



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT, WORKPLACE
RELATIONS AND WORKFORCE PARTICIPATION

(Subcommittee)

(Roundtable)

Reference: Workforce challenges facing the Australian tourism sector

THURSDAY, 8 MARCH 2007

BROOME

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HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT, WORKPLACE RELATIONS AND WORKFORCE

PARTICIPATION

Thursday, 8 March 2007

Members: Mr Hardgrave (*Chair*), Mr Hayes (*Deputy Chair*), Mr Baker, Ms Hall, Mr Henry, Mrs May, Mr Brendan O'Connor, Mr Price, Mr Randall and Mr Vasta

Members in attendance: Mr Hardgrave and Mr Hayes

Terms of reference for the inquiry:

To inquire into and report on:

Workforce challenges in the Australian tourism sector, with particular reference to the following:

- Current and future employment trends in the industry;
- Current and emerging skill shortages and appropriate recruitment, coordinated training and retention strategies;
- Labour shortages and strategies to meet seasonal fluctuations in workforce demands;
- Strategies to ensure employment in regional and remote areas; and
- Innovative workplace measures to support further employment opportunities and business growth in the tourism sector.

WITNESSES

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SEDON, Mr Ronald E, General Manager, Cable Beach Club Resort 1

Subcommittee met at 8.42 am**BODILL, Mr Ian, Chief Executive Officer, Shire of Broome****CAMPBELL, Mr Graeme, Shire President, Shire of Broome****CHIDLOW, Mr Glen Joseph, Chief Executive Officer, Australia's North West Tourism****CLAPTON, Miss Brooke, Assistant Manager and Staff Supervisor, Broome Visitor Centre****DAVIS, Mr Vaughan, Kimberley Regional Manager, Tourism Western Australia****SEDON, Mr Ronald E, General Manager, Cable Beach Club Resort**

CHAIR (Mr Hardgrave)—I declare open this roundtable of the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation. Our inquiry is into the workforce challenges facing the Australian tourism industry. The inquiry, in fact, arises from requests to this committee by the Minister for Employment and Workplace Relations. I am very happy to declare this roundtable open and to welcome each of the participants.

Although the committee does not require you to give evidence under oath, I should advise you that these hearings are in fact formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the House itself. It is certainly customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. I understand that you, Mr Davis, are the lead on this. I invite you to make an introductory statement and then we will open up to some more general discussions from there.

Mr Davis—I have a short presentation to do on the tourism industry in Broome. Hopefully that will prompt some discussion and give our visitors some background on where the industry is at.

CHAIR—Thank you.

A PowerPoint presentation was then given—

Mr Davis—We have seen a considerable growth in tourism numbers, occupancy at hotels and yields over the last few years, basically due to improve air services, room availability and a very proactive and successful marketing campaign. To give you some idea of where we are at, last year we had just under 240,000 visitors to Broome. That is estimated using calculators on spending from accommodation dollars. We value that industry at \$270 million a year. We had 42 accommodation establishments last year, ranging from luxury apartments, self-contained, bed and breakfast, caravan parks, backpackers—the whole range. You can see there that we have some significant occupancy in the peak season and certainly getting up there in our shoulder period, which is expanding every year, and our low season still sees good numbers—up to 45 per cent. You can see from this slide that tourism as an industry in the Kimberley sits quite high—only behind minerals and petroleum, and retail trade. However, a fair bit of the retail trade is attributed to the tourism industry as well.

Last year we did an accommodation study. I dragged this table from that study to show some projections on the short term, medium term and long term, and we show there that we have significant growth forecasts in every area of accommodation, particularly the total figure in the next five years. We are going to get 100,000 more visitors to Broome, bringing that up to around 350,000 per year. That creates some problems, given that our peak season is already at 95 per cent. However, over the next couple of years we have some new developments. There are three luxury hotels getting built, bringing on another 355 rooms, and there are seven developments of self-contained apartments, which brings the total up to 620 extra rooms in Broome. Based on some conservative forecasts about staff, that development of accommodation alone will require us to have 330 extra staff in Broome. That is not counting restaurants, taxis, retail outlets and everything like that which is associated with tourism. So there are some significant numbers to look for in the next couple of years.

This slide indicates some of the other impacts around the Kimberley. You can see \$1.5 billion worth of major projects. A few are listed there. What I want to highlight here is that, with \$1.5 billion worth of construction and development happening, that will take away a lot of the available workforce. They will work in the construction industry. Also, Ord irrigation is another high user of our itinerant—holiday or backpacker—workforce, who harvest crops there. That takes them away from the tourism industry.

Last year the Tourism WA board came to Broome. We met with the representatives of the tourism industry and basically looked at the issues. The industry identified the five top issues in Broome. Permanent residential accommodation was one. There is no housing. There are high rents and there is nowhere to put staff. Staff shortage was obviously another issue. If you go down town you will see a sign in every shop window looking for every type of worker you can think of.

Seasonality is the next issue. There is a two-pronged approach to seasonality. On the one hand our seasons are expanding—our shoulder periods are getting higher numbers. That creates a longer tourist season in which we need to find employees. On the other hand, we do not have the available workforce in the low season to keep up with the 45 per cent demand that we have then.

There are two other main issues. The first is environmental sustainability. Can places like Roebuck Bay, Cable Beach, Dampier Peninsula and the Gibb River Road area cope with the influx of tourism, and how do we manage that? The last issue is the decline in caravan parks. That is it; hopefully that should generate some discussion.

CHAIR—I think it will. Can I get a couple of atmospheric questions out the way? What is the combined time of the shoulder peak seasons now, versus the year?

Mr Davis—I guess the peak season is June to—

Mr Sedon—The end of October.

Mr Davis—the end of October. And the shoulder periods would be March, April, May and November. They are spreading out, so I think we had a 50 per cent increase in flights into Broome in the last shoulder period, the November period.

CHAIR—So basically the so-called wet season—which we are in the heart of, I think, today—is the time which you would regard as your low season. The rest of it is becoming quite a viable time.

Mr Davis—Yes.

Mr Chidlow—The low season months are pretty much confined now to December, January and February, whereas three or four years ago we had a six-month period.

CHAIR—What sort of people come during these low season months, are they people who have got lost or are they here for another experience: to swelter?

Mr Sedon—I think there is a bit of that. There is the wet season experience. A fairly solid market is now coming out of Perth. The West Australian tourism market seems to be taking to the wet season quite well. We have also noticed at this stage a few more inbound tourists—people escaping the European winter—and that sort of thing. But the numbers are still very low. You are not talking any significant numbers at all.

Mr Chidlow—Plus, I suppose it is also price driven at that time of year with airline and accommodation specials coming mainly out of Perth.

CHAIR—Where are the direct flights to Broome from? Perth and Sydney, I think.

Mr Sedon—Melbourne.

Mr Davis—Darwin.

Mr Sedon—Now Adelaide.

CHAIR—I think Broome has a terrific profile around Australia, so you are generating a lot of activity here. The key thing we are finding in the discussions we have been having is what you have just demonstrated in that presentation—this clash of labour needs. How can you compete with, say, a mining operation up the road which wants to spend \$100,000 on somebody to drive a truck out of an ore pit, or whatever, and accommodate people?

