



SHIRE OF WYNDHAM EAST KIMBERLEY

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Joint Select Committee on Northern Australia –
Northern Australia Workforce Development
PO Box 6100
Parliament House
CANBERRA ACT 2600

Via email: northernaustralia.joint@aph.gov.au

Dear Committee Members

SHIRE OF WYNDHAM EAST KIMBERLEY SUBMISSION TO THE JOINT SELECT COMMITTEE ON NORTHERN AUSTRALIA - NORTHERN AUSTRALIA WORKFORCE DEVELOPMENT

The Shire of Wyndham East Kimberley (the Shire) is making this submission in the hope that the Joint Select Committee is able to address the critical economic enablers that will facilitate the development of a skilled and stable workforce in Northern Australia. Workforce issues that the Shire sees as relevant relate to the provision of infrastructure that promotes liveability to attract and retain skilled people. This includes the provision of affordable housing, good local government infrastructure such as parks, playgrounds, footpaths etc, access to reliable childcare services and infrastructure that addresses the connectivity of the region to the rest of Australia. These issues are intrinsically linked and the resolution of these is critical to the economic and social development of the region.

Background

Our Shire is large in area (121,000 square kilometres) and has a small population (around 8,000). The Shire's economy is underpinned by mining, tourism, forestry (sandalwood), and agriculture (home to the Ord River Irrigation Area).

Due to its small population, the Shire has a small rates base of approximately 2,800 rateable properties. Hence, we are unable to self-fund Shire contributions often required for larger infrastructure projects that are sorely needed to address our economic and social infrastructure deficiencies that support liveability to attract and retain a stable workforce. These deficiencies are growing by the year as funding streams are not keeping pace with the costs of doing business in Northern Australia.

Further, where grants are available to construct critical infrastructure, there is generally a requirement that the projects be "shovel ready". Being "shovel ready" is a significant cost to

the Shire. An example of this is our airside infrastructure that is in urgent need of an upgrade to allow bigger and more efficient aircraft to use the facility as well as to allow for more flight options for residents and visitors. In recent years, to apply for a Building Better Regions Fund (BBRF) grant - which is capped at a maximum of \$10M - to be “shovel ready”, we had to spend over \$600,000 on detailed engineering designs, preparation of a business case, undertake a cost benefit analysis, and commission independent detailed costing of the project before we could even apply for the BBRF grant. The funds spent getting “shovel ready” was no guarantee that we would be successful in obtaining any grant funding. For a small Shire like ours, this is an impost that is unreasonable at best. It should be noted infrastructure such as the airport is critical to addressing our economic development and connectivity issues, thereby improving liveability in the region.

Post-Covid, the Shire as a whole is experiencing considerable skills shortages in many areas. Tourism businesses such as hotels are unable to fully open all their accommodation units due to staff shortages; hospitality industry is operating with restricted staff numbers resulting in services being curtailed; and critical industries such as child care (a critical economic enabler) is operating under considerable reduced capacity due to staff shortages (primarily driven by lack of affordable housing), with workers in the region unable to secure child care services resulting in some having already left the region or cannot work full-time hours.

Outlined below are our specific responses to the Joint Select Committee’s Terms of Reference (ToR).

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 issues that impact the East Kimberley region are:

- Skills shortages across the economy;
- Lack of affordable housing resulting in severely restricting the ability of employers to attract and retain skilled workers;
- Social factors such as petty crimes (break-ins and thefts (including cars and homes)), resulting in workers leaving the area, and adverse publicity (particularly on social media), leads to potential new employees not taking up jobs in the region;
- The cost of doing business in the Kimberley especially in the more remote parts is significantly higher than in metropolitan areas. This combined with the lack of contractors to deliver works makes it difficult to deliver critical infrastructure that support jobs and growth.
- The sustainability of local governments in remote locations is an issue in so far as local governments cannot provide the levels of service that would maintain their infrastructure assets at a standard that attracts and retains residents. There is a need to review the methodology for the distribution of the Commonwealth’s Federal Assistance Grants, revisit the quantum and distribution of the Roads to Recovery program and make the Local roads and Community Infrastructure Grants a permanent funding source.
- Property taxes in the form of local government rates are extremely high in remote areas such as the Kimberley. This is mainly due to the high infrastructure asset values relative to the small rates bases. Not only is this a disincentive to invest locally for residents and businesses but they receive relatively little in the way of services compared to their metropolitan counterparts.
- The cost of employing staff in the Kimberley is significantly higher than in metropolitan areas. Allowances are given for the increased cost of living in the Kimberley and allowances including additional leave for travel to return to visit family. The allowances increase the value on which payroll taxes are levied creating further overhead costs for

businesses in the region. The additional payroll taxes appear not to result in additional funding being received for local business community infrastructure.

- Connectivity issues – air connectivity for residents to family and friends who mainly reside well away from the Shire (e.g. in Eastern States) are costly, time consuming and unreliable;
- Mobile telephony and fast broadband connectivity to places such as Wyndham (which provides critical port services to the East Kimberley) are virtually non-existent;
- Land tenure issues – where vast portions of the land in major towns such as Kununurra and Wyndham are controlled by the State Government. To facilitate development that is considered critical to the diversification of the economic base, or to address specific requirements (e.g. housing for mines), the extraordinarily long time taken by the State to facilitate requests for specific developments often leads to less than ideal outcomes for the region;
- Lack of the ability of governments to back up their rhetoric of “Indigenous Business Development” with actions of real support;
- Lack of job readiness of Indigenous peoples particularly to address specific labour market needs. Skills shortages could be reduced to some extent if the right investment in services could be made to encourage local Indigenous people to reduce dependency on social services for regular work in real sustainable jobs; and
- The lack of support to ensure proper master planning for towns in our region such as for Kununurra and Wyndham.

