaptive capacity.

Social infrastructure is a key adaptive component and is integrally linked with labour market attraction and retainment, business and supply chain diversification, readiness for emerging economic opportunities, and positive psychosocial outcomes for communities and FIFO workforces. The importance of social infrastructure to liveability and economic growth and resilience has also been evident in Commonwealth-State agreements for 'City Deals'.

The Covid-19 pandemic has highlighted the fiscal importance of the Pilbara to the economic resilience of the nation; risks associated with reliance on narrow commodity markets and limited supply chains; the value of economic diversification and import replacement opportunities; domestic tourism and arts and culture; and technologies. It has also seen an assessment of the risks associated with a FIFO model and a transition to residential settlement within the Town of industry workforces.

Social infrastructure serves as a critical point for intervention with disengaged youth and families. The multi-use focus of facilities in Port Hedland means they not only provide diversionary options through activities to address high levels of anti-social behaviour but integrate services for psychosocial wellbeing such as childcare/early learning centres, health and counselling. This is important for general community health but also meeting the *Closing the Gap* targets.

Construction costs in the Pilbara remain elevated with *Rawlinsons Construction Guide 2019* (indices) evidencing build costs in Port Hedland at 160 compared to Perth at 100. Costs are attributable to high labour, accommodation and transport costs and are anticipated to rise.<sup>10</sup>

### Recreation Hubs

Over the next 15 years, the Town's *Strategic Resource Plan* commits to \$443.6 million in upgrades to buildings and infrastructure, both renewals and new works, with \$269.32 million in new capital works. This will deliver critical infrastructure for economic facilitation and development across new facilities, centre

<sup>8</sup> Parliament of Australia, *Climate Change*. Available at:

[https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/BriefingBook46p/ClimateChange](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook46p/ClimateChange)

<sup>9</sup> *Ibid.*, p9.

<sup>10</sup> Regional Development Australia Pilbara, *Cost of Doing Business in the Pilbara*, 2020., p16. Available at:

[http://www.rdapilbara.org.au/resources/site1/General/Publication%20Reports/18842%20RDA%20Cost%20of%20Doing%20Business%20in%20the%20Pilbara%20Review%202020%20v4\\_web\[1\].pdf](http://www.rdapilbara.org.au/resources/site1/General/Publication%20Reports/18842%20RDA%20Cost%20of%20Doing%20Business%20in%20the%20Pilbara%20Review%202020%20v4_web[1].pdf)

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activation, roads, and landfill infrastructure, as well as other critical infrastructure. The Town is well-positioned to leverage off this investment.

Port and South Hedland which are separated by a 16km causeway, collectively host three recreation hubs that due to age (a number of facilities date from the 1970s), flood risk, heat, safety risks, inadequacy in meeting community demand (at capacity) and functionality, and non-compliance with current code, require critical upgrades. Further, Port Hedland's population is forecast to grow to 18,500 (conservative forecast) and 27,085 (high-growth scenario) by 2041, which will require facilities that meet community expectations and emerging trends. Participation rates at Port Hedland's recreation hubs substantially exceed national participation rates.

Temperatures in Port/South Hedland sit around a mean average of 36.4 degrees in January (Summer) and 27.1 degrees in July (winter). Under climate change scenario forecasting, these temperatures are expected to rise.

The community has identified that it requires adequate sporting facilities that accommodate growing demand; player and spectator amenities and social facilities; accommodation for female and disabled access; shaded accommodation and lighting to deal with climate; centrally located and accessible facilities; and childcare services.

The Town's three recreation hub masterplans include the following upgrades and associated costs.

