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The following submission to the Inquiry into Northern Australia Workforce Development is compiled by Regional Development Australia (RDA) Kimberley. An organisation invested in the economic growth and development of the Kimberley region, RDA Kimberley have addressed all the terms of reference stipulated and provided recommendations specific to the regions needs which we believe will directly impact the development of the Northern Australia workforce.

The Kimberley has experienced steady population and economic growth since 2018, with several private sector and government investments underway or in development in the region. With a wealth of natural assets and proximity to growing Indo Pacific markets, this presents many exciting opportunities which are all expected to further stimulate the employment market and contribute to regional domestic growth.

To better ensure the Kimberley capitalises on these opportunities, the region must overcome the pressing economic hurdles of lagging economic and social infrastructure, a significant housing and workforce deficit, and disproportionate levels of social disadvantage and disengagement.

Crime and community safety, affordable and available housing, and access to childcare services are common themes across Australia, but particularly so in remote and regional areas. Unemployment rates remain high in the region, yet workforce shortages are at critical levels across most industry sectors.

It is essential to address these pressing issues from the root of the cause to ensure the region's workforce development. There is a need for new approaches to retain and continue to grow the resident population, build the regions capacity and a sustainable workforce to take advantage of the upcoming economic opportunities.

In this submission RDA Kimberley have provided clear recommendations and proposals to address all these issues, bespoke to our regions needs and compiled with the extensive local knowledge and understanding to support these.

RDA Kimberley welcomes the opportunity to further discuss any of the issues and recommendations raised and contained in the following submission.

Yours Sincerely,



**ELSIA ARCHER OAM
CHAIR
REGIONAL DEVELOPMENT AUSTRALIA KIMBERLEY**



INQUIRY INTO NORTHERN AUSTRALIA WORKFORCE DEVELOPMENT

Regional Development Australia (RDA) Kimberley is part of a national network of 55 RDA committees. Our organisation has an active and facilitative role in the Kimberley to improve regional development outcomes, achieved through collaboration across all levels of government, private sector, and community.

Covering one-sixth of Western Australia's landmass spanning over 420,000kms², the Kimberley possesses rich natural and cultural assets; an internationally recognised tourism sector; improving transport infrastructure to external markets; and diversification opportunities associated with value-add agriculture and pastoral enterprises.

RDA Kimberley is part of Northern RDA Alliance and is contracted to deliver the Local Jobs Program on behalf of the Department of Employment and Workplace Relations. This inquiry is pertinent to our region and has a major bearing on the future and economic development of the Kimberley. RDA Kimberley acknowledges that some of the issues it raises and recommends in this submission are matters many regard as State, nevertheless, we call on the Australian Government to use whatever influence it can with the State to address issues raised and make a difference in this space.

RDA Kimberley therefore makes the following comments and recommendations to the Terms of Reference stipulated:

a.) trends in Northern Australia that influence economic development and industry investment including population growth, economic and business growth, workforce development, infrastructure development, and Indigenous economic participation;

The Kimberley has seen steady population growth since 2018, with an approximate resident population of 38,717 as of 30th June 2021¹, but faces socio-economic disadvantage (including unprecedented juvenile crime rates); lack of critical population mass; high cost of living and business; and severe shortages in housing and workforce.

Through building partnerships and economies of scale, many regional based organisations are striving to further the Kimberley's human capital and economic development, and the region has seen some economic growth since 2018 mainly due to the development in the Mining and Resource sector, and Covid policy driving up domestic tourism.