Mr Bodill—There are two major reasons, I believe, why we are suffering the shortage of labour. One is the affordability of housing and accommodation in general and the other one is the lack of interest from local people to take up some of the existing jobs. If you go to Bali or any other place in the world, the locals have tourism jobs. Here, the number of local people involved in some of the tourist jobs that are available is negligible.

CHAIR—Do you mean the massive Indigenous community workforce or potential workforce?

Mr Bodill—Mainly.

CHAIR—This is a problem for the mining industry. In my previous capacity as a minister looking after training it was made very plain to me that accommodation is a huge issue, mainly

because the mining companies will buy up all the accommodation. For instance, in Port Hedland you can supposedly hire accommodation the mining companies have.

Mr Bodill—We had a visit from Rio Tinto not so long ago and they are looking at a fly in, fly out system—

CHAIR—From here?

Mr Bodill—Fly in, fly out from Broome, for only Indigenous people. They are battling to raise 12 people who are trainable and employable, starting at \$90,000 a year. So there is a fair enough carrot for anybody who is looking for a job who is trainable. I guess if that takes off, this particular tourism industry will have an even harder problem before it in trying to attract locals.

CHAIR—I have one other question—I know Mr Hayes has some questions—on that front. I know the mining industry are dedicating a large amount of effort to the training of this Indigenous workforce. Just a couple of months ago, Rio Tinto or BHP Billiton—maybe both—reported to me that, for instance, 26 per cent of their apprentices in workshops were Indigenous. Only 12 months earlier it was 13 per cent. They keep upgrading their aspirations to, like, 35 and 40 per cent. They are saying: ‘With this huge body of potential workers here, we are willing to help train them and make it happen.’ Is this not happening here?

Mr Bodill—They have great plans with regard to mining and that sort of stuff and they have to be given credit for putting in place figures and plans that exceed 35 per cent in some areas, but to actually attain those figures will be difficult.

Mr Campbell—In terms of tourism in this town, though, TAFE runs programs. The fact of the matter is that it is not the go for Indigenous kids to be serving people in restaurants and bars. TAFE runs tourism training—and Glen will probably be able to back that up with more statistics—they run hospitality courses, but the younger people would rather be out showing people things or doing things rather than serving. It is just not the culture. Ministers have said to me, ‘The answer is just employ all the Indigenous kids.’ That is not the answer. It will not work.

CHAIR—I am certainly not saying what the answer is; we are trying to work it out. What I am saying is that the mining industry is putting this effort in. What you have just said there is very helpful, because it makes the point very plain that it is not just tourism jobs across the whole sector but actually subsets of tourism jobs that will appeal or will not appeal. Can we cut it down further? Can we slice this piece of devon back a bit further? Actually, it is peeling back an onion, isn't it? I will use a different metaphor. Can we look at this onion in this sort of way? Have we got examples of the recognition of a large pool of potential labour over here and the fitting of them, with training that suits their aspirations, to get the result that you want? Can you give me an example of that happening? In other words, are you getting the Indigenous kids involved in the tourism industry?

Mr Campbell—I will digress a little bit. A group of us set up in town the Clontarf footy program. You may well be aware of that. It is run by Gerald Neasham. About 80 kids started out in the program, which meant going to footy training at six o'clock in the morning, having breakfast and going to school—that was part of it. Thirty-five kids out of that had 80 per cent or better attendance at football training, breakfast and school. Those 35 went into the labour market

last year and 33 now have jobs, not one of them in tourism. You know why? Because it is activity based. They have gone to apprenticeships. They are doing mechanical work. We tried through the shire to get a horticulturalist, and could not get one. Thirty-three out of those 35 have got jobs and quite a few of them are in apprenticeships. There is not one in tourism. That tells you what is happening. You can give them all the training you like. It is just not their go.

Mr Sedon—I would agree with that. I have been here nearly three years, and when I first came here I thought that it seemed fairly straightforward: employ the local Indigenous kids. That will be good for business.

Mr Campbell—The tourists love nothing better than talking to our local people—nothing better.

Mr Sedon—I got to the point where I would sit around a table similar to this with probably half-a-dozen employment advocates and Indigenous support groups and make the comment, ‘You send me as many as you like and I’ll give them all jobs’—it was that broad based. I did not get one. They were half-a-dozen government paid advocates for Indigenous welfare and employment and various other subcommittees. I did not get one person; not one. And they are 30 per cent of the population up here.

Mr Campbell—Thirty-five per cent.

Mr Sedon—I cannot do better than that. I asked them to send me as many as they could, and not one turned up.

Mr HAYES—In terms of the industry, then, what is the strategy in the north-west for attraction and retention of staff?

Mr Sedon—National recruitment. We go out there. We are relying a little less on backpackers these days.

Mr Campbell—How many do you have from India?

Mr Sedon—I have some from Thailand. We have four.

Mr Campbell—You have Thais. Others have some from India. They recruit chefs and staff out of—

Mr HAYES—Are these people on 457 visas?

Mr Sedon—Yes. They took about seven months to get through DIMA.

Mr HAYES—Does each enterprise do its own recruiting or do you act as a cooperative up here in terms of attracting people?

Mr Sedon—No. Because we are the biggest resort up here, we have to be very self-sufficient. Our strategies are nationally based. We go out with a national recruitment campaign. We recruit heavily from Perth and the other national centres. We have had to become very flexible in our

employment conditions, whether the employment is full time, part time or casual, or on a six-month, nine-month or 12-month contract. We have completion of contract bonuses. We bought an older local resort in Broome that houses 130 of our own staff. We hold about 10 leases on houses around town that house another 50 staff. We have had to adopt pretty much an island mentality up here.

Mr HAYES—As your own enterprise?

Mr Sedon—As our own enterprise, because we need so many staff. We do not need five people; we need 300.

Mr HAYES—One of the things that has been coming through this inquiry—it does not matter whether it has been in Sydney, Melbourne or anywhere else, quite frankly—is that the industry operates on a competitive basis and enterprises are very much competitors of one another. That comes out in the lack of training that has been done because the turnover rates are relatively high and there is the idea of, ‘Why should they train them if they are going to leave the organisation?’ The other thing coming out is that they may leave your organisation but they may work in Perth or Adelaide. It has been suggested to us that we should be looking at some portability of qualifications and experiences for retaining people in the industry as opposed to saying that success is when they stay at the Cable Beach Club Resort, for instance. Does the industry have a wider role to play in coordinating that?

Mr Sedon—I think it is symptomatic of the hospitality industry that Australian kids do not see it as a long-term career choice. That is more fundamental to the issue than anything else.

Mr HAYES—A lot of it is just on the basis that it is the job you have before you get a real job.

Mr Sedon—Or while they are at uni or on a gap year or backpacking around Australia. They think, ‘By crikey, I want to be sitting at the table having someone serve me, not the reverse.’

Mr HAYES—What you say is completely correct and it is pretty general. One of the reasons that that seems to be coming through is because people regard there as being a lack of training. Everyone has the same perception of the industry. The employers have the perception, ‘It’s a gap year, so we are not going to invest in training because we know we only have the kid for 12 months or slightly less.’ Everyone has this very disjointed view of having a real career in tourism. People do not see it as a career option.

