

March 2010

# Real Jobs II

"... it's about building a sustainable community"



This Report is prepared on behalf of:



This report was prepared by Social Compass



**Social Compass** provides research based knowledge and expertise to guide and inform, through evaluation and monitoring techniques, partnership programs for a socially inclusive future.

### **Acknowledgements**

We would like to thank the many Indigenous and non-Indigenous people of the East Kimberley who welcomed us and spoke freely to us.

---

# Contents

<b>Real Jobs II: What we found...</b>	<b>1</b>
<b>Primary Findings</b>	<b>2</b>
<b>Regional Snapshot</b>	<b>5</b>
<b>Kununurra</b>	<b>8</b>
<b>Halls Creek</b>	<b>10</b>
<b>Wyndham</b>	<b>12</b>
<b>Findings in Detail</b>	<b>14</b>
<b>Indigenous Employment: What the Employers Say...</b>	<b>25</b>
<b>Conclusion</b>	<b>27</b>
Appendix 1: East Kimberley Development Package Summary	28
Appendix 2: Nation Building / Economic Stimulus Halls Creek Investment Areas	29
Appendix 3: Methodological Considerations	30



# Real Jobs II: What we found...

## Background

In early 2007 Wunan commissioned a report to examine the demand side of the labour market in the East Kimberley region. *The Real Jobs: Research Project Report* (hereafter '*Real Jobs I*') was released in April 2007. The findings of this report suggested there was a significant demand for skilled and unskilled workers in the East Kimberley and an average of slightly more than 1,700 jobs available each year between 2007 and 2009.

In August 2009, Wunan commissioned the current project to (re)examine the availability of jobs in the East Kimberley region and on this occasion with a specific focus on the three main centres of Kununurra, Halls Creek and Wyndham.

This report presents the findings of the current research project (*Real Jobs II* – hereafter).

As defined in *Real Jobs I*, 'real jobs' continues to refer to '*jobs that employers want filled no matter by whom*'. Specifically, 'real' jobs are defined as those jobs that:

- are established so that outcomes will be achieved through the employee's work, not 'created' so that the employee can be said to have a job
- are not welfare funded
- are rooted in the knowledge of employers about what they are doing and what is happening in their businesses, and are thus more than theoretical constructs.

The most salient finding of *Real Jobs II* shows high levels of consistency with the major finding of *Real Jobs I*.

Both reports highlight the fact that there have been, continue to be, and are likely to be, widespread employment opportunities for job-seekers across the East Kimberley – most notably but not exclusively in Kununurra. The available positions continue to be across industry sectors and requiring both accredited and non-accredited training.

Despite the widespread opportunities for employment, Indigenous people in the region continue to be under-represented in the labour market and markedly over-represented in the unemployment statistics. To the outside observer, there appears to be a disconnect between employer demand for local employees and the degree to which Indigenous people are able to, or want to, actively participate in the East Kimberley labour market.

Discovering the reasons behind this disconnect is beyond the scope of this report, but should certainly be a focus area of future research. Until this work is undertaken, the status quo is likely to continue. Clearly, more job creation is not the answer to increased engagement of Indigenous people in the labour market. What is required is more understanding of why Indigenous people are not currently engaged given the levels of (potential) opportunity.

The following section of this report presents the primary findings of the research.

# Primary Findings

*Real Jobs II* explores current and expected rates of job availability in the East Kimberley. In the course of undertaking this research, it became clear that the people of the East Kimberley know and understand that securing employees is challenging with many positions remaining unfilled. The key question driving this research is not whether 'real jobs' are available in the East Kimberley but how many?<sup>1</sup>

- The most significant finding of this research is that there are large numbers of positions available across the region and more are likely to become available over the next three years. This is consistent with the job availability anticipated in *Real Jobs I*, which reported that approximately 1700 jobs would arise in the East Kimberley each year between 2007 and 2009. While the estimates below are not as high as those of *Real Jobs I*, the trend is certainly maintained. In the words of a local employer '...the whole of Kununurra is desperate for workers.'
- Based on an analysis of Census 2006 data and other available research, in conjunction with fieldwork interviews with 53 employers (representing 1576 or 66 per cent of employees) across Kununurra, Wyndham and Halls Creek, Table 1 below provides the projected outcomes for employment over the next three years. It should be noted that these figures are based on employers' expectations / aspirations in relation to business performance in the last 12 months and for the next three years.
- In general, employers made their predictions with an awareness of the major infrastructure projects being developed - Ord Expansion Project and the East Kimberley Development Package. Therefore the anticipated employment arising from such projects can be assumed to be inherent within the growth expectations of the employers. Nonetheless, these infrastructure projects loom so large in the region they are worthy of further discussion and are specifically addressed later in this report.

It is estimated that over the next three years a total of 3737 'real jobs' are expected to be available in the East Kimberley.

**Table 1 - Projections of 'real jobs' for 2010, 2011 and 2012  
(East Kimberley Region)<sup>2</sup>**

	2010	2011	2012
<b>Employment Base</b>	3000	3270	3564
<b>Job Turnover</b>	870	948	1034
<b>Job Growth</b>	270	294	321
<b>Real Jobs (arising)</b>	<b>1140</b>	<b>1242</b>	<b>1355</b>

- Notably, from our sample ( $n=53$ ), job turnover was calculated at 29% and employment growth was calculated at 9%.
- The figures in the above table are derived from generalising the findings of our sample to the population using a strong 'precautionary principle'. That is, if the numbers obtained from the sample were in any way questionable or absent, an entry of nil was recorded. Where high and low value options were given by employers for turnover of employees ('we have between 20-30 per cent turnover') the low value (i.e. 20 per cent in the example cited) was used.
- The major result of this 'precautionary principle' is that, if anything, the estimates provided in the table are more likely to be an under-estimate of the jobs that are actually or will likely become available in the region than an over-estimate.

1 It should be noted that 'real jobs' excludes CDEP positions.

2 The process by which these statistics were reached is explained in detail in Appendix 3, 'Methodological Considerations'

- According to Census 2006 data (reported by Industry Category), 2367 people are employed across Kununurra, Wyndham and Halls Creek. Analysis of this data suggests the four largest industry categories of 'real jobs' in the East Kimberley are:
  - » Education and Training (227 people employed, or 9.6%)
  - » Retail Trade (223 people employed, or 9.4%)
  - » Mining (195 people employed, or 8.2%)<sup>3</sup>
  - » Construction (147 people employed, or 6.2%)<sup>4</sup>
- The categories of 'Public administration and safety' and 'Health care and social assistance' are in fact larger than those listed above. However, they have been omitted here because these categories include high percentages of CDEP positions.
- Applying the above percentages to the predictive figures contained in the Table 1, the following is derived:

**Table 2 - Predicted jobs arising in 2010, 2011 and 2012, by Industry Category (East Kimberley Region)**

INDUSTRY CATEGORY	2010	2011	2012
Education and Training	109	119	130
Retail Trade	107	117	127
Mining	93	102	111
Construction	71	77	84

- While some of the available positions require accredited training qualifications, in many cases the only stated requirement for employment was '*a willingness to work*'. For example, fieldwork for this project revealed many available labouring and gardening jobs. Further, jobs in childcare are available for unskilled workers due to government exemptions to the required qualifications given the classification of the East Kimberley region as a remote area.
- With regard to the employment of Indigenous workers, opinions varied widely. Many employers reported a willingness to employ Indigenous people and 24 of the 53 businesses surveyed (45.3%) stated that they had at least one Indigenous employee at the time of the interview (see pages 36 – 37 for a detailed table of Indigenous employment).
- Twenty eight (28) of the employers surveyed (52.8%) spoke of their efforts to employ Indigenous people as being unsuccessful. Only three of these employers had Indigenous employees at the time of the interview.
- Some employers suggested that the underlying reason for lack of success was due to unreliability on the part of employees and that this was in part due to over-availability of, and reliance on, government assistance. Comments such as '*too much government assistance*' and '*everybody worked in the 70s – there was no dole or CDEP*' became a consistent theme across the interviews.

3 This figure is problematic, given that interview data gathered for this report shows that Argyle Diamond Mine currently employs 525 people. This is best explained through noting that all ABS data used in this research is sourced using 'place of usual residence'. As a result, 'fly in / fly out' employees would not be included within this figure.

4 Utilising figures from Census data can be problematic insofar as differences occur depending on the search criteria used. Further, other sources report population estimates that differ further from those provided in Census 2006. These discrepancies are again explored in greater detail in Appendix 3.

- Finally, a number of emergent themes in the interviews need to be taken into account when considering the overall findings of this report:

» **Seasonal Change**

There are changing employment needs for virtually all East Kimberley businesses between the wet and the dry season. The effects of this variable cannot be understated. While the industries most directly affected are, understandably, agriculture and tourism, a 'trickle-down' effect was noted such that the change from dry to wet impacts on businesses across the board.

Many businesses rely on the itinerant workforce available in the peak (dry) season to meet their labour needs at that time. Furthermore, some businesses have developed – whether deliberately or 'organically' – interesting and innovative solutions to the ebbs and flows of their employment needs. Some businesses have strategies in place to encourage the same temporary workforce to return several years in a row. By doing so, they achieve the desirable aims of employing 'known people' who do not require training, while not paying them for periods when their services are not required.

» **Preference for Local People**

A related finding of *Real Jobs II* is that many East Kimberley employers expressed a strong preference for employing local people whenever possible. This was deemed to help minimise staff turnover<sup>5</sup>. In some cases, this preference for local residents extended to providing accommodation as a component of employment – noting accommodation in the East Kimberley is currently a scarce commodity.

» **EKDP and Ord Expansion**

In the minds of many East Kimberley residents and employers, the Ord Expansion Project and the East Kimberley Development Package are seen as part of the same investment. Many employers believed that overall, both projects would be good for the region and were generally optimistic with regard to employment growth. There was also some degree of scepticism with a number of employers believing the local investments and local benefits would be marginal.