**South Hedland Integrated Sports Hub (\$97.423m)** – comprises a stadium, oval, netball complex and reserve. The master plan supports:

- a floodlit multi-purpose sports field (\$10.039m) and a multi-use pavilion (\$10.884) to service the existing oval and new sports field and support social functions. It will replace an outdated sports club and will be the principal venue for regional sports competitions.
- Upgrade and extension of the existing stadium (\$58.129m) to improve amenities, deliver undercover sports capability and transition the centre functionally to a multi-use facility.
- A regional adventure playground (\$5.501m), dog park /social function area (\$681,097) and reserve extension to improve accessibility and provide small pavilions to support ground sports (\$11.936m).

**(Port Hedland) McGregor Street Sports Hub (\$37.856m)** – the master plan supports:

- Multi-purpose community centre (and function facilities) at the historic turf club for martial arts/dance, contemporary library, with the centre to double as an emergency evacuation centre for Port Hedland (which is isolated from South Hedland during an extreme weather event due to flooding) - \$14.587m.
- Dual sports field to accommodate rectangular field sports such as soccer, rugby league and touch, along with cricket practice nets and a multi-purpose pavilion, a running track and play facilities (\$15.839m).
- Tennis and hockey surface areas, a shared use pavilion and viewing shelter (\$2.659m).
- Youth zone with age appropriate BMX tracks and skate park facilities and conversion of an existing club room for hire (\$1.271m).
- A 50-place childcare centre that can interface with upgraded facilities in this precinct (\$3.5 million)

**(South Hedland) JD Hardie Youth and Community Hub \$33.69 million** – this centre was constructed in the 1970s and its use deviates significantly from its original intent. The master plan supports:

- More programmable and hireable spaces and a safe hang out space, mental health room, music and study areas, replacement of the air conditioning system and roof (\$8.5m). This facility is currently the Town's designated cyclone/emergency welfare centre, with these modifications providing for better functioning spaces for shelter during a cyclone or other emergency.
- Upgrades to surface of hard courts and installation of shade shelter, transitioning to multi-use 'day/night' facilities (primarily basketball and netball) with capacity to host tournaments (\$4.4 million). A grant of \$750,000 has since been secured from the State Government for the construction of two multi-purpose courts with lighting.

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- BMX and skate facilities and outdoor landscaping (currently the area is a largely undeveloped 'dustbowl') - \$7.3 m.
- Library with synergies with the youth centre together with tertiary study and lecture-conference spaces (\$8.409m).
- 100 capacity childcare centre (\$5.081m).

### *Commonwealth assistance*

The delivery of social infrastructure for economic growth, town development, achievement of psychosocial wellbeing outcomes, and growth in sustainable populations align with government's policy agenda, including outcomes envisaged through the Developing the North White Paper and regional development associated with Government's decentralisation policy.

Remote local governments are key partners with Government and industry in economic development and facilitating community connectivity and enhanced psychosocial outcomes. While the Town has committed substantial funding to progress the recreation hubs, it needs committed partner funding from tiers of government. The Town requests the Commonwealth Government gives support to funding components of its master plan program.

### **Childcare/early learning centres**

#### *Childcare shortages*

The waitlist for childcare impacts the narrow labour market in Port Hedland and the effectiveness of interventions to address complex social challenges in the district.

Childcare in Port Hedland comprises centre-based care; family day care; and in-home care, and there are six early learning and/or care centres in the Town, all of which are provided by not-for-profit organisations. These offer 370 licensed places, within which there are care categories for specified age groups.<sup>11</sup> While further placements have been realised consequential to refurbishments of town-owned buildings, the waitlist for early learning and care facilities in Port Hedland fluctuates between 300-400 families.<sup>12</sup> Surveys conducted within the Town of childcare needs assessed length of stay on early learning and child care waitlists as 24 percent for 0-6 months, 35 percent for 6-12 months and 44 percent for a longer period, and confirmed the community's preference for centre-based childcare.<sup>13</sup>