Mr Sedon—I have been in this industry for 25 years and I think that perception has existed for that entire time, but it does not exist throughout the industry. There are people who are committed to the industry who generally go on to become managers themselves. They are probably 20 per cent of the total hospitality workforce. There is a lot of grunt work to be done in this industry. Someone has to clean loos, wait tables and sweep floors, and it is not very attractive.

Mr HAYES—In this industry there is a labour shortage and also a skills shortage, which is related but not necessarily the same. We have talking about qualifications that people can get now for front desk positions and things like that and there are many training institutions that

offer those. By and large, the kids who pick up those qualifications go and work internationally. The qualifications they get here are recognised internationally. Concierges in Europe are regarded as quite significant players in the scheme of tourism, yet—

Mr Sedon—But I think the attitudes towards hospitality in Europe are far different to what they are here.

Mr HAYES—But the point I am trying to get across is that it is not individual enterprises over there; they do it as an industry. They see themselves as industry players. Whereas we are continually being told in this inquiry that there are skills shortages and that we have to do to rectify that and that there are labour shortages and the issue of how to attract people in. Realistically, it seems to us that there is a role for the industry to play collectively in coordinating issues about attracting people into the industry. The industry has to be seen as a career option, otherwise there always will be people moving in and moving out.

Mr Sedon—This is a very lofty issue and it is certainly not unique to the Kimberley; it exists across the country. There is almost a different forum for that kind of issue. You are quite right and everything you have said is absolutely correct, but my impression of this meeting was that it was going to be more related to the question, ‘How does it affect us up here in the Kimberley and how do we make it all work up here?’ But you are right. It is fundamental to any issue, but it applies everywhere.

CHAIR—If we look at it from an Australian national perspective, the ‘So where the bloody hell are you?’ campaign has projections of an increase in the number of tourist visits to Australia by several hundred thousand over the next few years. It does not happen the day after the ad goes to air. Some people pack their bags the second they see the ad but others take a while. That is the way it is.

Mr Bodill—The information is that people are staying longer but there are not more people coming.

CHAIR—Supposedly, there are projections about that. Equally, we are told that there are going to be 45,000 additional jobs in the tourism industry created over the next few years but I cannot nail down, from any government official, what sorts or types of jobs they are, what you are going to pay them and so forth. On the presentation from Tourism WA today, we saw that 330 future tourist jobs, over the next couple of years, are likely to be created in Broome alone. Can we slice that down a bit further? What sort of jobs are they and how are you communicating that to government in terms of finding people. The 457 visa issue has been raised? With seven months to get someone in and all of these frustrations, can you forward project what you are going to need and start that process so that they actually arrive when you need them and not seven months after you wanted them? Have we got some idea of what types of jobs they are?

Mr Davis—Out of the 330 positions there will be all types of jobs.

CHAIR—Cleaning-the-loo types of jobs?

Mr Davis—Housekeeping, restaurant jobs, bar staff, reception and all the rest of it.

Mr Campbell—The bottom line is you will always see housekeepers wanted. ‘Dish pigs’ come and go. Backpackers wash dishes for a week and then bolt. One of the critical things, starting at the bottom end, is that there is a very big shortage of cleaners and housekeepers, and then it feeds into your wait staff. You can get higher level management but the problem is down at the bottom end.

Mr Sedon—It is still difficult to get middle-range management. You can get very senior management because you are throwing money at it, but the problem is with restaurant managers, middle managers and those sorts of things.

Mr Campbell—I think that it is a critical issue, Ron, because tourism and hospitality is probably the lowest paid of any industry in town. What would you do: wash dishes or go and clean pearl shell? It is very boring cleaning pearl shell but you get two on and one off, and twice the wages.

Mr Bodill—More glamour.

Mr Campbell—Well, it is supposedly more glamorous but if you have ever been up there cleaning pearl shells it is not glamorous.

CHAIR—I have not been but I guess the consequence of this discussion is that you can advertise that and everyone in Australia knows Cable Beach Resort and everyone knows Broome. That is a fair statement; we have all heard of these things. ‘Where the bloody hell are you?’ is promising ‘Come on over to Australia; we are ready to welcome you,’ but we will not have enough people to clean your loos, make your beds and serve your food. We have a problem, haven’t we?

Mr Campbell—That is the consequence and it will implode. This town particularly will implode very shortly. Absolutely there are high prices, high rentals and lower income compared to the mining sector. It gets to the stage where, in the paper two weeks ago, there was one restaurant owner who was sick of working 90 or 95 hours a week. What will happen is that restaurants will start to close down.

CHAIR—That is the point, isn’t it? Who ends up cleaning the loo if you have not got an employee—the owner of the business?

Mr Campbell—That is right. I have a cleaner missing this morning so I delegated the receptionist to go and clean the toilet.

CHAIR—Well, that made their day!

Mr Campbell—They were pretty happy about that!

Mr Sedon—One of the economic risks is that the costs of doing business up here become so high that you have to reflect it in your hotel rates and in your prices. And all of a sudden there are other parts of Australia that can probably do it more cost effectively. So we basically price ourselves out of the market. Cable Beach is great but there are lots of other good beaches around Australia. If you start getting room rates of up to \$500 or \$600 a night, all of a sudden the gloss

comes off Broome and economically we are at risk. We cannot afford to price ourselves out of the market but we also cannot afford to do business up here unless we charge those prices. So it is a bit cyclic.

CHAIR—So to keep the prices low you are not relying on the itinerants or backpacker types of workers to come through.

Mr Campbell—Even that market has changed because of the price of petrol. I have a caravan park and camping grounds and the Australian backpackers—the type where there are four of them sitting there in the Falcon and, yahoo, they do a bit of work when they have to—have not been here in the last couple of years. Even the backpackers coming from overseas—a little bit more upmarket—are really here to do trips and whatever, and not so much to work. The bottom end—the lower section of the backpacker market—is not coming through as much as it used to.

CHAIR—Would the profile of those backpackers in the past have been people who did not have full-time jobs and who just travelled for months and months?

Mr Campbell—For some time, 15 or 20 years ago, we had a policy up here that you did not get on the rock-and-roll for 13 weeks. That got relaxed. Suddenly we had an influx of people that could just say: ‘Where are we going? Broome looks good. Let’s go there.’ Unofficially, at present in Centrelink, they will move you on. You have got to move on. It is not an official policy but if you do not want to work in the town: ‘There’s the ticket to Kununurra because there is fruit picking up there. See you later.’ That is happening. When they get to Kununurra they are sent to Darwin. In the end, we export them back to the east coast because they do not want to work. That does not help us as businesspeople in town because they are not going to work.

CHAIR—I interpret that as an interesting consequence of lower unemployment. There are actually fewer people floating around.

Mr Campbell—There are. I think that is a pretty fair comment.

Mr HAYES—But also there is the seasonality of the fruit industry; you are trying to get people to go picking there. It has been suggested to us that we should be approaching tourism in a similar way as we do for some of our rural based industries.

Mr Campbell—It is not dissimilar, except that the tourists do not go rotten—we hope!

CHAIR—There are a few pretty ripe ones around, though!

