

LET'S TALK ABOUT

FIFO

MAKE YOUR TIME AWAY WORTHWHILE



CHRIS FENECH



INTRODUCTION

For many FIFO workers, earning a strong income creates opportunities that most Australians never experience.

Yet despite earning excellent money, many FIFO workers still find themselves asking:

- Why does so much of my income disappear in tax?
- How can I build wealth while I'm working away from home?
- How do I create passive income for my family?
- How can I eventually stop relying on FIFO work?

Property investment has helped thousands of Australians create long-term wealth. When combined with strategic tax planning and proper financial management, it can become a powerful tool for building financial freedom.

This book explains how FIFO workers can use property investment to create wealth while taking advantage of the tax benefits available under Australian legislation.

CHAPTER 1

Why FIFO Workers Are Perfectly Positioned for Property Investment

FIFO workers often earn above-average incomes.

Higher income can mean:

- Greater borrowing capacity
- Increased cash flow
- More ability to save deposits
- Potentially larger tax deductions

Many FIFO workers also work long rosters.

While away at work, your money can either:

- Sit in a bank account losing purchasing power to inflation
- **Work for you** through property ownership

Property allows your income to be leveraged into a larger asset that may appreciate over time.

For example:

\$100,000 saved in cash remains \$100,000.

A \$100,000 deposit may allow the purchase of a \$500,000 investment property.

If that property increases in value, the growth occurs on the full property value, not just your deposit.

This concept is called **leverage** and is one of the reasons property has helped many Australians build wealth.

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CHAPTER 2

Understanding Negative Gearing

Negative gearing occurs when the costs of owning an investment property exceed the rental income received.

Expenses may include:

- Interest on investment loans
- Property management fees
- Maintenance
- Insurance
- Council rates
- Depreciation

The resulting loss may be offset against taxable income, subject to current Australian taxation laws.

Example

FIFO Income: \$180,000

Property Loss: \$12,000

Taxable Income: $\$180,000 - \$12,000 = \mathbf{\$168,000}$

This may reduce the amount of tax payable.

The real objective is:

- Acquire a quality asset
- Generate long-term growth
- Receive rental income
- Benefit from available tax deductions

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CHAPTER 3

The Power of Depreciation

Depreciation is one of the most powerful tax benefits available to property investors.

Depreciation allows investors to claim deductions for the wear and tear of:

Building Components

- Walls
- Roof
- Flooring
- Structural elements

Plant and Equipment

- Air conditioners
- Appliances
- Hot water systems
- Blinds
- Carpets

One reason many investors focus on newer properties is because **depreciation benefits are often greater.**

A depreciation schedule prepared by a qualified quantity surveyor can identify claimable deductions. Many investors are surprised to discover they can claim **thousands of dollars annually** in depreciation without spending additional cash.

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CHAPTER 4

How Property Can Help Pay Off Your Home Faster

Many Australians focus solely on paying off their family home.

While owning your home is important, some investors choose to use investment properties strategically.

Potential benefits may include:

Rental income

Tax deductions

Property growth

Some investors direct additional cash flow into:

Their home loan

An offset account

Additional investments

The goal is creating multiple income-producing assets instead of relying solely on personal income.

CHAPTER 5

Using Equity to Build a Portfolio

One of property's biggest advantages is equity.

Equity is the difference between:

Property Value
minus
Loan Balance

Example

Property Value: \$700,000

Balance: \$500,000

Equity: \$200,000

As property values increase and loans reduce, equity can potentially be accessed to assist with future investments.

Many successful investors build portfolios by:

- Purchasing their first property
- Allowing time for growth
- Accessing available equity
- Purchasing additional properties

This process can accelerate wealth creation when managed responsibly.

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CHAPTER 6

The FIFO Advantage

FIFO workers often enjoy unique advantages:

Higher Income

This can increase borrowing power.

Structured Savings

Many FIFO workers spend extended periods on-site with fewer opportunities for discretionary spending.

Strong Employment Sectors

Mining regions often support strong economic activity.

Ability to Build Assets Earlier

Higher earnings can allow earlier participation in property markets.

The key is turning income into assets before lifestyle expenses consume the opportunity.

CHAPTER 7

Choosing the Right Investment Property

Not all properties are equal.
Successful investors often focus on:

Employment Growth

People move where jobs exist.

Population Growth

More people create housing demand.

Infrastructure

Roads, rail, airports, hospitals, and schools support growth.

Vacancy Rates

Lower vacancy rates can indicate stronger rental demand.

Diverse Economies

Areas with multiple industries may be less reliant on a single employer.

Avoid purchasing purely because a property appears cheap. A low purchase price does not necessarily mean good value.

CHAPTER 8

Common Mistakes FIFO Investors Make

Waiting Too Long

Many investors spend years researching and never act.

Buying Based on Emotion

Investment decisions should be driven by data.

Overextending

Maintain buffers for interest rate changes and unexpected costs.

Chasing Tax Benefits Alone

Tax savings should never be the sole reason for purchasing a property.

Focusing Only on Yield

Cash flow is important, but growth often drives long-term wealth.

CHAPTER 9

A Realistic Example

Meet Jake.

Jake earns \$190,000 per year as a FIFO supervisor.

He purchases a new investment property.

Benefits may include:

- Rental income
- Depreciation deductions
- Potential tax benefits
- Long-term capital growth

Over time:

- The tenant contributes toward loan repayments
- The property may increase in value
- Equity accumulates
- Jake's financial position strengthens

Ten years later, Jake may have significantly more options than if he had relied solely on his salary.

The property didn't make him wealthy overnight.

Time did.

CHAPTER 10

Building a Long-Term Strategy

Successful property investors think in decades.

Ask yourself:

- Where do I want to be in 10 years?
- How many properties would I like to own?
- What income do I want from my investments?
- When do I want the option to stop FIFO work?

Property investing is not a get-rich-quick strategy.

It is a **long-term wealth-building strategy** based on:

- Time
- Discipline
- Consistency
- Good asset selection

CONCLUSION

FIFO work can provide exceptional earning opportunities. The challenge is turning income into lasting wealth.

Property investment can be one vehicle that helps achieve this objective.

By understanding:

- Negative gearing
- Depreciation
- Rental income
- Equity
- Long-term growth

FIFO workers can make informed decisions about their financial future.

The goal isn't simply reducing tax. The goal is creating assets that may continue working for you long after your final FIFO swing.

Because eventually, the dream isn't working harder. The dream is having your money work harder for you.

ABOUT US

At Perth Prime Real Estate, we help Australians explore property investment opportunities across Australia.

Our focus is on education, strategy, and helping clients understand how property may fit into their long-term wealth-building plans.

Whether you're purchasing your first investment property or expanding an existing portfolio, our team is committed to helping you understand the opportunities available.

Book a complimentary strategy session to discover how property investing could fit into your financial future.

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