This recent growth has given greater confidence for regional investment in some areas. There are several private sector and government investments underway or in development in the Kimberley which are expected to further stimulate the employment market and contribute to regional domestic growth. This includes:

- **Agriculture, horticulture and value-add processing** e.g., continued expansion in the Ord River Irrigation Area, with a further approximate 5,000hecatres of new farm land under development in 2022 and industry investment in a cotton gin; expansion of the Cone Bay Ocean barramundi farm; Fresh Produce Group's asparagus and table grapes production east of Broome; Kilty Station's micro beef abattoir, and the potential for Project Sea Dragon (farmed back tiger prawns) to generate growth.
- **Government funded projects** e.g., upgrades at RAAF Base Curtin; relocation of Broome Prison; Cable Beach Foreshore Redevelopment; Broome Boating Facility construction; NBN fibre in Halls Creek; establishment of the East Kimberley Designated Area Migration Agreement.



- **Supply chain infrastructure** e.g., Kimberley Marine Offloading Facility construction; Broome International Airport and East Kimberley Regional Airport upgrades; road upgrades for Great Northern Highway, Tanami, Gordon Downs, Duncan and Cape-Leveque roads.

- **Mining and Resources** e.g., commencement of the Kimberley Minerals Sands mine, expanded mining nickel by Panoramic Resources, potential Boab Metals Lead and Silver mine north of Kununurra.

The Indigenous people represent 41% of the region's populationⁱⁱ, but when it comes to workforce participation and unemployment rates, there are major imbalances. Overall Indigenous unemployment rate is 20% compared with 1.75% for the non-Indigenous, and in terms of labour participation, 58.8% of the Kimberley Indigenous people stated in the 2021 Census, are not in the labour force. As a point of comparison, 9.82% of the non-Indigenous people stated they were not in the labour forceⁱⁱⁱ. This imbalance must be addressed as the development of the Indigenous population is the underlying imperative in developing the Kimberley workforce.

b.) impediments to building the economic and social infrastructure required to support industry and business to expand and create regional jobs;

Whilst there are a number of exciting economic opportunities in the pipeline, there are several issues which may impede the region's ability to maximise these opportunities and need to be addressed to ensure continued growth and creation of jobs.

Prior to 2018, the region experienced significant decline in Gross Regional Product (GRP), declining by an average rate of 12.6% from 2014 to 2018^{iv}. This is in part due to:

- Contracting mining and resource activity (e.g., closure of Argyle Diamond and Ridges Iron Ore mines),
- Stagnant tourism sectors impacting demand and,
- Onerous regulations across the region.

This decline influenced regional investment confidence. Government and private investment hesitancy has resulted in underdeveloped built economic and social infrastructure including housing, education, childcare, and community amenities.

Limited freehold land, complex land tenure and lengthy approvals processes have further aided this hesitation, hindering, and deterring investment for decades. Despite all the "Red Tape" Inquiries, no real progress has been made to enhance investment confidence and gaining approvals is as protracted and costly as it has ever been. The impact of this in holding back growth and investment cannot be underestimated.

Constrained investment and lagging infrastructure have negatively impacted population attraction and retention to the Kimberley. It has worsened critical labour shortages across a multitude of industry sectors and impacts the regions' ability to develop skilled and unskilled workforces.

Housing, education, childcare services, and community safety underpin the regions community stability and economic welfare and are vital for the region's continued economic development. There is a need for new approaches to tackle these issues to ensure population retention and attraction.



To address the housing crisis, **RDA Kimberley recommends:**

- **Policy review to improve access to appropriate and affordable housing and stimulate investment.** Reassess and reconsider over-income incentive that impacts access to social housing, which in turn impacts workforce participation. Review and changes to State Government Regional Officers' Housing (GROH), introducing stronger incentives for government employees to buy their own home rather than rent through GROH. Purchasing a home does not mean it's forever - remove this stigma.
- **Incentives and greater support** given to stimulate private investment in the region with access to finance assistance, reduced insurance costs, direct subsidies, and tax benefits.

To address the childcare crisis, there needs to be greater focus given to the workforce shortage and local initiatives to build this. **RDA Kimberley recommends:**

- The immediate review of industry regulations across all levels of Government and puts forward the proposal to **amend the Commonwealth Government Regulation stipulating a mandatory accreditation for all Early Childhood Educators.** We propose regional considerations be given to support and recognise local training initiatives to engage and build a local workforce and remove additional barriers for regional centres to attract and retain staff.