Mr Chidlow—There is a disparity between the remuneration available in the tourism industry and what is available in the mining sector and things like that at the moment. That is going to be exacerbated in Broome in particular over the next few years, I think. One example brought up earlier was what happens in Europe within the tourism industry and hospitality. I know it would be a big cultural change to make, but I think tipping has worked very well in other countries. People working in what is considered a low position can make good money. Why would you do the same job in Australia, waiting on tables or cleaning, when you could do something similar within the mining industry and make two to three times more money? I think that might be one answer that might help.

Mr Sedon—This was less of a problem in the early nineties when we had a nice big fat recession on us and 10 per cent unemployment. I was working in Adelaide at the time and I had no recruitment problems. But we have a whole generation of people here who think this is the real world. They are all 16, 17, 18; they do not know what a recession is. I hope we never see another one, though we probably will. But this was not a problem back in the nineties. Now we have created a generation that simply does not want to do this work.

CHAIR—Because there are plenty of other options for them.

Mr Sedon—Yes; there are so many other options.

Mr Bodill—I think generation Y is a totally new phenomenon to deal with. We all know that. And we have to start working and learning how to work with them.

Mr Campbell—If we go back to threats to us in this town, one of our biggest threats—or, depending on which hat you wear, economic opportunities—is in oil and gas. I am not sure whether you are well aware of what is happening in oil and gas across at the Browse Basin, 360 kilometres north of here. There is more oil and gas there than in the Karratha fields. There are four rigs out there at the moment and there will be another next year. It is not ‘if and when’ oil and gas comes to Broome; it is ‘where’ it comes—whether it is offshore or onshore. Time lines are quite—

Mr HAYES—There has been a long-term plan about landing the gas into Broome, anyway.

Mr Campbell—There are issues about whether you do it offshore or onshore; we will not go into that debate.

Mr HAYES—It assumes we are developing, to some extent, a domestic gas to liquids market, but also we have still got many wells plugged in the Timor Sea until we develop international markets.

Mr Campbell—I am fairly well across the issues and have been in Japan and talking to people in Korea about it. The export market for Woodside is actually California; 2,012 contracts have been signed. It will happen up there.

But, going back to the tourism issues, we will go like Karratha—fully booked. You can get a cheap room in Karratha on a Friday night. Because of the fly-in, fly-out people, up and down, all the high airline tickets are taken. It does not matter to Woodside whether it is \$1,000 or \$2,000; we just need the people there. In a \$14 billion project, which is the LNG project here, a couple of million either way does not matter. So there go your hotel rooms, there go your air flights, there go your people from the town that will be working in the industry. They will employ 300 people directly, and there will be another 1,200 underneath. They won’t be in tourism; they won’t be serving meals. If it is 50 kilometres up the track, if it is on land—that is the preferred site; they are going to be working there.

Mr HAYES—It is a staging ground; that is all it is.

Mr Campbell—And that is a real issue for us in tourism. We might not have a tourism industry if we allow that to happen. It is an issue for us at the shire as to how we manage it. It is an issue for government. If we take it down to the bottom line, there will not be people in tourism.

Mr HAYES—But, if that occurred, people would just change. If you were running the caravan park at Karratha, you would have that fitted out, with all your sparkies and everyone coming in—which they are using now.

Mr Campbell—Yes, and you would charge them \$300 a week instead of \$120.

Mr HAYES—If you were running it at KI, you would only have people hopping off the plane, staying there the two nights and getting out again.

Mr Chidlow—But that is the accommodation side of things. There is much more to it, I think, than that.

Mr Davis—Yes.

Mr Chidlow—Also, for the local people in town, to import—they even close Chicken Treat because they cannot get staff, let alone other restaurants that are going to serve the local community.

Mr Campbell—That is an issue facing us that we in this town need to be looking at, because it will occur. This has been designated as the flow-through rather than Darwin or Karratha, so we will get a lot of it, even if it is offshore. So that is another issue that we will be facing in tourism here: how do we attract people to service these people who are coming in, and how do we compete? We are going to have our mining and gas sector at our back door, instead of it being 600 kilometres down the road. So that frightens me about tourism. Prices will go up, then our tourists will not come here because prices will be too high. You will not get your backpackers here because it will be too expensive, so you have lost your labour force.

CHAIR—What about other, ancillary things? Is it Chicken Treat that had to shut its doors? I have heard from some people in western Queensland, five or six hours drive from Brisbane—so it is like a suburb compared to going from Broome to Perth, if you know what I mean. The council there say they have lost all their council workers. They said, ‘Can we have a visa to bring in council workers so we can get all the basic work done that councils are meant to do?’

Mr Bodill—We are working with a 30 to 40 per cent staff turnover. I was about to ask Ron what his was. His is probably about 100 per cent.

Mr Sedon—400 per cent!

CHAIR—They leave before they even get there, by the sound of it!

Mr Sedon—It does not say much for me as an employer, I know! It is true. On average, I need about 250 people—about 180 in the low season; 300-plus in the high season. Two years ago, I sent out 1,000 group certificates. Last year, we were down to 700.

Mr Campbell—That was because you had stability—

Mr Sedon—That is right. The key player in that reduction—and it was probably less than that; it was probably 650—was that we got our own accommodation organised. Not only does that stabilise your workforce to a degree but it also helps you to attract a better workforce. If I am a restaurant manager in a nice cushy little number down in Perth, why am I going to go and live in a caravan park and work at the Cable Beach Club—

Mr Campbell—Or live in a tent.

Mr Sedon—or sleep on the beach in the back of a panel van, which is what it used to be like? Now I get restaurant managers coming out because we can provide them with a decent standard of living.

Mr Bodill—And transport too—

Mr Sedon—And transport too. That is all central to the issue and, I think, probably getting back to why we are here. Accommodation is probably the key fundamental. It is a difficult one, but I do think that industry itself has to be more accountable for the solution than it has been—particularly new industry. I think it is difficult for existing industries in Broome which did not have the problem, say, five or 10 years ago, but now it exists. That is a different set of circumstances. But, if you are going to build a resort like this here, in Broome, then you take on the responsibility to provide some level of staff accommodation.

Mr Campbell—From a shire perspective, there are two developments occurring at the moment. In Marilyn's one, Pinctata, she is going to build accommodation as part of it, not on the prime tourism node site. Vaughan's hierarchy was suggesting that in the tourism node here there should be staff accommodation; we said it should be out the back somewhere. There are two of those that are occurring. From a shire and planning perspective, we are looking at what we can do in terms of: 'If you want to build a resort, what are you going to do about the housing?'

Mr Sedon—You must provide housing.

Mr Campbell—We are looking at that at this stage, because that is one thing that we can probably do in this town. And it would be wise for the owners. If they build it and then cannot staff it, they go broke.

Mr Sedon—Exactly. That is right.

Mr Campbell—It has got a multiplying effect, of course, because you then drive up the cost and that has to be reflected. It is a very fine line, as Ron said earlier. It can become too expensive. And Broome is not cheap. If we take it too far, we will implode.

Mr HAYES—Oddly enough, you guys have got so much in common with the Australian alpine industry. They have got a shorter season, but the issues that you guys are raising around the table here are nearly identical.

Mr Campbell—Down at Thredbo and—

Mr HAYES—Yes. There are the issues of accommodation, how to attract people for a limited period of time and where to get the pool from.