Analysis of population projections indicates that the 0-5 age cohort in Port Hedland is expected to grow from 1,768 to 2,689 from 2018-2041 respectively.<sup>14</sup> While a number of population scenarios were applied, a conservative approach (which excludes considerations of placements achieved as a result of recent building refurbishments) evidences an increase in the shortfall from 363 (2019) to 615 places by 2041 (70 percent increase) with the potential for a high growth scenario to achieve 1,204 by 2041.<sup>15</sup>

#### *Critical labour impacts*

Critical childcare shortages substantially constrain the available labour market in the Town. The narrowness of the job market external to the resources sector coupled with high costs of living means that most people move to the Pilbara for work and leave when they cannot continue. In 2018-2019 the jobs to workers ratio was 1.43 meaning there were more jobs than resident workers.<sup>16</sup>

<sup>11</sup> NEC, prepared for the Hedland Collective, *Hedland Early Years Education and Care Strategy*, September 2009, p4.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid., p17.

<sup>14</sup> RFFAustralia, prepared for the Hedland Collective, *Hedland Early Years Education and Care Strategy – Infrastructure*, September 2019, p27.

<sup>15</sup> Ibid., p28.

<sup>16</sup> .idcommunity demographic resources, *Town of Port Hedland Economic Profile*. Accessed 11 June 2020. Available at:

<https://economy.id.com.au/port-hedland/Employment-capacity>

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While in the aforementioned survey data the cost of childcare was identified as an issue, parental access to employment was a priority (86 percent) and the management of before and after school care for children was viewed as a major challenge given the unique rostering conditions in the Pilbara.<sup>17</sup>

### *Psychosocial / educational outcomes*

The *Report of the Review to Achieve Educational Excellence in Australian Schools through Early Childhood Interventions*, 2017, endorsed by COAG, found that quality early childhood education improves school readiness and that participating students are more likely to complete year 12. Further, it linked successful interventions to higher levels of employment, income and financial security, improved health outcomes and reduced crime. The latter benefits were perceived to be even greater for vulnerable or disadvantaged children.<sup>18</sup> The report noted that children who start school behind stay behind, that Australia is below the OECD average in investment in early childhood education and participation, and that return on investment in early education is 2-4 times the cost.<sup>19</sup> Concerningly, the *Closing the Gap Report 2020* stated that Indigenous enrolment in early education (in this case pre-school) declined markedly in remote areas.<sup>20</sup>

The *Australian Early Development Census Community Profile 2018* reveals that children in Port Hedland in their first year of school are more developmentally vulnerable than the national scores across physical health and wellbeing (~1.7%), social competence (~3.3%), emotional maturity (~3.5%), language and cognitive skills (~5.8%), communication skills and general knowledge (~3.5%). Further, that they are more vulnerable than the national average on one (~2.6%) and two domains (~5%).<sup>21</sup>

The Government of Western Australia, WA Country Health Service, *Pilbara Health Profile*, November 2018 report also highlighted concerning child and adolescent outcomes for the Pilbara compared to the State average, including:

- Significantly lower rates of immunisation for Aboriginal children, aged 12-15 months.
- Substantially higher rates of obesity for Aboriginal and non-Aboriginal children, aged 5-15 years (14 percent versus 6.5 percent).
- High levels of smoking during pregnancy (31.2 versus 24.9).
- Significantly higher rates of hospitalisation for children 0-14 years for preventable conditions (1.1 times the State average) and for injury and poisoning (1.2 times the State average).
- Significantly higher rate of notifiable diseases for children 0-14 years at 1.7 times the State average.<sup>22</sup>

### *Childcare shortage – contributing factors*

There are a number of contributing factors to the childcare shortage in Port Hedland including the extremely high cost of doing business in the Pilbara; the impact of FIFO mining rosters on holding childcare placements; childcare placements being used in the absence of after-school-hours care; and considerable difficulties in recruiting and retaining qualified childcare workers.

In Port Hedland, small businesses (including not-for-profits) face high operational and cost of living challenges largely driven by their presence in a remote resource sector dominated environment which affords

<sup>17</sup> Ibid., p15/16 and 18.