Both these projects and the employment potential in each are explored in detail in later sections of this report. However, it should be noted:

- A) Transfield Services/Ertech JV (a proponent for Ord Stage 2) estimate that Phase 1 and Phase 2 of Ord Stage 2 will require 111 and 168 jobs respectively<sup>6</sup>
- B) Leightons/IBA JV have provided some analysis of the requirements for the completion of the EKDP and have estimated 84 full-time positions would be available if all projects were completed over three years.<sup>7</sup>

» **Global Financial Crisis**

The 2009 Global Financial Crisis was not perceived to have the level of influence that might perhaps have been expected. While mining and tourism businesses generally reported that the GFC had some impact, interview respondents from other industries were more ambivalent and offered commentary along the lines of '*I haven't noticed anything – it's like it didn't exist' and '[we're] immune to it here*'.

In summary, this section highlights three key findings:

1. There are a large number of positions – both skilled and unskilled – available in the East Kimberley at the present time
2. Many Indigenous people – for reasons not fully understood either inside or outside the region - do not appear to have an interest in filling these positions
3. Infrastructure developments in the region are generally seen as positive but are not perceived to have sustainable positive impacts on the labour market (either supply or demand).

---

5 This doesn't hold for all industries, however; tourism businesses, in particular, are strongly and deliberately reliant on itinerant workers.

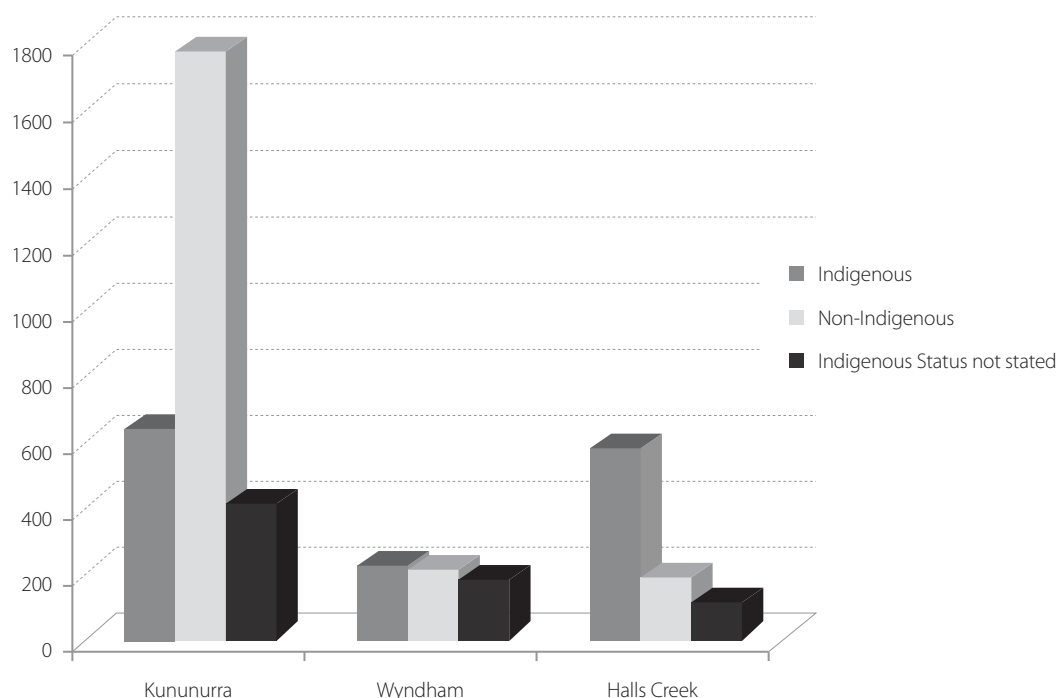
6 The authors acknowledge the willingness of Transfield Services to allow data from its tender submission to be included in this report.

7 The authors acknowledge the significant assistance offered by Leightons/IBA JV in preparing this analysis specifically for this report.

# Regional Snapshot

- In 2008, Wunan partnered with Social Compass to undertake eight Baseline Community Profiles (BCPs) in the East Kimberley region. Using the Overcoming Indigenous Disadvantage (OID) Framework, a detailed quantitative and qualitative analysis was undertaken of eight communities and structured under the 'priority areas for action' identified in successive OID reports (see [http://www.pc.gov.au/\\_data/assets/pdf\\_file/0003/90129/key-indicators-2009.pdf](http://www.pc.gov.au/_data/assets/pdf_file/0003/90129/key-indicators-2009.pdf) for more information - specifically pages 10-11 of the OID report).
- The three towns which are the focus of *Real Jobs II* were included in the eight BCP communities. These documents are the most recent to provide an analysis of population trends in Kununurra, Halls Creek and Wyndham. Importantly, they identify and examine the discrepancies between Census 2006 data and other sources of population data. This is an issue of some currency to this report, given Census data is heavily relied on by government departments (State and Federal) for detailed summary of employment in the region by occupation and industry category.
- Working-age (15+) population statistics for each of the geographic regions are as follows:

**Graph 1 - Indigenous and non-Indigenous working-age (15+) populations for Kununurra, Wyndham & Halls Creek (Census 2006)**

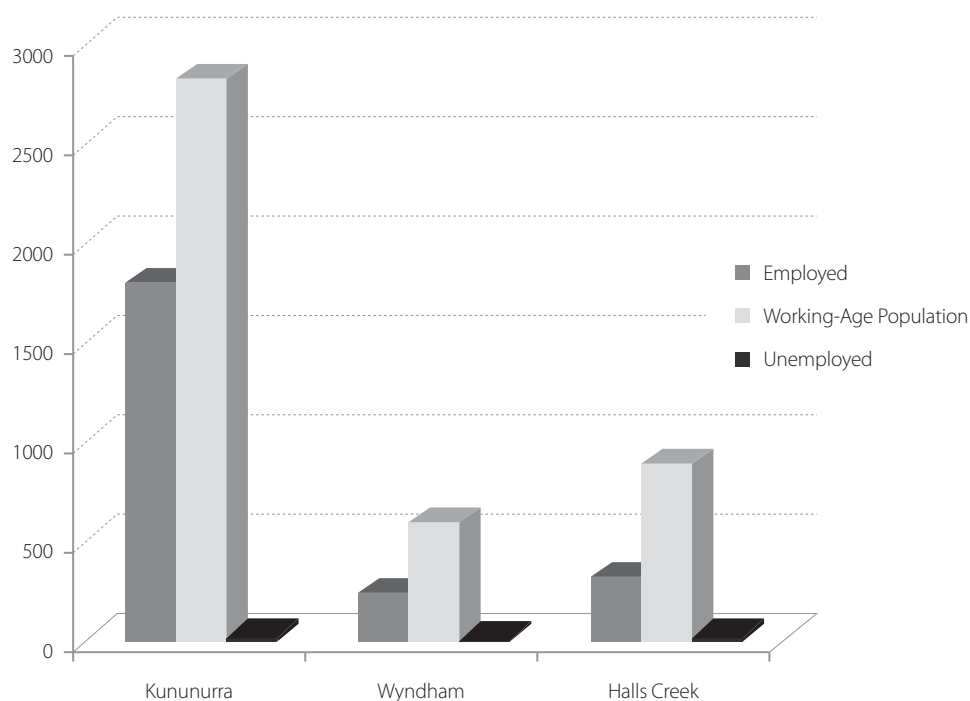


- Graph 1 highlights the distinctly different working age populations of Indigenous / non-Indigenous for the three geographic locations studied. Kununurra had the largest working-age non-Indigenous population (by a large margin), although the impact of the Census data being collected at the height of the dry season is undoubtedly a contributing factor to the profile of the data. That is to say, although the data provided uses 'place of usual residence' as a defining variable, and thereby excludes the large numbers of tourists in the region at this time, it would not necessarily exclude the people who cater to them and to the region's other active industries. Many of these people live and work in the East Kimberley on a seasonal basis, and as a result would select it as the closest thing to a 'place of usual residence' that they had<sup>8</sup>.
- Nonetheless, on the basis of the figures provided, Kununurra's non-Indigenous working-age population considerably outnumbers its Indigenous component, even if (hypothetically) all of those who did not state their Indigenous or non-Indigenous status were assumed to be Indigenous.

<sup>8</sup> It should also be noted that the populations reported above are considerably lower than commonly held opinion. Discrepancies between Census data and that reported by other sources are further discussed in Appendix 3.

- The same cannot be said for Wyndham, where 'Indigenous', 'non-Indigenous' and 'Indigenous Status not stated' received roughly equal responses. In this case, relative Indigenous and non-Indigenous working-age populations cannot be known, because the number of 'not stated' prohibits a final comparison.
- Of the three regions considered, Halls Creek has the most distinctively Indigenous working-age population, and this holds true even if none of those in the 'not stated' category were found to be Indigenous .
- Graph 2 shows population and employment statistics for Kununurra, Wyndham and Halls Creek as recorded from the Census 2006 data.
- Kununurra, in addition to being the largest of the towns studied, also has the largest workforce relative to total population, with roughly two-thirds of the adult population employed. Wyndham and Halls Creek, by contrast, have less than half of their respective total populations in the workforce.