Mr Sedon—The islands of Far North Queensland have had it right for many years. You do not build a resort on Hayman and then not provide any accommodation for your workers.

Mr Campbell—They have to.

Mr Sedon—You have to. You have got no bloody choice. But it is the same up here. If you are building a new resort, it is a cost of doing business up here. You factor in the cost of worker accommodation. That it is it. New business up here has to start thinking like that, and the shire is going to be instrumental in enforcing that, I think.

Mr Campbell—We are looking at that.

Mr Sedon—I think that is smart.

CHAIR—Because we are in this environment of, instead of people trying to find jobs, jobs are trying to find people, we have exposed this sort of problem. This was not a problem when there was high unemployment and there were backpackers and other people wandering around. But now we have this problem exposed.

Mr Campbell—I think Ron's comment that Broome is an island is probably right.

CHAIR—That stuck with me as well.

Mr Sedon—You have to treat it like that.

CHAIR—You have to have an island mentality of being self-sufficient. We announced in January the technical college for the Pilbara, across several campuses—and I think there will be one here in Broome eventually too—and \$2 million out of the \$26 million that the government have put into that will be spent on accommodation, because they want to try to attract kids out of the Indigenous communities and have them living for five days a week in accommodation and getting three square meals a day. Accommodation was the problem. There is just no room to move in Karratha or Port Hedland or here or anywhere, by the sounds of it. It is part of doing business up here.

Mr Bodill—You mentioned the alpine industry earlier on. Have they arrived at a strategy?

Mr HAYES—What they put to us is that they are starting to operate as cooperatives amongst themselves—hence what I said earlier. Their view is that they want to attract somebody who is going to stay there—maybe one operator will not get the same person back the next season but that person might be down at Hotham as opposed to Charlottes Pass, for example. They try to retain people in their industry. One of the things they put to us was: 'Unless we retain people in the industry, what is the point of a single employer providing them with training?' There is no point if an employer is going to give them training with a view to only staying in one location. But they have attracted people who have been drawn back to the industry, not necessarily the same enterprise, and they are trying to develop that. They see less competition in rates and

conditions amongst themselves. But they are coming together more as an industry to talk about those things these days. To some extent up here it almost becomes like Fortress Broome. How do you act? Your real competitors are not the different resorts around town; your real competitors are the different locations.

Mr Campbell—That is right. We compete with Cairns or wherever.

Mr Sedon—And we are not an easy place to get to. Our lifeblood is those direct flights from the eastern states and, to some degree, Perth. We are probably the most remote town of this size in the whole country. Without those flights, this town would bleed to death; it really would. There would be a lot of people going broke.

CHAIR—I suspect it is not just the whole country; you are probably talking about one of the most isolated places in the world.

Mr Sedon—Probably.

CHAIR—Perth is the most isolated major city in the world. I find Darwin is the hardest place to get to out of Brisbane—

Mr Campbell—There is a bit of a crisis every time.

CHAIR—It is a bit of a challenge. You can fly direct, but the flights are fixed or there is not much flexibility. At least with Perth and Brisbane there are several flights a day.

Mr HAYES—I sort of wonder whether Lord McAlpine was a visionary or not! He invested a lot of dough up here, didn't he?

Mr Bodill—We get up to 27 jets a week when it is busy. It is just amazing for a place this size. We are the same size as, say, Margaret River, which does not get anything. It has not even got an official airport.

Mr HAYES—But Gary is right: if you go anywhere on the eastern seaboard, everyone knows about Broome.

CHAIR—I went to Alaska about 13 or 14 years ago, before I went into parliament, and I found 98 per cent of Americans have never been there but everyone aspires to go there. I suspect that Broome may have a similar capacity in Australia.

Mr Campbell—We have done very well with marketing over the years. One of principal factors is: you might be sitting in Melbourne and it's freezing or it's snowing or whatever Melbourne does with its four seasons, and then you see Broome on the weather map and it is 28 or 29 degrees, blue sky, and you go, 'Gee whiz.' Then you see an ad in the paper for a direct flight—and you are in Broome.

Mr HAYES—Everyone knows from history lessons about pearling in Broome and its significance. It is just sort of ingrained in our education system. Broome is a standout location.

Mr Campbell—I think Ron will say that in previous years you would get little girls here who would party all night and then they would get into their Cable Beach uniform, looking spick-and-span, and go to work. They were here for a good time, not a long time. That was the problem with most of our employment at the bottom end: they were here for a good time. They would get enough money and then move on.

CHAIR—I think Mr Hayes raised the issue of affordability of skills. I just wonder how you, as experienced operators in a number of different aspects of the tourism industry, see that portability question being answered. How do you bring a professional status to it? At the moment, as I understand it, if you have worked at Cable Beach and you rock on down to whatever place at the Gold Coast, they look at your CV and say: ‘You’ve worked there; it’s probably pretty good. I’ll put you on.’ That is about as far as the credentials go: a line on a CV. How do we give some training outcome value to someone—even if it is just a few weeks of whatever, whether it is toilet cleaning 101 or whatever? I know that sounds like a ludicrous example, but you see the point I am making. How do we do that?

Mr Sedon—For the first time this year, we have engaged Broome TAFE to carry out a three-day induction for all our staff. Up here you do tend to take staff who do not have any experience. You tend to employ them on personality and attitude as much as anything else. We do our one-day induction that we normally do, and we show them where everything is around the resort, and then we send them off-site to TAFE. TAFE take over on the customer service side of things: responsible service of alcohol, some skills based training, occupational health and safety training, and those sorts of things. It is a three-day training course. We pay TAFE to do that. I think it costs me about \$130 an employee. I might get only three weeks out of an employee, but we see it as valuable, because that training in itself is about four modules out of about eight towards a certificate II in hospitality. So it carries some status. Some of those employees probably did not see hospitality as their chosen career. If they are going to do it anyway, and they are halfway to getting a certificate for it, they might say, ‘Why don’t I see it out?’

CHAIR—Can I test you on this? Does that TAFE work involve a recognition of prior learning process? Do they actually ask, ‘What have you done before?’ This RPL would prevent someone who, say, has been there, done that—but they have not got the TAFE piece of paper—having to go through the indignity of being told how to do what they already know all over again. Do they do the RPL?

Mr Sedon—Yes, they do, but we do not give them the opportunity. If someone comes up to me and says, ‘I’ve done it all before, Ron, so I don’t think I need to go to TAFE,’ I say, ‘Sorry, you’re going to TAFE anyway.’

CHAIR—So you send them to TAFE to test them out.

Mr Sedon—That is right. I want to make sure, and I want to get some consistency and some standards there. I am not going to take someone’s word for it, even if they wave the piece of paper at me. All my restaurant managers are doing the same training, because I want them to know what sort of training is being meted out to their staff. My human resource manager has done the training. I will probably do the training myself, just to see what it is like.

CHAIR—So you have actually engaged in a commercial arrangement with the TAFE. This is a good thing, from my perspective and my experience over the last few years as a minister responsible for the training system. You have actually challenged them to assist you with recognising all of their experience and signing off on it. So they can leave your resort at some stage knowing they have got this process started.