<sup>18</sup> Susan Pascoe AM and Professor Deborah Brennan, *Lifting our Game, Report of the review to achieve educational excellence in Australian Schools through Early Childhood Interventions*, p6. Available at: <https://education.nsw.gov.au/content/dam/main-education/early-childhood-education/whats-happening-in-the-early-childhood-education-sector/media/documents/Lifting-Our-Game-Final-Report.pdf>

<sup>19</sup> Ibid., pp6-7.

<sup>20</sup> Australian Government, *Closing the Gap report 2020*. Available at: <https://ctgreport.niaa.gov.au/early-childhood-education>

<sup>21</sup> Australian Government, *Australian Early Development Census*. Available at: <https://www.aedc.gov.au/data/data-explorer?id=135601>

<sup>22</sup> Government of Western Australia, WA Country Health Service, *Pilbara Health Profile: Planning and Evaluation Unit*, November 2018, pp18-26. Available at:

[http://www.wacountry.health.wa.gov.au/fileadmin/sections/publications/Publications\\_by\\_topic\\_type/Reports\\_and\\_Profiles/Pilbara\\_Health\\_Profile\\_2018.pdf](http://www.wacountry.health.wa.gov.au/fileadmin/sections/publications/Publications_by_topic_type/Reports_and_Profiles/Pilbara_Health_Profile_2018.pdf)

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high wages and subsidised housing and other incentives for employees. High development and operating costs have likely been an impediment to private sector investment in childcare services in Port Hedland, regardless of growth in population and demand for early learning and care placements.

Staff attraction and retainment for businesses that afford lower paid categories of employment such as childcare, struggle to navigate cost of living and cost of doing business challenges which are exacerbated during boom periods when wages and other costs escalate markedly. Whilst released prior to the Coronavirus pandemic, the report *Economic Prospects and the Cost of Doing Business in the Pilbara*, February 2020, foreshadowed that ABS statistics in 2021 will evidence labour costs at similar levels to 2011 (during the mining boom) and possibly higher.<sup>23</sup>

In the Town, wage costs constitute the majority proportion of operational revenue for early learning and care centres (~70 -80 percent), although for not-for-profits, facilities are generally heavily or fully subsidised.<sup>24</sup> While the regulatory requirements regarding educator-child ratio and related qualifications are key to achieving child learning and safety outcomes, the capacity to meet recruitment and training needs in the context of low childcare wages and a high operating cost scenario is also challenging.

Childcare providers cannot afford subsidised rental and utility arrangements and living costs for lower wage earners are largely preclusive in the Pilbara and fluctuate substantially in line with commodity prices and global demand for iron ore. In December 2019 in Port Hedland, there were 22.5 percent fewer listings for rentals and the average rent had increased by 7.14 percent to \$375 per week from the same time the previous year.<sup>25</sup> In the December quarter of 2019, Karratha experienced a 26 percent rise in the median weekly rent to \$620 per week and Port Hedland reported a mean weekly rent of \$450.00.<sup>26</sup> A report prepared for Regional Development Australia Pilbara reviewing the cost of doing business in the Pilbara, cited that 2020 has seen further rental hikes with Karratha now experiencing rents at \$1100-\$1300 per week.<sup>27</sup> During the mining boom rents in Port Hedland were up to 3.3 times more than Perth.<sup>28</sup> Osprey Village in Port Hedland, which was developed primarily to cater for essential services workers during the last mining boom due to inflated rents (often \$2000 + per week), is mostly occupied which makes it difficult for low income workers to enter, and sustain, accommodation in a volatile rental market. The Covid-19 pandemic has also seen a transition to residential for FIFO workers due to infection risk, with an associated potential uptake of rentals.

In addition to rental costs, utility costs are substantial due to the requirement to offset high temperatures (i.e. air conditioning and high-level water usage).