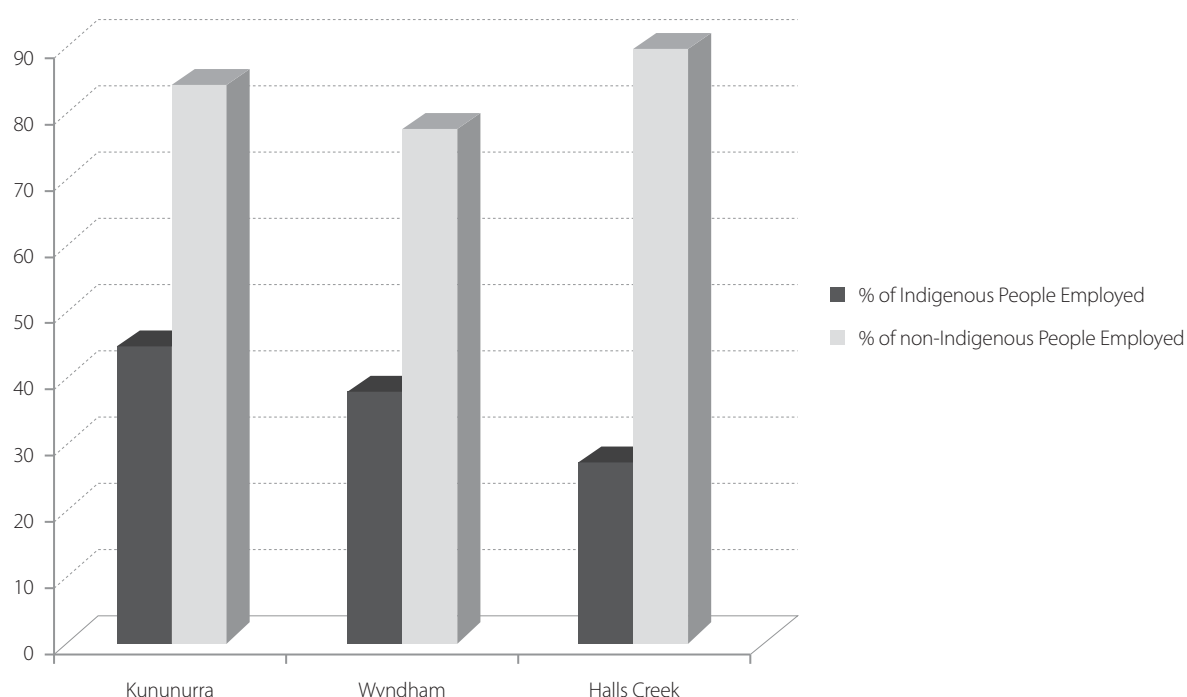
**Graph 2 - Employment and population statistics for Kununurra, Wyndham and Halls Creek (Census, 2006)**



- Graph 2 makes no distinction between full-time, part-time, casual and seasonal employment, which are essential categories for understanding the employment characteristics of the East Kimberley region.
- Census 2006 was held on August 8, at the height of the East Kimberley dry season, a period when all industries in the area, especially tourism, are booming. Had the Census been conducted at a different time, this research suggests that both population and employment figures would have been markedly different.
- The transient nature of much of the East Kimberley population, and the variable nature of employment, are recurrent themes of this report, as they contribute towards making concrete estimates of 'real jobs' difficult.
- It is also important to note the low numbers of people, in all three geographic areas, who reported that they were 'unemployed'. 'Unemployed' is best understood as 'actively seeking work but unable to find it'.
- This suggests strongly (at least in the peak season) there is employment available in the East Kimberley region. First-hand research for this report suggests that this also holds true (with variations) at other times of the year.

- It can also be seen from Graph 2 that when combined, 'employed' + 'unemployed' leaves a considerable segment of the towns' populations unaccounted for. Two further categories, 'Not in the labour force' and 'Labour force status not stated' make up most of the shortfall. Little can be said about the 'Labour force status not stated' category, although 'Not in the labour force' encompasses those not employed and also not seeking work including, for example, full-time students, stay-at-home mothers and retirees.
- One of the most distinctive differences between Indigenous and non-Indigenous populations in the towns studied is the relatively small percentages of Indigenous people actively employed.
- For Kununurra, Wyndham and Halls Creek, according to Census 2006 data, the percentages of the Indigenous populations working are 44.5, 37.8 and 26.7, respectively, compared with 83.4, 77.1 and 89.1 for the non-Indigenous populations.

**Graph 3 - Indigenous and non-Indigenous people employed (shown as percentages of total Indigenous and non-Indigenous populations)(Census, 2006)**



- The comparison in Graph 3 is of 'employment' rather than 'unemployment' figures because the differences between Indigenous and non-Indigenous populations are more pronounced. The reason for this is that, amongst the Indigenous cohorts, there are a larger number of people not actively seeking work, therefore excluding them from the 'unemployment' category.
- The following provides a demographic snapshot for each of the three communities as reported in the May 2009 BCPs and from the analysis of the fieldwork and other research conducted for this project:

# Kununurra

- Census 2006 reports Kununurra's total population to be 3748, a decrease of 28.2% from 2001.
- Census 2006 further reports that Kununurra's Indigenous population at that time was 993.
- Other research suggests that these population statistics may be low overall and particularly low where Indigenous people are concerned:
- A study commissioned by the Aboriginal Medical Services using Kimberley Population Health Unit (KPHU, 2007) data states the Indigenous population as 2430. The extent of this difference is attributed to '*statistical limitations*' with regard to the collection of Census information.
- Taylor (2008)<sup>9</sup> reported that in relation to population in the East Kimberley region, it is not clear '*whether we are looking at an increase or a decrease over the previous 2001 estimates*'.
- Independent research conducted by Social Compass in 2009 found considerable evidence to suggest that Kununurra's population was in fact increasing. Claims to the contrary are '*at odds with all anecdotal reports, service delivery reports, [and] the obvious expansion of the town*'. Social Compass further reported that according to one local resident there are:

*about 7000 in Kununurra and 50 percent of these are Aboriginal ... there are lots of problems with the last Census as it shows the population in decline and seriously under-represents the number of Indigenous people in the area. Census workers dropped off forms but there was no assistance in filling them in ... it's too hard for countrymen.*

- Kununurra is one of the few areas in the East Kimberley where the population is not overwhelmingly Indigenous. The demographic influence of urban development, intensive horticulture, the tourism industry and the Argyle Diamond Mine are contributing factors with regard to this.
- It is also significant that Kununurra's population is characterised by '*high mobility*'. At any given time, there is a considerable cohort of backpackers, other tourists and 'fly-in / fly-out' workers. Such fluidity in the population is a factor that further complicates efforts to accurately gauge the town's population.
- The Baseline Community Profile (BCP) for Kununurra recorded that there were 317 people participating in CDEP programs at the time of data collection (November 2008).
- At least partially as a result of its larger size, Kununurra and the surrounding area can expect greater opportunities for job availability than Halls Creek or Wyndham. Using the same methodological process used to generate the predicted jobs for the East Kimberley overall, the following estimations can be made:

**Table 3 - Projections of 'real jobs' for 2010, 2011 and 2012 (Kununurra)**

KUNUNURRA	2010	2011	2012
Employment Base	2393	2584	2791
Job Turnover	718	775	837
Job Growth	191	207	223
Real Jobs (arising)	909	982	1060

- According to Census 2006 data (reported by Industry Category), 1795 people are employed in Kununurra. Breaking this figure down, the four largest industry categories are<sup>10</sup>:

9 Taylor, J. (2008), 'Ord Stage 2 and the Socioeconomic Status of Indigenous People in the East Kimberley Region', CAEPR Working Paper No. 49/2008, Centre for Aboriginal Economic Policy Research, Australian National University.

10 As with the breakdowns by industry category for the East Kimberley as a whole, the 'Public administration and safety' and 'Health care and social assistance' categories have been omitted due to the inclusion of high numbers of CDEP.

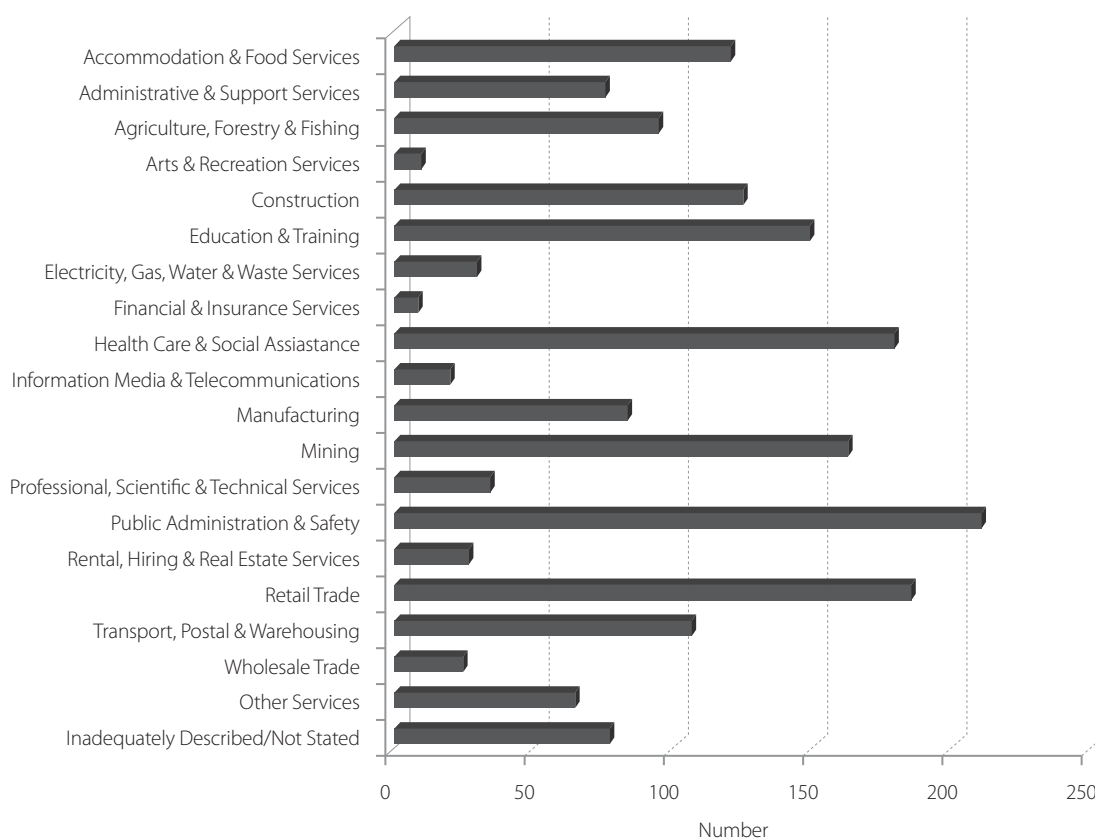
- » Retail Trade (184 people employed, or 10.3%)
  - » Mining (162 people employed, or 9.0%)
  - » Education and Training (148 people employed, or 8.2%)
  - » Construction (125 people employed, or 7.0%)
- While the four largest industries in Kununurra are the same as those recorded for the East Kimberley as a whole, the ranking has altered. For the entire region, Education and Training ranked first, followed by Retail Trade, then Mining. Construction still ranked fourth.
- Applying the above percentages to the figures contained in the table for 'total predicted jobs in Kununurra', the following can be derived:

**Table 4 - Predicted jobs arising (total) in 2010, 2011 and 2012, by industry category (Kununurra)**

INDUSTRY CATEGORY	2010	2011	2012
Retail Trade	94	101	109
Mining	82	88	95
Education and Training	75	81	87
Construction	64	69	74

- A more detailed analysis of ABS data for employment by industry category shows strong employment across a range of industries, with fairly high responses in areas such as 'Retail Trade', 'Education and Training' and 'Accommodation and Food Services' (184, 148 and 121, respectively, or 10.3%, 8.2% and 6.7% of Kununurra's total working population).
- Graph 4 reports ABS data noting that the highest responses recorded – 'Public Administration and Safety' (210, or 11.7%) and 'Health Care and Social Assistance' (178 or 9.9%) – are inclusive of CDEP positions.

**Graph 4 - Kununurra, employment by Industry category (Census, 2006)**



# Halls Creek

- Census 2006 reports Halls Creek's population to be 1211, and that this number is declining. Census 2001 stated that there were 1499 people in Halls Creek - a difference of 19%.
- Census 2006 further reports that Halls Creek's Indigenous population is 853. Unlike Kununurra, this means that Halls Creek has a distinctly Indigenous makeup (70.4% of the total population).
- Inconsistencies between Census data and information about populations from other sources are a recurrent theme with regard to the East Kimberley. As with Kununurra, it is widely held that the Indigenous population in Halls Creek is considerably under-reported in Census 2006.
- Kununurra Indigenous Coordination Centre (ICC) data, as of April 2008, reports the Indigenous population of Halls Creek (alone) to be 1107.
- The Halls Creek Community Strategy 2008 – 2018 suggests that the total population of Halls Creek is somewhere between 1500 and 2000. It is reported to be the fourth fastest growing Shire in Western Australia and as having the youngest population.
- The Halls Creek BCP also reported that Halls Creek residents estimate the town's Indigenous population to be somewhere between 1000 and 1500, and certainly increasing.
- As with other areas in the East Kimberley, the Halls Creek population is characterised by a high level of mobility.

*'Many people suggested visitor numbers to be between 20% and 25% of the population with "a lot of white people doing white jobs" and "coming from somewhere else, quite a lot of people live in Halls Creek that don't come from there". It was estimated that 400 tourists travel through Halls Creek each week.'*

- The introduction of restricted sale of alcohol (light beer only) in Halls Creek is felt by many residents to have had some detrimental effect on the population there. Those interviewed suggested some of the main effects were lower trade figures (not just of alcohol but general trade as well), decreased tourism and a degree of deliberate relocation.
- The Halls Creek BCP reported that at May 2009 there were 230<sup>11</sup> people participating in CDEP programs.
- Estimated 'real jobs' arising in Halls Creek for 2011 and 2012 are as follows:

**Table 5 - Projections of 'real jobs' for 2010, 2011 and 2012 (Halls Creek)**

HALLS CREEK	2010	2011	2012
Employment Base	332	362	395
Job Turnover	100	105	115
Job Growth	30	33	36
Real Jobs (arising)	130	138	151

- According to Census 2006 data, 332 people are employed in Halls Creek. The five largest industry categories are<sup>12</sup>:
  - » Education and Training (43 people employed, or 13.0%)
  - » Retail Trade (27 people employed, or 8.1%)
  - » Construction (14 people employed, or 4.2%)
  - » Administrative and Support Services (12 people employed, or 3.6%)
  - » Transport, Postal and Warehousing (12 people employed, or 3.6%).

<sup>11</sup> This figure includes CDEP participants from surrounding outstations, including the Ringer Soak community.

<sup>12</sup> The 'Public administration and safety' and 'Health care and social assistance' have been omitted, for the reasons outlined above.

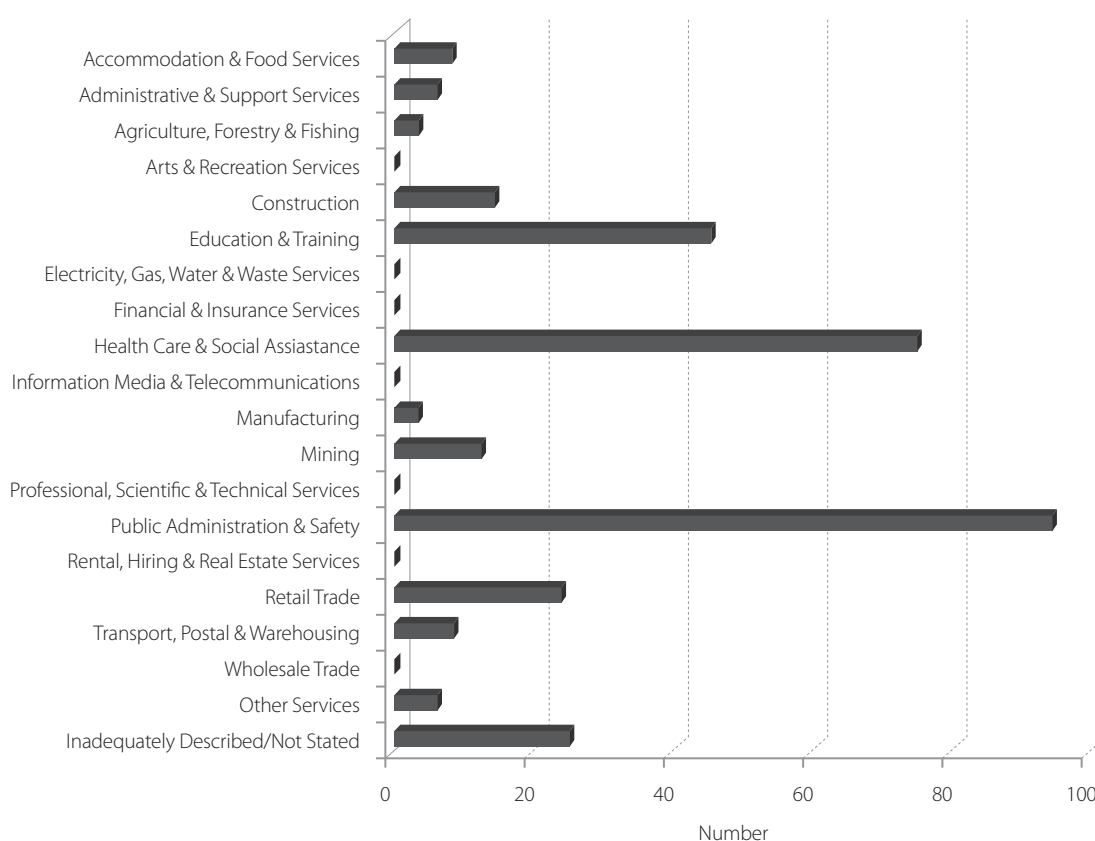
- As for the East Kimberley overall, the first and second largest industries in Halls Creek are Education and Training, and Retail Trade. Construction ranked third in Halls Creek, and fourth in the East Kimberley. Mining, which ranked fourth in the East Kimberley as a whole, did not make the top five in Halls Creek. Equal fourth in Halls Creek were Administrative and Support Services, and Transport, Postal and Warehousing.
- Applying the above percentages to the predictive figures contained in the table for Halls Creek, the following can be derived:

**Table 6 - Predicted jobs arising (total) in 2010, 2011 and 2012, by industry category (Halls Creek).**

INDUSTRY CATEGORY	2010	2011	2012
Education and Training	17	18	20
Retail Trade	11	11	12
Construction	5	6	6
Administrative and Support Services	5	5	5
Transport, Postal and Warehousing	5	5	5

- In depth analysis of ABS data shows that the most predominant industry categories in Halls Creek were 'Public Administration and Safety' and 'Health Care and Social Assistance' (which received responses of 93 and 74, or 28.3% and 22.5%, respectively), although these figures are inclusive of CDEP positions. The only other category with a response rate over 40 was 'Education and Training' (45 replies, or 13.7%).
- In Halls Creek, several industry categories received nil responses. There were no replies in the 'Arts and Recreation Services', 'Electricity, Gas, Water and Waste Services', 'Financial and Insurance Services', 'Information Media and Telecommunications', 'Professional, Scientific and Technical Services', 'Rental, Hiring and Real Estate Services' and 'Wholesale Trade' categories<sup>13</sup>.

**Graph 5 - Halls Creek, employment by Industry category (Census, 2006)**



<sup>13</sup> It is important to note that these categories are almost identical to those missing from fieldwork data for this research, providing supporting evidence that the Real Jobs II data sample is a reasonable representation of the labour market in the region.