Mr Sedon—They are part-way there, at least.

CHAIR—That is a good thing.

Mr Sedon—I see it as an investment in the future, because I think I am going to get a better quality product. Hopefully I will get a more stable workforce. I am going to get people who are interested in being there and doing a job. It is probably not something I could not confidently deliver to those people in my own resort, because I am just too busy.

CHAIR—So your business is investing \$130 per employee. From your point of view, it helps professionalise your work force. Are other people in the tourism industry doing this?

Mr Sedon—Not that I am aware of. They also come out of it with a responsible service of alcohol certificate, RSA, which carries across the country now; it is nationally recognised. Western Australia is the last state to make that certificate compulsory to work in the industry. It will be compulsory from July.

Mr Campbell—When you are a bar person, you have to do a course. I have done one.

Mr Sedon—It is about serving alcohol responsibly.

CHAIR—I do not know whether it works everywhere. I do not think New South Wales recognises it unless you have done the course in New South Wales.

Mr Sedon—I do not think you can be employed in New South Wales unless you have done the course.

CHAIR—Unless you have done the New South Wales course.

Mr Sedon—Okay.

CHAIR—If you trained at the Gold Coast TAFE and you walk across Border Street at Coolangatta to the other side at Border Street, Tweed Heads, you cannot serve at a bar at the Twin Town Services Club unless you have the New South Wales ticket.

Mr Bodill—That in itself is a problem, isn't? It should be national.

CHAIR—We are lucky that we all drive on the one side of the road in every state in this country. That is an issue which it has been a point of pleasure for me to keep highlighting for the last few years, so excuse me.

Mr Bodill—Vaughan may be able to help me on this one. Some tourist industries have had the opportunity of getting some sort of accreditation, haven't they?

Mr Davis—Through the national accreditation program through the Western Australia Tourism Council.

Mr Bodill—Does that provide something for environmental knowledge and all that sort of stuff?

Mr Davis—There are add-ons for environmental knowledge and for Indigenous product. It gets your business accredited. It is nationally recognised. It gives you the green tick. It not only sets standards and provides for a better operation but it can also be used as a marketing tool to consumers.

Mr Bodill—One of the key things is induction and familiarisation of employees as well. One would think that would be quite an important service.

Mr Davis—As part of that accreditation, you have to have a human resources management plan.

Mr Bodill—Which might include that.

Mr Davis—It might include induction. Induction could be for an hour, or it could be three days.

Mr Sedon—That is right.

Mr Davis—What Ron is doing there is fantastic, and the rest of the industry could look at that.

CHAIR—It is a fair chance that it will make our report. From what we have been able to gather it is the sort of thing we need to see more of. What about overseas affiliations? You have mentioned people whom you have hired from India and other places.

Mr Bodill—Let us go back to the one point I wanted to raise. You would want to make the point as well that the training you receive in each state should be accredited on a national basis. That is pretty important. You want to be able to say, 'I've done this and done that and I do not have to do them again.'

CHAIR—That is a very good point.

Mr HAYES—Portability of skills. It should be recognised.

Mr Sedon—From an industry practitioner's point of view, if someone has done training in New South Wales and wants to work for me, I do not look a gift horse in the mouth. At industry level, we will take it; that is good enough. If you did it in New Zealand or England, that is good enough. The skills recognition in the industry is very high. They are portable. These people are not operating on your brain.

CHAIR—Are you still going to subject them to the local TAFE investment?

Mr Sedon—Yes.

CHAIR—You want to make sure that what they are saying is true.

Mr Bodill—It strengthens their skills.

Mr Sedon—It does. We cannot benchmark our KPIs at the resort unless we are comfortable that everyone has received the same training—up to a point, anyway.

Mr HAYES—You are approaching that as an induction to your own organisation, aren't you?

Mr Sedon—Yes. TAFE have come out to the resort and sat down with us and asked: 'What do you want us to do? What do you want to teach your staff?' We tailored a TAFE model around our needs. There were customer service initiatives and—

Mr Bodill—So they talk about Cable Beach rather than the industry?

Mr Sedon—Yes, they do. But what they have tailored still carries statistics towards a certificate II in hospitality. It is fundamental to what they do anyway. It is just a bit more slanted to us.

Mr Bodill—That strengthens the reason for wanting to have them do it anyway, because it is tailored towards Cable Beach.

Mr Sedon—Exactly.

CHAIR—A whole raft of employer assistance exists for people completing, say, a certificate II. If they have not completed year 12, say—and this is probably more for mature age people—they have a chance to access assistance from the Australian government for these things now. If you do not know about that, you should talk to your peak bodies, because they will tell you about it. That money exists. It is up to \$3,000 now.

Mr Campbell—There has been fairly wide TV advertising on that, so I think there would be a fair awareness out there.

Mr Chidlow—You are coming up to the time of year when you are going to be employing a lot of staff. How is TAFE going with having the necessary staff to train people up?

Mr Sedon—We are feeding it through at a rate that they can handle. I do not think we have any problems.

Mr Chidlow—I know that is how I approach people for lecturing and stuff like that.

Mr Sedon—It is a very important point.

CHAIR—It is an issue for TAFE in these sorts of area. I remember when we were negotiating the technical college up here, the mining company said, ‘If a bloke came up with the ability to weld metal properly—a qualified boilermaker—we will steal him.’ My response back to him was: ‘Wouldn’t it be better if you hire that person on what you would pay them for five or six days but actually let them teach at the TAFE for one or two days to invest back in the industry.’ I think that is part of the challenge to big employers—to not suck the whole sector dry of quality staff but to make them available for training. But each sector will judge that in different ways.

Mr HAYES—I know that one of the more popular courses in New South Wales is hospitality. TAFEs are certainly getting into that. I think you are running it through the Australian TAFE system.

CHAIR—Yes.

Mr HAYES—Why wouldn’t you be tapping into those networks on a nationwide basis? They are going to seek placements for all the young people going through their courses. Knocking around Sydney and Melbourne I suppose there is still a fair demand for people in those areas but, as I said, a lot of these kids are going overseas. I would have thought—

Mr Sedon—We do.

Mr HAYES—I know the mining communities do. They took my boys—they have gone off to the mining communities to work, straight out of the TAFE system.

Mr Sedon—We have two trainees from Regency Park in Adelaide working for us at the moment. They are probably two of our best employees. They are a couple of the few career minded hospitality students that we have seen in the last two or three years. Everybody wants to be a hotel manager, but no-one wants to clean loos. And no-one wants to take the 10 years it can take to get to hotel manager. That is a separate issue. I think one thing we probably need to discuss is the overseas prospects.

CHAIR—That is what I was leaning towards. What efforts are you making, given that tourism and hospitality are international commodities, with people from other places? You would obviously put them through that same process in Cable Beach’s circumstance. But, generally, if you have affiliations with other places, do you say, ‘If you have people coming our way make sure they look us up,’ or do you want to get other countries training them the way you would like them trained so that they could come and work here? Would you like a system like that?