At this stage there has been no significant evidence of slowing down of iron ore exports and with forecast large-scale expansions of the Port of Port Hedland and new iron ore mines, it is likely both the costs of doing business and costs of living will increase substantially.

### Work to date

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<sup>23</sup> Regional Development Australia Pilbara, *The Cost of Doing Business in the Pilbara*, p11. Available at: [http://www.rdapilbara.org.au/resources/site1/General/Publication%20Reports/18842%20RDA%20Cost%20of%20Doing%20Business%20in%20the%20Pilbara%20Review%202020%20v4\\_web\[1\].pdf](http://www.rdapilbara.org.au/resources/site1/General/Publication%20Reports/18842%20RDA%20Cost%20of%20Doing%20Business%20in%20the%20Pilbara%20Review%202020%20v4_web[1].pdf)

<sup>24</sup> RFFAustralia, prepared for the Hedland Collective, *Hedland Early Years Education and Care Strategy – Infrastructure*, September 2019, p19.

<sup>25</sup> Pilbara Development Commission, *Housing and Land Summary December 2019*. Available at: <https://www.pdc.wa.gov.au/fast-find/knowledge-hub-2>.

<sup>26</sup> Real Estate Institute of Western Australia, cited in Your Investment Property, *Rents, prices up in WA regional centres*. Available at: <https://www.yourinvestmentpropertymag.com.au/news/rents-prices-up-in-wa-regional-centres-269763.aspx>

<sup>27</sup> Regional Development Australia Pilbara, *The Cost of Doing Business in the Pilbara*, February 2020, p16. Available at: [http://www.rdapilbara.org.au/resources/site1/General/Publication%20Reports/18842%20RDA%20Cost%20of%20Doing%20Business%20in%20the%20Pilbara%20Review%202020%20v4\\_web\[1\].pdf](http://www.rdapilbara.org.au/resources/site1/General/Publication%20Reports/18842%20RDA%20Cost%20of%20Doing%20Business%20in%20the%20Pilbara%20Review%202020%20v4_web[1].pdf)

<sup>28</sup> Regional Development Australia Pilbara, *The Cost of Doing Business in the Pilbara*, June 2014, p4. Available at: [http://www.rdapilbara.org.au/resources/site1/General/Publication%20Reports/16009%20RDA%20Business%20in%20Pilbara%202014\\_4\[2\].pdf](http://www.rdapilbara.org.au/resources/site1/General/Publication%20Reports/16009%20RDA%20Business%20in%20Pilbara%202014_4[2].pdf)

#### Town of Port Hedland Office

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Considerable work has been undertaken by the Hedland Collective (comprising industry, the Town of Port Hedland, businesses and the not-for-profit sector), including development of a childcare infrastructure strategy and workforce development plan; negotiations to establish out-of-school-hours care; \$900,000 investment in building refurbishments for childcare placements; reviewing local education options for childcare certification; examining incentivisation packages for employment, including salaries, housing subsidies, relocation allowances and scholarship programs; and identifying Federal and State assistance for employers and employees.

#### *Commonwealth assistance*

The extent of the waitlist problem and associated economic and social impacts has implications not only at a local level but in terms of fiscal returns for the Commonwealth and State Governments and achievement of committed policy outcomes. A collaborative government/community approach to managing this issue is critical.

The Town strongly requests that the Federal (and State) Governments consider infrastructure investment where early learning and care centres cannot be achieved from the private sector; reasonable average rates of pay for childcare workers; incentivisation for worker attraction and retention; and funding for remote childcare training packages.

The Town would appreciate the Federal Government's consideration of the above as part of its budget deliberations. Please feel free to contact Anthea Bird, Director Corporate Services and Deputy CEO, on (08) 9158 9339 or email [abird@porthedland.wa.gov.au](mailto:abird@porthedland.wa.gov.au) should you require further information.

Yours sincerely



Carl Askew  
Chief Executive Officer

21 August 2020

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