# Wyndham

- Census 2006 reports Wyndham's population to be 771 and declining. Census 2001 stated that there were 992 people in Wyndham - a difference of 22%.
- Census 2006 further reports that Wyndham's Indigenous population is 309. This means Indigenous people represent 40% of the total population.
- Unlike other areas of the East Kimberley, there is some accord between Census data and population estimates from other sources. For example, the Kununurra ICC data reports the Indigenous population to be 308.
- However, the Wyndham BCP states that Wyndham residents estimated the town's Indigenous population to be as high as 800 – 850.
- Wyndham, according to many accounts, appears to be a town that is not growing currently and whose employment base may contract in the short-term. This was expressed by many local residents. Likewise, significant infrastructure developments, such as the recent completion of the new Wyndham hospital, actually reflect this finding, as the new premises constitute a downsizing from the previous facility.
- Wyndham's declining population is further emphasised if one looks as far back as the mid-1980s. Prior to the closure of the Meat Works at that time, the total population was estimated to be as high as 3500.
- Wyndham's population is characterised by a considerable degree of mobility. However, unlike Kununurra and Halls Creek, fluctuations are not as directly attributed to the effects of tourism - *'increases in population occurred [because of] ... people coming into town for funerals, visitors from Kununurra and migration from Oombulgurri.'*
- The BCP also recorded that there were 154 people participating in CDEP programs.
- Projected estimates of 'real jobs' for Wyndham for 2011 and 2012 are as follows:

**Table 7: Projections of 'real jobs' for 2010, 2011 and 2012 (Wyndham)**

WYNDHAM	2010	2011	2012
Employment Base	243	250	257.5
Job Turnover	53	55	57
Job Growth	7	7.5	8
Real Jobs (arising)	60	62.5	65

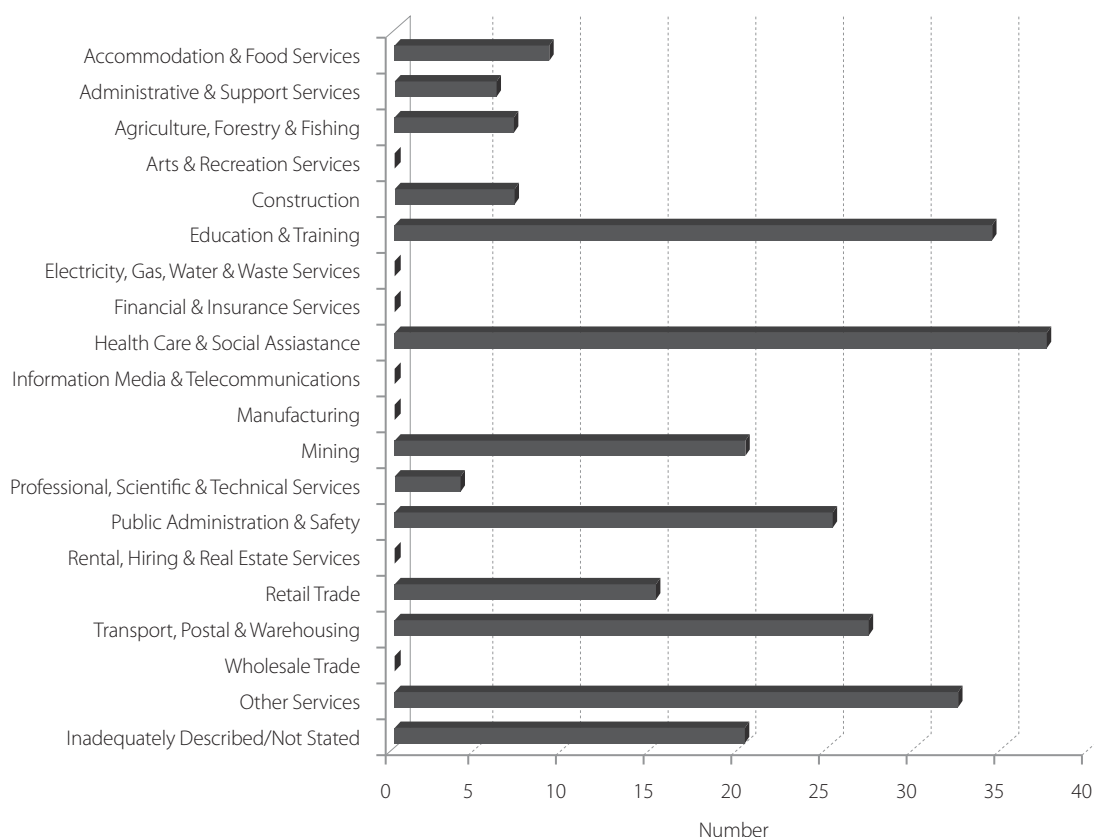
- A comparison of the above table with those for Kununurra and Halls Creek in the preceding pages highlights Wyndham's relatively small size and limited expectations regarding job growth. This is further explored in the sections that follow<sup>14</sup>.
- According to Census 2006 data, 243 people are employed in Wyndham. The four largest industry categories are<sup>15</sup>:
  - » Education and Training (34 people employed, or 14.0%)
  - » Transport, Postal and Warehousing (27 people employed, or 11.0%)
  - » Mining (20 people employed, or 8.2%)
  - » Retail Trade (15 people employed, or 6.2%)

14 If the totals associated with the predicted 'real jobs' for Kununurra, Halls Creek and Wyndham are tallied, there are minor discrepancies between the final figures derived and the total of 'Real Jobs' arising for the East Kimberley as a whole, as reported on page 3. The differences are the result of different starting points for population figures. The reasons for the conservative estimate of 3000 for the East Kimberley as a whole are explained in Appendix 3. For individual towns, however, predictions were made based on Census 2006 data for employment reported by Industry Category.

15 The 'Public administration and safety' and 'Health care and social assistance' have been omitted, for the reasons outlined as above.

- As for the East Kimberley region overall, Education and Training is the most prevalent occupation category in Wyndham, although the second-most frequented category, Transport, Postal and Warehousing, is not listed in the East Kimberley's top four (it replaces Construction). As for the East Kimberley as a whole, Mining is ranked third. Retail Trade is listed fourth in Wyndham, and second in the East Kimberley.
- Predicted job availability for Wyndham for 2011 and 2012 by Industry Category is not included here, because of the small size of the numbers generated by applying the above percentages to the figures in the table for 'total predicted jobs in Wyndham'.
- Further analysis of ABS data for Wyndham shows that most of its current employment is spread across a relatively small number of industry categories, and several industries were not represented at all. As with the other towns considered in this report, the CDEP-inclusive categories of 'Public Administration and Safety' and 'Health Care and Social Assistance' were highly represented (37 and 25 responses, or 15.2% and 10.3%, respectively).
- Beyond categories that include CDEP, the highest response recorded was for 'Education and Training' (34 replies, or 14%). 'Transport, Postal and Warehousing' also received a relatively strong response (27 replies, or 11.1%), as did 'Other Services' (32, or 13.2%), although no further data is available concerning what this category might include. 'Mining' represents a reasonable share of Wyndham's employment (20 responses, or 8.2%).
- The categories that received no replies were: 'Arts and Recreation Services', 'Electricity, Gas, Water and Waste Services', 'Information Media and Telecommunications', 'Manufacturing', 'Rental, Hiring and Real Estate Services' and 'Wholesale Trade'. There is some scope for speculation as to whether these industries are entirely absent from Wyndham, or inadequately reported (e.g. reported under different category headings). For example, Wyndham's swimming pool and its telecentre could both conceivably be classified as 'Recreation Services', and the latter is also, perhaps more accurately, an 'Information Media and Telecommunications' concern.

**Graph 5 - Wyndham, employment by Industry category (Census, 2006)**



# Findings in Detail

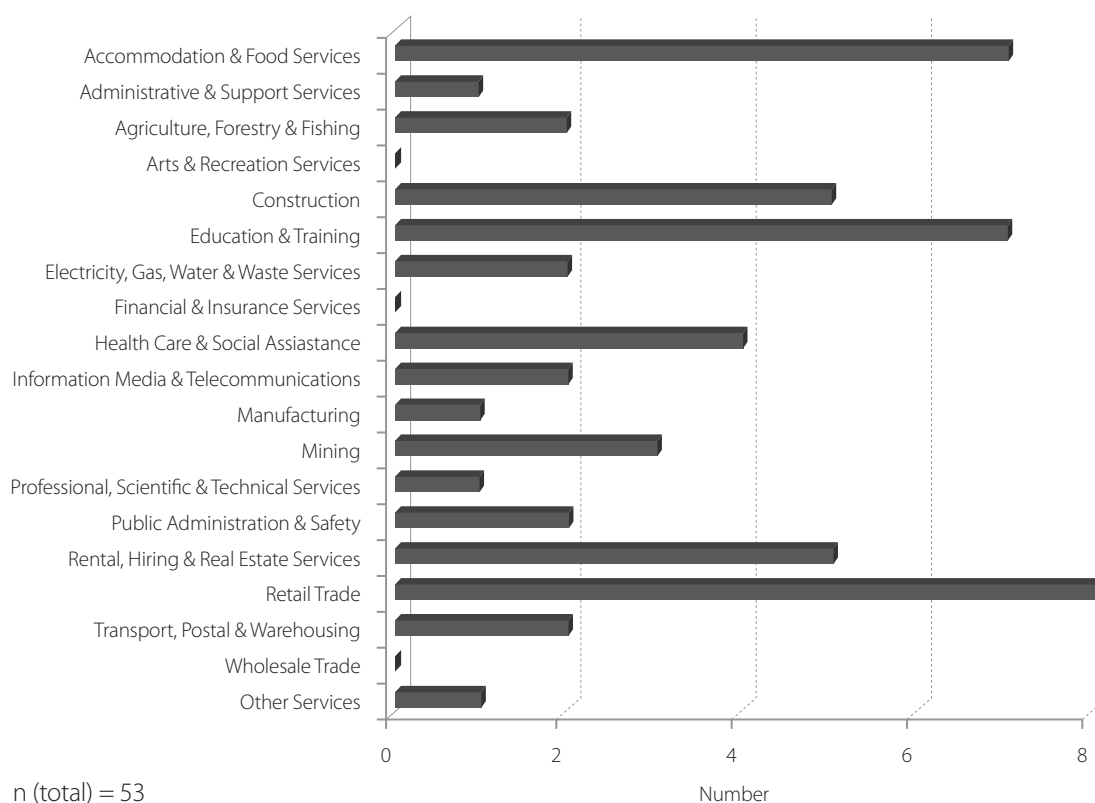
This section presents a more in-depth analysis of the quantitative and qualitative data, being information from employer interviews and further independent research.