For a complex range of reasons many Indigenous people in the Kimberley experience challenging social and economic circumstances, including significantly higher rates of unemployment, incarceration, substance abuse, and suicide compared to other Australians. This current status presents challenges such as increased pressure on health and community services, higher welfare dependency in some segments of the community, and related anti-social behaviours.

Crime and anti-social behaviour across the Kimberley are having serious impacts on individual safety, mental and psychological health, and socio-wellbeing in our communities, business and property values, and the ability of employers, including governments to attract and retain staff. Dysfunctional home environments and low school participation is a root cause of many of the social issues, which in turn impacts economic participation and ultimately regional development.

In the Kimberley school attendance is an average of 68%, by comparison the West Australian average is 91%. Even more concerning is the 38.4% high school attendance for Halls Creek District High School.^v A 2019 coronial inquest linked poor school attendance in this Local Government Authority (LGA) to be a common factor in the deaths of children who died between 2012 and 2016, the overall data highlighting a serious concern for the welfare and future of children in the region.

RDA Kimberley recommends

- The Australian Government to join discussions with State Government officials and collaborate on initiatives that require cross-government attention to address crime and community safety.
- More children-focused family assistance payments i.e., family assistance payments impacted if parents do not ensure children attend school or if family members commit criminal offences.
- A form of National Service aimed at skill development, not necessarily military service, for young people leaving school without an education, training, or employment pathway.



To build the region's capacity and a sustainable workforce to take advantage of the upcoming economic opportunities, the Kimberley needs to retain and continue to grow the regional residential population and address the imbalance of Indigenous economic participation from the root of the cause.

There needs to be a focus on the children and education to break the systemic cycle of poverty and build local workforces. Support and recognise locally driven initiatives to engage the local workforce, greater resources and incentives put towards apprenticeship programs, and all levels of government to create policy and programs that assist with overcoming regional barriers, stimulate private investment, and not serve to enable dependency.

c.) challenges to attracting and retaining a skilled workforce across Northern Australia;

- Lack of affordable and available housing,
- Lack of access to childcare services,
- High cost of living compared to State and National averages.

d.) empowering and upskilling the local Indigenous population.

There are many organisations and programs running in the Kimberley to try to empower and upskill the local Indigenous population, however, it is evident through the Closing the Gap metrics that there is a disconnect between these initiatives and employment participation.

This is clearly visible in communities like Fitzroy Crossing and Halls Creek. Key businesses and services are owned by Indigenous people or Corporations, but both communities are highly reliant on visa workers and semi-retired people to operate services and business despite high unemployment rates.

RDA Kimberley recommends

- Governments take a critical look at Key Performance Indicators to all recipients of public funds linked to Closing the Gap objectives and metrics, and demand evidence of results, evidence of what the recipient will do differently to the status quo to get better results before approving funds. If funds are to be given to same old programs, doing the same old approach then it is illogical to expect better results. Governments using public funds must drive this cultural change.

There needs to be a greater focus given to the ongoing employment pathways, not just training to tick a box, and greater support given in this space to empower and ensure retention. There are plenty of training opportunities here in the Kimberley with some support given during this time, but training does not necessarily lead to ongoing employment, and there is very little, if any, ongoing support given once employed.

ⁱ Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0).

ⁱⁱ Australian Bureau of Statistics, Census of Population and Housing 2021

ⁱⁱⁱ Australian Bureau of Statistics, Census of Labour Force Status 2021

^{iv} Department of Primary Industry and Regional Development – Prefeasibility study

^v Department of Education Attendance Data

https://www.det.wa.edu.au/schoolsonline/attendance_ov_yrlev.do?schoolID=4145&pageID=SP10