Mr Sedon—It is difficult to do that. We have found it difficult. We have made approaches to people in places like Hamilton Island, but they tend to have a similar season to us. So we go to Margaret River, for example, but Margaret River’s season tends to overlap with ours by about two or three months. The net benefit in Australia is really not there. Places like Bali where you have a high level of workforce could be of use but we have found it difficult from a department of immigration perspective to get clearance. There is obviously the terrorism issue and all that. Certain countries are blacklisted, for want of a better description. I can get chefs if I really persevere. It took me seven months to get three out of Thailand. But I cannot get housekeepers, because housekeeping is deemed to be at a level that Australian kids should be able to do. But Australian kids do not want to do that. I think there has to be a reassessment of what qualifies as

an essential service from our industry's perspective, and housekeeping is a big one. I would love to get some Filipino housekeepers. The best housekeepers in the world are Filipinos and the rest of the world uses them as housekeepers, such as the Middle East and America. But you try getting half a dozen Filipinos to come to the Cable Beach Club to work for six months. I could spend the rest of my life trying.

CHAIR—I had the Philippines education minister say to me a couple of years ago—it is going on the public record now and I am happy to put it there—that the biggest export the Philippines has is people and that if good people in their training system could aspire to get the Australian training standard then if we were short on people in whatever area we could literally import them knowing they are fully qualified.

There has been all this controversy about 457s and people stealing jobs and so forth. The trouble is that if hotel rooms are not being made, if housekeeping work is not being done, a lot of other jobs are going to go as a result. In Broome, Chicken Treat is a good example. So there is a case, I think, for Australia seeing itself as part of a regional employment and industry base. I do not know whether I will see it in my lifetime but, somewhere along the line, we may get over it a bit and allow these things to happen on our terms and conditions. The second we have a lot of kids taking on housekeeping jobs, the Filipinos will not be used.

Mr Sedon—That is the way of the world.

CHAIR—Everywhere else.

Mr Sedon—Yes, except here. For some reason we are slow to catch on to that realisation. A few years ago I was looking for a manager of a Chinese restaurant that we had, and I wanted a Chinese person and preferably one who spoke a bit of Chinese. Our chefs were Chinese and they spoke very little English, so it had to be that way. The department of immigration said, 'Oh, no, a restaurant manager is not considered an essential role.'

CHAIR—Front-of-house staff do not exist as a skills shortage.

Mr Sedon—I can get chefs, slowly, but getting anyone else is very difficult, and it has to change. Accommodation and overseas employment is, I think, the answer to Broome's problems. That is it in a nutshell.

Mr Chidlow—You are in a good position because you have accommodation and you can look after people who are coming from overseas.

Mr Sedon—That is right. You could not bring them over and put them on the beach.

Mr Chidlow—Exactly. Most other people in Broome would not have that luxury. It is the obvious answer.

Mr Sedon—If I am importing people from Asia and I have that stability, the people whom I would have normally poached from the local community would be released back into the local community and would work within it.

Mr Campbell—In terms of multiculturalism, we are very multicultural in this town. You see a real mixing-pot of people here, and people from overseas would not look out of place. They would add to the character and ambience of the place, because we are very multicultural anyway.

CHAIR—I have seen the Japanese section of your cemetery.

Mr Campbell—The Japanese section and the Chinese section et cetera.

Mr Sedon—It is a good fit.

CHAIR—And it is because, as I said, Broome is closer to Asia than to anywhere else.

Mr Campbell—From here it is an hour and 20 minutes to Bali and 2½ hours to Perth.

Mr Chidlow—Hopefully three hours to Singapore, shortly.

CHAIR—So you are going to get some direct flights in?

Mr Chidlow—We are working on it right now.

Mr Campbell—We have been working on it. There have been federally funded studies—a significant amount of money and significant studies. We are very hopeful.

CHAIR—The question then is: can you deliver on the promise?

Mr Campbell—That is why (a) we have had workshops on it and (b) we recognise that the current level of service in this town would not be sufficient for international flights. There will need to be an upgrading, and that is well recognised. That has to come through training.

Mr Sedon—We are already copping a caning on it now.

CHAIR—What is the value of this sector? I think I saw it put at \$270 million in the previous presentation.

Mr Davis—That is just Broome alone.

CHAIR—And projected to grow to \$350 million. I saw some outward figures of \$863 million or something.

Mr Davis—By 2045.

CHAIR—That will be my 95th birthday. That is the year I die, actually. No, that is my 85th birthday—hang on, I'm going to live a bit longer! It is 10 years before I die.

Mr Davis—On the international workforce, I would like to see an extension of the visas. That would probably go a long way as well.

Mr HAYES—Holiday-makers.

CHAIR—What about older people? This working holiday thing is for people who are up to 30 year olds. What about older people, so that there would be mature faces as well as young faces?

Mr Sedon—The grey nomads can always find a job at Cable Beach, that is for sure. The majority of them are great workers. We have already been approached by Bali Hai and other resorts like that in Bali. They have asked us: ‘Do you want to do some sort of a deal? We’ll send you over recruits.’ They are there. They are waiting to get on the plane.

CHAIR—The only thing that is stopping this is the migration process.

Mr Sedon—Yes, the migration process. I mean, seven months to get three chefs out from Thailand for a Thai restaurant! I have to be such a strategic planner to work that far out.

CHAIR—Raising that, you would know best the type of employees you are going to need—government cannot. Are we doing enough workforce planning? I think skilled migration is all geared around what the Department of Employment and Workplace Relations tells them; but it is all geared around what was, not what is going to be. If you want to have a demand-driven rather than a supply-driven system you are going to have to rely on businesses like yours to know what you are going to need.

Mr Sedon—Yes. Our business does not change that dramatically. I know that in five years time we are still going to need staff and I can probably tell you how many and where I need them. I could probably see that about five years out, but unless the laws change, nothing changes.

CHAIR—As a region you are going to need 330 additional staff over the next year or so with these 600 new rooms—which is an interesting ratio; there is a fair chance that you are going to know that you will need 20 housekeepers and 20 wait staff. You know that now, don’t you?

Mr Sedon—That is right—as much as you can.

Mr Bodill—I was interested in what the acting chair said earlier regarding the alpine industry and the co-op type existence that has occurred there as a result. Does that exist in Broome? Do the tourist operators—excuse my ignorance—actually get together as a whole industry to look at, say, the shortage of labour in general?

Mr Davis—No.

Mr Bodill—So there is a good start as well—for them to look at it in total and not in isolation. Obviously, people like you—it is such a big organisation in terms of employees—would have to maybe even lead the charge. Not only that, you may find yourself running separately quite a lot as well.

Mr Sedon—Quite a lot of the time. A lot of places are recruiting 10, 20 or 30 people. We are recruiting 300. We are recruiting them all year long. We recruit up to 1,000 people a year with

the turnover that we get. Basically, we start the season with a recruitment program that just goes through until the end of the season. I will be recruiting right up until Christmas. I know that, and I know I will be doing it next year and the year after. That is life.

Mr HAYES—What are the implied costs to the organisation through high staff turnover?

Mr Sedon—It is difficult to estimate. Most organisations find that difficult to estimate. I would hazard an opinion that it would probably cost us \$1 million a year.

Mr HAYES—Lost productivity?

Mr Sedon—Lost productivity, training costs, recruitment costs.

Mr Davis—It is 20 people a week.