## Employment in the East Kimberley: What the employers say...

During fieldwork interviews a number of questions were explored. These included numbers of employees and their statuses (full-time, part-time, seasonal, etc.), turnover rates, numbers of job vacancies and the challenges associated with filling vacancies. Questions concerning the possible effects of the Ord Expansion Project and the EKDP on businesses / organisations interviewed were also considered, as were the impacts (if any) of the Global Financial Crisis.

The following pages are a presentation of data obtained from interviews with a sample ( $n = 53$ ) of employers in each location. Graph 7 shows the range of businesses and other organisations consulted as part of this research, categorised according to ABS industry categories:

**Graph 7 - Breakdown of respondents by Industry category (KNX, HC and WY) (Census 2006)**



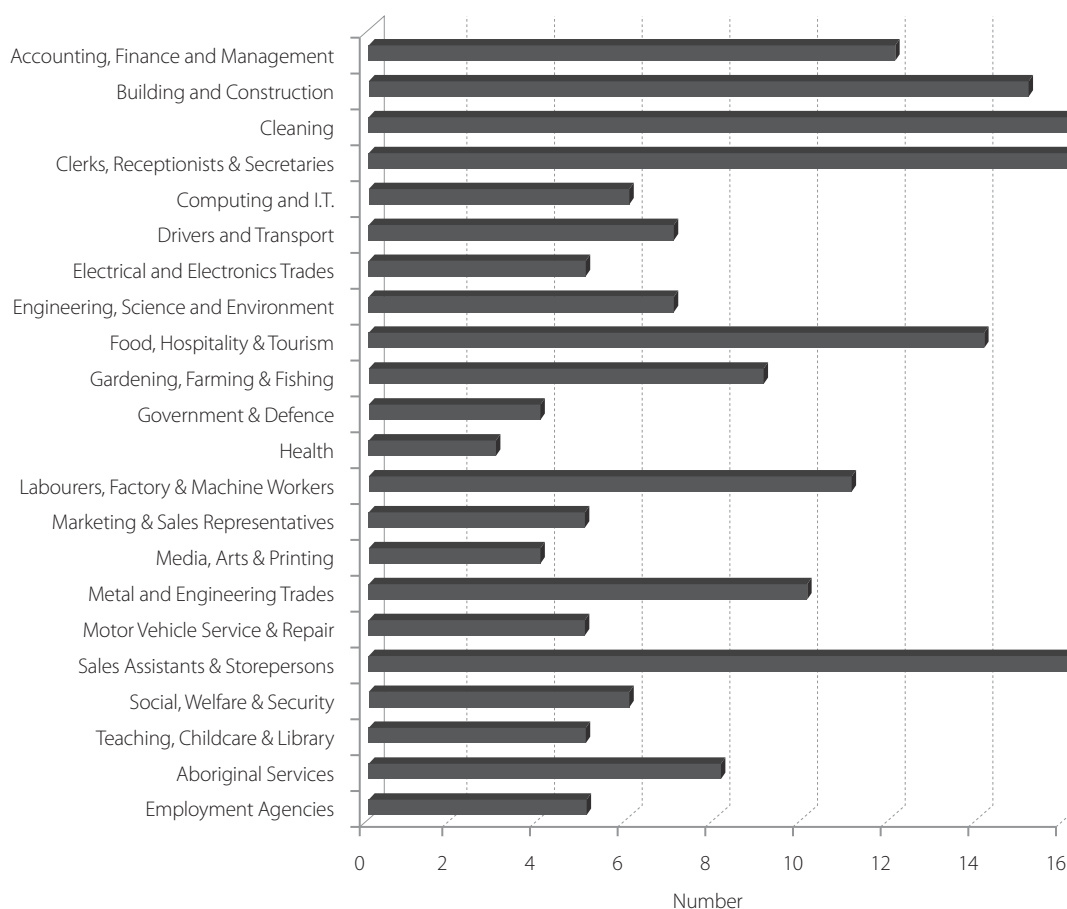
Utilising prior research – including *Real Jobs I* – and in the process of developing an employer database for the region, major employers were flagged as integral and incorporated into the sample.

Following this, and building through a process of referral from initial interviews, a range of further businesses / organisations were consulted, in order to construct a sample that was representative of the makeup of employers in the region overall.

Graph 7 does not necessarily highlight the industries with the largest number of employees (for example, mining, the largest employer outside the government sector, is shown above with only three responses), but rather the industries with the largest number of separate businesses. With this in mind, it is perhaps unsurprising that the largest numbers of responses recorded above were in the 'Accommodation and Food Services' and 'Retail Trade' categories, which encompass businesses including but not limited to hotels, caravan parks and a range of shops of various sizes.

Across the industries included in this research, a broad range of skills sets / types of jobs were found to exist. In accordance with *Real Jobs I*, these have been categorised using the *Jobsearch* website's list of job types (with the addition of two additional categories, 'Aboriginal Services' and 'Employment Agencies'), as shown in Graph 8:

**Graph 8 - Ranges of skills/types of jobs by Jobsearch category (KNX, HC and WY)**



Given the similarity between the *Jobsearch* 'types of jobs' list and the ABS list of industries on the preceding page, the distinction needs to be made clear noting the *Jobsearch* list pertains to the range of jobs that each employer interviewed identified within their business or organisation.

For example, within a given school (which would constitute a single entry in the 'Education and Training' category in Graph 7), a range of occupations may exist, including teachers, cleaners, gardeners, administration and canteen staff and so on, therefore representing entries in several categories in Graph 8 above. For this reason, the total number of job types identified above ( $n = 189$ ) considerably outnumbers the total number of businesses / organisations interviewed, since several job types may be required for any one business to function effectively.

It is an important finding that the most common occupational categories identified constitute an array of skilled and unskilled positions.

Two of the highest categories recorded were 'Sales Assistants and Stores persons' and 'Cleaning' (16 entries each), which might be expected to be relatively unskilled jobs. A third category that also contained 16 responses, 'Clerks, Receptionists and Secretaries', might require some training and/or experience.

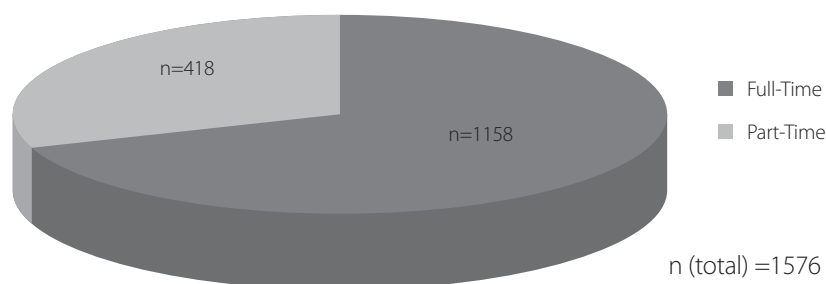
By contrast, the 'Building and Construction' category contained 15 entries and might include unskilled occupations such as laborers, as well as positions requiring heavy vehicle licenses and / or higher degrees for jobs such as draftsmen, engineers and so on<sup>16</sup>.

<sup>16</sup> Note here that single jobs may well fit into several Jobsearch categories, with the result that the 'range of job types' under discussion does not directly correspond with a 'range of actual jobs' per se.

Further, categories such as 'Accounting, Finance and Management' and 'Metal and Engineering Trades' are likely to encompass jobs that require qualified trades people or people with higher degrees, and these categories contained 12 and 10 responses, respectively. From this it can be summarised that a wide range of occupations exist within the East Kimberley, to suit people with an equally wide set of skills and experience levels.

From fieldwork interviews, the businesses/organisations consulted employed a total of 1576 people, (1158 full-time and 418 part-time).

**Graph 9 - Reportage of full-time and part-time employment figures from fieldwork interviews (total interviews = 53)**



This finding is significant for a number of reasons. In the first instance, the fieldwork interviews were conducted in the first week of October, just before the onset of the wet season, at a time when the large casual workforce relied upon by many firms to see them through the dry (peak) period had either been laid off already, or were about to be.

For this reason, Graph 9, which indicates a workforce of roughly three-quarters full-time and one-quarter part-time / casual employment, would likely have had a higher part-time / casual component had the fieldwork been done at the same time of year as the 2006 Census, at the height of the dry season.

The qualitative interview data collected for this project emphasised strongly the contrast in employment levels between the dry and wet seasons, as well as the strong reliance on part-time / casual employees to fill vacancies in the peak period.

Statements such as '[there is] *more [work] in tourist season, [but we're] dead in January*' were the norm.

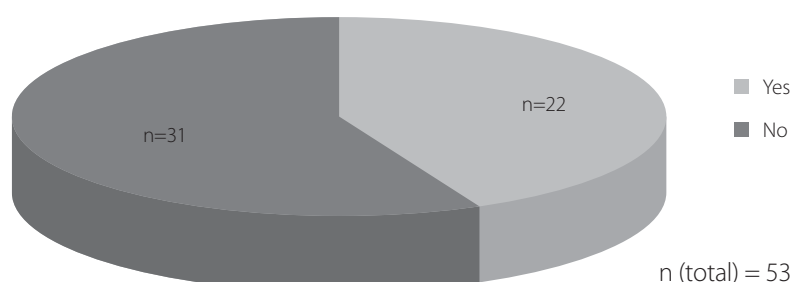
Also the total of number of existant positions identified from 53 interviews – 1576 – is also important, because it suggests that the Census 2006 data may have dramatically underestimated the number of people employed in the East Kimberley region.