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

Impediments to building economic and social infrastructure to support industry and business to expand and create regional jobs include:

- Lack of affordable housing. This is a critical factor in the ability of employers to attract and retain workers to allow for business expansion or to start new businesses;
- Mobile and fast broadband connectivity to places such as Wyndham (which provides critical port services to the East Kimberley) are virtually non-existent;
- Land tenure issues – as outlined above;
- Sustainable funding models for Local Governments to employ staff to ensure that similar levels of service are received by residents in rural and remote regions; and
- The lack of support to ensure proper master planning for towns in our region (such as Kununurra and Wyndham) that would allow the Shire to quickly address business expansion, industry development and attraction of new industries.

c) Challenges to attracting and retaining a skilled workforce across Northern Australia

Challenges to attracting and retaining skilled workers include:

- Cost of connectivity of residents to family and friends. The cost of air transport can be prohibitive for a family of four (2 adults and 2 children). It takes almost two (2) days of travelling to get to East Coast destinations from the East Kimberley. Transit is via either Darwin or Perth. The services to Darwin are unreliable – where a service could be cancelled or delayed at very short notice. This issue could quickly be resolved if funding were made available to improve the airside infrastructure at the East Kimberley Regional Airport, particularly the increase in the runway length to accommodate Code 4C aircraft (A320/B737);
- Lack of adequate broadband and mobile telephony services, particularly in areas such as Wyndham is a major concern. Wyndham provides the only deep-water port between Broome and Darwin. The throughput in Wyndham is almost as much (tonnages) as Darwin Port and sometimes exceeds Darwin’s throughput. It is vital that fast broadband (through fibre optic cable) be quickly provided to Wyndham – to businesses in Wyndham and to freight and logistics businesses at the Wyndham Port. It should be noted that the Shire is

fielding enquiries regarding the location of new industries in Wyndham such as green hydrogen. Throughput at Wyndham Port is expected to increase significantly in the medium-term, with Agrimin intending to transport 460,000 tonnes per annum of Sulphate of Potash, Boab Metals Ltd intends to transport its precious metals from its Sorby Hills Mine out of Wyndham Port;

- Community Safety issues need to be addressed. The problems around family dysfunction, alcohol and youth crime require addressing properly under the Closing the Gap process. Local solutions are needed and not metrocentric-imposed solutions. Convincing both State and Federal Governments of what in particular is needed in our communities is extremely difficult. Matters relating to alternate education streams, on-country rehabilitation facilities for families, addressing community housing standards, providing adequate services for street-present youth etc need to be addressed in our communities;
- The provision and maintenance of good quality social infrastructure; and
- The lack of affordable housing for workers in Wyndham and Kununurra will be an increasing inhibitor to economic development outcomes in the region. A number of potential projects that can significantly increase the size of the local economy and create real permanent jobs require a housing solution.

d) Empowering and upskilling the local Indigenous population

The Indigenous population in our region is between 40% and 50%. This has the potential to address significantly our labour force issues. However, it is unclear to the Shire how the Indigenous skills development is being addressed. There is little if any transparency in programs that are being delivered on the ground by service providers. It is our view that a large portion of our local Indigenous population can be described as being unemployable, due to chronic health issues mainly as a result of drug and alcohol addiction. However, we believe there is a cohort of Indigenous people who can be trained and be placed into sustainable jobs. It is a sad reflection on service providers that the Indigenous issues are not being adequately addressed through programs such as “Closing the Gap”. It is our belief that funding is not an issue, rather the effectiveness of service delivery. The focus needs to be on how we stop the next generation from repeating the problems we are dealing with now.

The Shire is keen to be involved at the ground level in addressing “Closing the Gap” outcomes. As an organisation on the ground, the Shire feels it is better placed to participate in the resolution of the issues than the Federal Government is. Governments have been trying to deliver “Closing the Gap” outcomes for many years, without much success. The Shire believes a different delivery model is needed to deliver real outcomes for Indigenous people in our region. It is also our view that local solutions to the local problems is the best way forward. This is also the view of the Kimberley Regional Group (KRG). The four Shires that form the KRG are Broome, Derby-West Kimberley, Halls Creek, and Wyndham East Kimberley.

Further to the above, it is suggested that governments provide infrastructure funding over the Budget Forward Estimates cycle. This would reduce project costs through savings from constant mobilisations and demobilisations – which are very expensive in remote regions like ours. The Shire also suggests that the infrastructure delivery that provides for a design and construct (D&C) model is far superior to separate design and construct components. Separate design and construct models increase project risks that small Shires like ours are not capable of sustaining. This can become unduly costly should a project be subject to litigation to resolve issues of constructors not adhering to designs. Governments should not require small remote Shires to carry such risks.

The Shire would be happy to participate in any hearings the Committee expects to hold as part of its deliberations on Northern Australia Workforce Development. The Shire contact is , Senior Economic Development Officer. He can be contacted via mobile

Yours sincerely

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