Mr HAYES—I am just trying to get a picture in my mind. One thing that has come across from industry and employers generally is that a difficulty in attracting people to this industry is the perception that it is not a career and that it has low wages and poor conditions compared with other areas. Where do these overlap—the wages and conditions as opposed to the cost of a high turnover? Where is the point where they intersect?

CHAIR—There must be a break-even point there somewhere.

Mr Sedon—You can throw money at it. I pay senior managers around \$80,000 a year plus free accommodation. You would not get that in a similar position in town. I pay electricians \$65,000 a year just to change light bulbs and fit the odd power point. You would not get that sitting in Perth. You would be lucky to get 50 grand a year, unless you work for the mines. Every electrician who comes up here goes and works for the mines. I am trying to compete with them, which is getting silly because it is reflected in my rate. I have to put my rates up every year. My average rate now is \$272 a night. I doubt the Hyatt in Perth is getting that. We have an average rate in the high season of something like \$350 a night. That is a phenomenal rate, but the cost of doing business up here is becoming so expensive that I have to charge that. That is why I said earlier it is the economics—after a while we run the risk of pricing ourselves out of existence and then no-one wins. So you can only really reward people to a degree that is reasonable; after that—

Mr Chidlow—It is only the miners who can afford to come.

Mr Sedon—That is right. I must admit: how many bloody employees does the mining industry need? They have been sucking them out of society for 10 years. I am starting to think: crikey, they must get full sooner or later—surely.

CHAIR—I think that if you substituted the word ‘mining’ for the word ‘tourism’ they would have exactly the same commentary all of you have given us today.

Mr Bodill—I think you are right: we have only addressed one wedge of the whole problem—that is, tourism. If you look at Broome, as a small example, you will find that we have problems in the medical area because people do not want to come up here due to the cost of living and the

affordability of housing. So all industries are actually experiencing the same problem, but tourism is probably the biggest.

Mr HAYES—How do you go with staffing on the council?

Mr Bodill—We have a 35 to 40 per cent turnover per annum.

Mr HAYES—So there is a similar sort of problem.

Mr Bodill—Yes. The recreation centre manager position was not filled for a year. We have been without some positions for months and months, and I am predicting that now, with the resignation of our director for corporate services, who is going to Cambridge in Perth, we will battle to get somebody of quality. We often find ourselves in the position where we take the best out of a bad bunch.

Mr HAYES—How does such a high turnover affect the town generally?

Mr Bodill—It affects the town generally in all sorts of ways. The community interest is affected: when you have such a change, as such, in the community there is no gelling of the community. The locals who have been there for years and years feel isolated because of all the changes happening around them—not only the infrastructure changes but also the people, because they see people come and go. So the community interest and the community gelling is restricted to those who have been here for many years, and their heads are just spinning with the activity that goes on around them.

Mr HAYES—What are the choices of the kids growing up here? Ordinarily, what do they elect to do? Is the aspiration to stay in Broome?

Mr Bodill—That is another pet issue of mine. I have spoken to both state and federal governments about opportunities for kids. I think we would take on six to eight trainees at the shire if we could, and that is in specialist jobs not just the run-of-the-mill jobs. I am talking about planning, building, health and engineering specialist qualifications, but we just cannot seem to gel in terms of getting accredited training or on-the-job training. People are not given the opportunity to, say, work as a trainee planner and to get local training to get the qualification. They have to leave town to do it and then they go and work somewhere else. So we could be addressing three or four needs there. There is a fragmentation of families as people leave to go to bigger centres to study; they learn how to live in the bigger centres and never come back again. We are just losing those opportunities. I think Norm Marlborough was the last guy I spoke to as far as trying to get some sort of synchronisation in industry, and ours in particular, but it is just too hard.

Mr Campbell—I think what the deputy chair asked was whether there is a drift of people from this town. The answer is yes, quite significantly, and they do not come back. That happens all over regional Australia. The TAFE here does a terrific job, and they are very keen. The University of Notre Dame does a very good job in town in the areas of nursing and teaching, and it is now introducing a law degree. So we might get some drift into town, but of course they will get the degree and then bolt. The education system here is quite good but there is a perception

that you need to send your kids away to school. I do not believe so. But the kids who do go away to school do not come back.

Mr Bodill—I think it can be improved upon just in our little industry alone by offering the opportunity to get on-the-job learning and on-the-job experience.

Mr Campbell—The issue extends well outside tourism; it is right across the board.

CHAIR—It impacts directly on tourism. It is all interlinked; you cannot escape it.

Mr Sedon—Even within tourism there are positions that are not totally aligned with tourism, such as human resources and engineering. I have been looking for an HR manager for four months. That is \$75,000 a year, free onsite accommodation, a flight home every three months and 75 per cent off all your food and beverage. There have been no takers.

Mr Bodill—I would like to think we are representing not only Broome—

CHAIR—I think we have got an applicant sitting up the back of the room.

Mr Sedon—If anyone is interested I am available at—

CHAIR—You can back off—I might be interested myself!

Mr Sedon—I kid you not, that job has been on Seek for four months.

Mr Bodill—As I was saying, I would like to think that we are representing the Kimberley as well in terms of what we were talking about today. As the regional secretary to our local government association I think they would like me to voice exactly the same issues that we have voiced today as well. So it is Kimberley wide.

CHAIR—I think it has been a very useful discussion. From our point of view, coming and talk with you, rather than doing it over the phone or reading it in a paper, we understand the distance thing.

Mr Bodill—Please accept this with respect: we have done this a few times now.

CHAIR—I was going to say, people have blown in and blown out of here before, haven't they?

Mr Bodill—We have done this a few times in the last 12 to 24 months. It just rolls off the tongue with us. We have not seen a lot happening.

CHAIR—That is a fair criticism. We do not mind the challenge you have just put on the table. But the point is that by exposing the problem you can do something about it. The interesting dynamic, though, just to give you a feel for it, is that in the city of Melbourne two Saturday nights ago Crown Casino's restaurant was only open to one-third of its capacity because it did not have enough staff for the other two-thirds. So if they are having a problem in the centre of Melbourne I think you can understand even further the extent of the problem you have here.

Mr Campbell—Yes, it is a sign of the economic times, isn't it—the good times.

CHAIR—There are too many jobs and not enough people.

Mr Campbell—And people are earning too much to have to have a second job, like they used to when I was a young bloke.

CHAIR—The good old days when you had the second job.

Mr Campbell—You had the second job to try to live.

Mr Sedon—Exactly. I worked years in a second job. It does not happen now. I have not got one employee who is working two jobs, not one. Of 300 people, you would think you would have one.

Mr Campbell—That you know about.

Mr Sedon—It is Broome; you would know!

CHAIR—That is another point, and I am glad you have said it: everyone does, rightly, know because everyone is in the same boat. If there is the big operator in the paddock in this discussion it is very important because it has a huge impact on everybody. A smaller operator will say: 'Gee, you've come from that so, absolutely, you must be pretty good. We'll happily have you on our books.' So the big operator does become a bit of a focal point as a standards setter and instigator, if you like. As you say, everyone knows.

Resolved (on motion by **Mr Hayes**):

That this committee authorises publication of the transcript of the evidence given before it at public hearing this day.

Subcommittee adjourned at 9.58 am