According to Census 2006, the total number of people employed in Kununurra, Wyndham and Halls Creek is 2367, only 791 more than those identified in the fieldwork sample. Noting there are almost 600 businesses in the East Kimberley (as recorded in the *East Kimberley Directory 2008*) and therefore those businesses in the region not consulted would be employing on average only 1.5 people each.

While it is true that the current project targeted the major employers for interviews – as identified through preliminary research and *Real Jobs I* – to claim that the remaining businesses employ so few people seems highly unlikely.

Graph 10 addresses the core question of the *Real Jobs II* project brief. It explores how many 'real jobs' were available at the time of the fieldwork and/or can reasonably be expected to be available over the next 12 months.

**Graph 10 - 'Do you have any job vacancies at the present time?'**  
Data from fieldwork interviews



Fieldwork research found that 22 of the 53 businesses / organisations interviewed responded 'yes' to the question 'Do you have any job vacancies at the present time?'.

This is an interesting finding when it is remembered that interviews were conducted at a time (the end of the peak season) when the East Kimberley job market is strongly characterised by downsizing and by the laying off of casual / seasonal employees. For slightly less than half of those interviewed to report job vacancies, at what is arguably the worst time of year for them to occur, bodes extremely well for the labour market during other periods.

Responses to this question were characterised as much by qualifications as they were by concrete replies. For example, although the question specified 'at the present time', many respondents answered in terms of expected vacancies over the coming months.

Other businesses answered that 'We had one [job] until very recently, and we'll have one more next year' and 'we'll employ four more casuals next year'. Still other respondents answered with a careful optimism, along the lines of 'we hope to ...', and many of the larger firms reported that they 'always' had vacant positions, although they could not be specific about actual numbers. Speaking about their need for cleaners and grounds staff, one school reported that 'if people show up looking for work, we'll always put them on'. One interviewee reported no vacancies at present, but emphasised that this was highly unusual, as there were 'almost always positions available'.

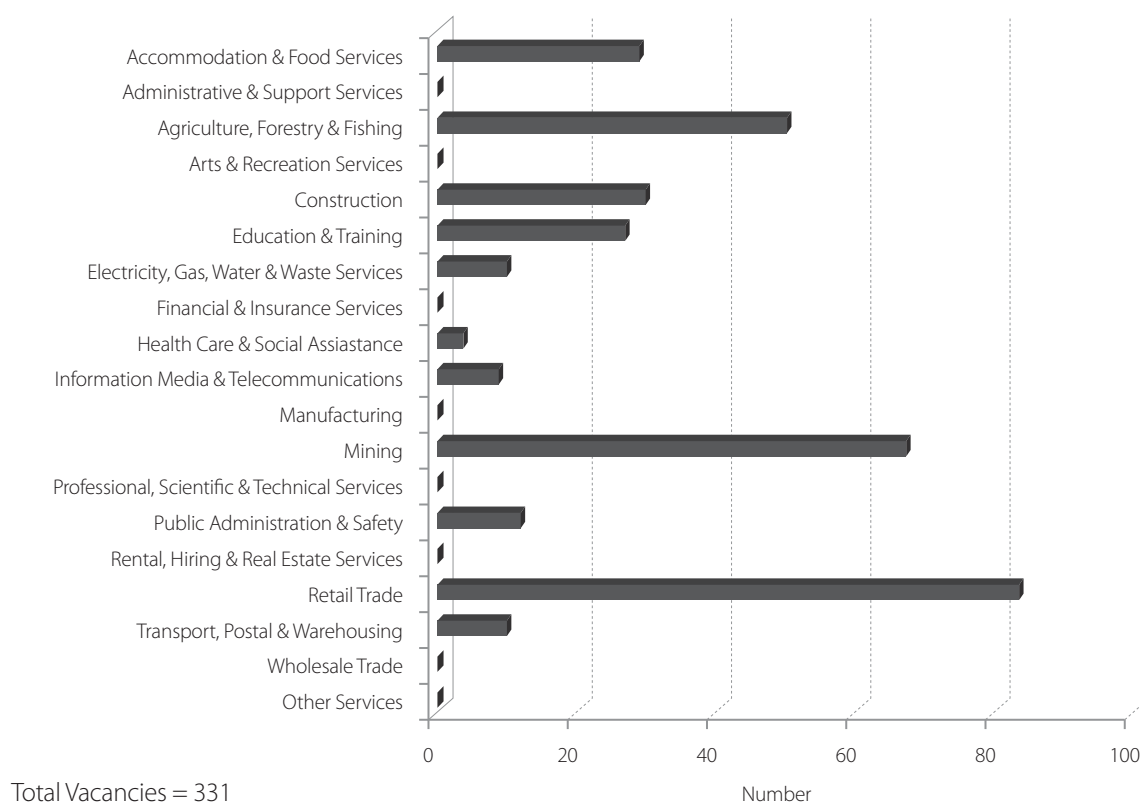
Putting aside the employment aspirations of the major developments in the East Kimberley region, such as the Ord Expansion and the EKDP, and notwithstanding the relative sizes of the towns studied, there were no significant differences in employment vacancies between Kununurra, Wyndham and Halls Creek. There were vacancies available, of various types and skills-level requirements, across a range of industries / organisations in all three towns.

### **Numbers of Jobs Available – Jobs by Turnover**

In response to the question, 'What is the turnover (rate) of employees?', the fieldwork for this project sought to elicit concrete, quantitative data, and in some cases such figures were readily obtained. In other instances, employers provided estimated percentages of job turnover.

Such figures were correlated with total numbers of current staff for the businesses that responded in this manner, so as to generate further quantifiable data. However, other responses were more indeterminate, along the lines of 'some' or 'a little'. In such cases, a numeric estimate was still made, using a high degree of caution whereby, in instances where it was felt that to enter an actual number would require speculation on the part of the researchers, an entry of nil was recorded. The result of using such a precautionary principle is that, if anything, the final numbers provided are an understatement of the total number of jobs-available-by-turnover that actually exist 'on the ground' in the East Kimberley.

**Graph 11 - Vacancies generated by turnover from sample (n=53) to Dec 2010**



The shift from dry to wet season, in conjunction with the high percentages of casual and part-time workers moving in and out of employment that are directly associated with it, are further factors impacting upon jobs in the East Kimberley.

As far as possible, these variables have been taken into account in the numbers provided, although it is important that the final figure – 331 jobs-by-turnover to December 2010 – should be treated as an estimate.

There were some recurrent, though anecdotal, themes that emerged through questions relating to staff turnover, including that many businesses reported having a stable core staff and a more transient and changeable body of casual employees. This is, of course, unsurprising – it is virtually inherent in the respective natures of full-time and casual employment. What was more surprising was the ways in which some firms were adapting – sometimes deliberately, sometimes more ‘organically’ – to the particular characteristics and needs of the seasonal / casual components of their workforces. Several businesses, particularly hotels, caravan parks and the like, reported that the casual workforce upon which they relied was (at least substantially) the same people, returning to the same positions as they re-emerged each year.

The benefits of this for enterprises in the East Kimberley region require little explanation: re-employing the same people means the security of having staff whose qualities and potential shortfalls are already known, and there are also the benefits of not having to spend time and resources training new employees.

A related phenomena is that other businesses, while reporting 50% annual turnover, emphasised the point that this turnover was actually the same 50% positions each year.

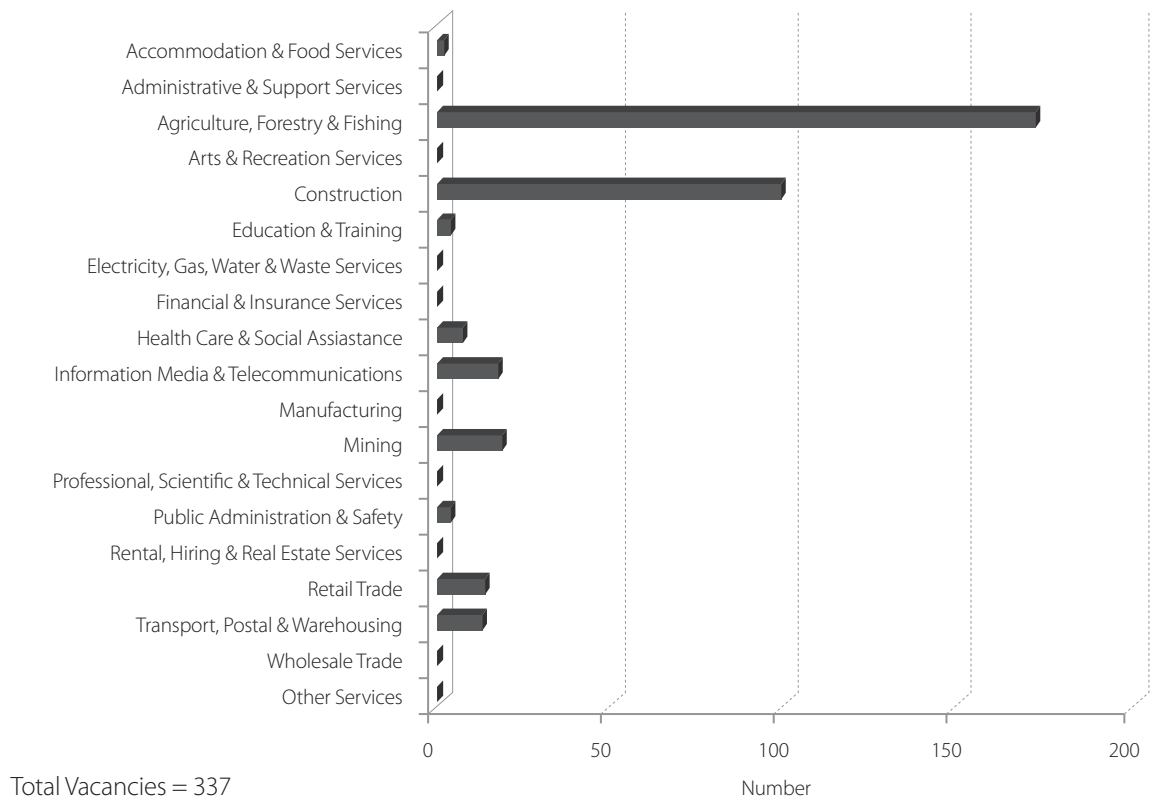
One company in Kununurra seeks actively to maintain its cohort of casual seasonal employees. The business in question, while being unable to operate during much of the wet season, liaises with other related firms in more hospitable climates in other parts of Australia to source alternative, equally seasonal employment (and accommodation) to see its staff through during this time. This practice enables the business to maintain a fairly stable base of employees, many of whom, although seasonal and technically casual, have worked with the same company for several consecutive years.

## Numbers of Jobs Available – Jobs by Growth

Interview respondents were also asked how many positions they expected to become available over the next 12 months as a result of business growth. As with jobs-by-turnover, the same caveats and cautionary measures outlined above were utilised.

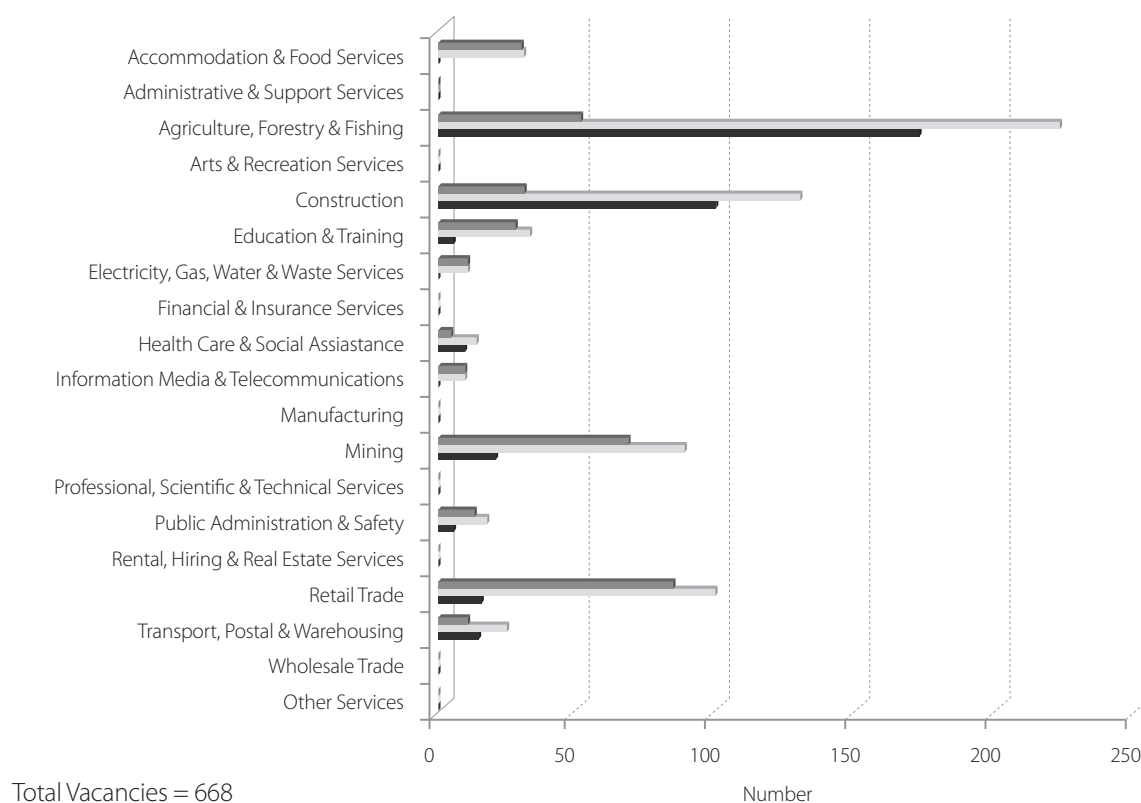
It was found that an estimated 337 jobs would become available between December 2009 and December 2010 according to employers' expectations of growth.

**Graph 12 - Vacancies generated by growth from sample (n=53) to Dec 2010**



Taken together, the total number of jobs that are expected to arise as a result of turnover and growth - from the businesses interviewed alone - can be estimated at 668 for 2010

**Graph 13 - Vacancies for 2010 from sample (n=53)**



In terms of recruiting for these positions, one consistent finding with regard to employment of staff was that many of those interviewed expressed a strong preference for engaging local staff wherever possible. There was a firmly held belief, based on a combination of long experience and common sense, that to employ locals would lead to decreased staff turnover, and therefore to less time and money being spent training new employees. This preference was not particularly industry-based, nor was it confined to highly-skilled or lesser-skilled positions.

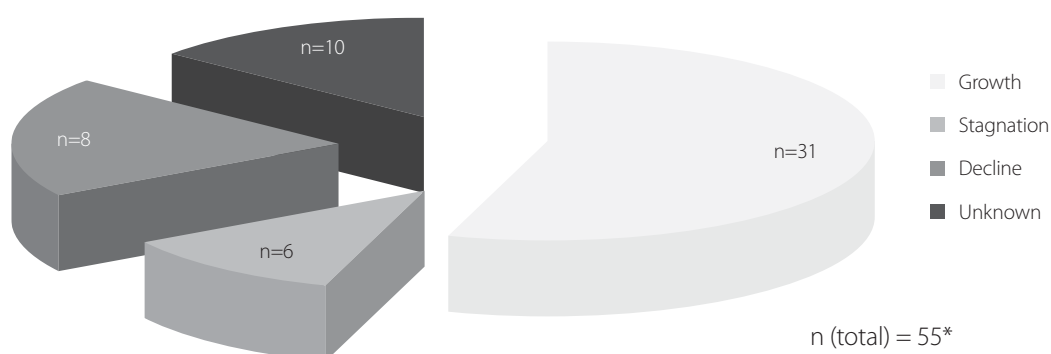
Through the course of fieldwork interviewing, a preference for local people was expressed by a range of businesses including, for example, a sports store, a larger department store, a school and a mining company. One business in Kununurra had gone so far as to record its preference for local employees in concrete policy, preferring to recruit and train locals than to 'import' already trained staff from elsewhere.

Alternatively, some businesses were more accepting of the transient elements of the East Kimberley population. These were predominantly companies / organisations requiring less skilled or unskilled employees, including stores, hotels, caravan parks and so on. The latter are a primary example of this trend, utilising their own client-base of backpackers through advertisements posted on doors and noticeboards.

The availability of adequate and affordable housing is also a problem with which many East Kimberley employers must engage if they are recruiting staff from outside the region (this is, in fact, a significant contributing factor as to why many firms prefer to hire locally). This was particularly prevalent in the Halls Creek interviews and the Shire of Halls Creek reports there are positions that are unable to be filled due to lack of accommodation for potential employees.

Clearly, not all organisations are of a sufficient size, or are sufficiently resourced, to be able to provide for their staff in this manner, but for those that are, the offer of housing as a fringe benefit of employment is seen as a strong incentive in attracting and retaining high calibre staff.

**Graph 14 - 'What has characterised your business over the last 3 years?'**  
Data from fieldwork interviews



\* n (total) = 55 because 2 of the 53 organisations interviewed expressed ambivalence about whether they were in a state of growth or stagnation, and as a result selected both options.

In response to the question *'What has characterised your business over the last 3 years – growth / stagnation / decline?'*, the majority of those who participated in fieldwork interviews stated that they were experiencing, or at least anticipating, a period of growth.

A range of reasons were suggested for this, not least the impending impact of the Ord Expansion Project. Paradoxically, the considerable number of 'Unknown' responses were also largely due to speculation about the Ord Expansion, as many were unconvinced about what the project's direct and indirect impacts would be (see below). Further – and as noted earlier – in the minds of many respondents, the Ord Expansion and East Kimberley Development Projects had merged into one 'development'.

Other reasons for growth were less generally applicable, such as *'It depends on who our manager is'* and some were a response to the coming wet season, such as *'[we are in a period of] decline currently, but more growth expected soon'*.

Taken overall, however, there were expectations of growth in all three towns addressed in this report, although somewhat less so in Halls Creek (where retailers held a view that alcohol restrictions would have an overall negative impact on retail). Further, while expectations of growth were certainly evident in interview data from Wyndham, they are perhaps best interpreted as an expectation of 'better days to come', given the small population and employment predictions for the town noted earlier in this report.

## Effects of Infrastructure Investments

At the time of the interviews, two major infrastructure projects were looming large in the region. With a combined investment of \$415 million, the Ord Expansion and the EKDP are set to provide increased employment opportunities in the region – particularly during 2010-11.

In developing an analysis of the potential impacts on the labour market, Transfield Services/Ertech JV (one of four proponents being considered for the Ord Expansion Project) and Leightons/IBA JV provided assistance in estimating employment demands arising from these project works.

### Ord Expansion Project

Transfield Services/Ertech JV has anticipated 111 jobs for Phase 1 of the project (2010) and 168 for Phase 2 (2011). These jobs will likely arise in the following areas though no detailed breakdown of positions was available at the time of writing:

**Table 8 - Breakdown by employment category for positions arising from Ord Expansion**

Employment Category	Jobs Anticipated As Part Of Ord Stage 2
Accounting, Finance and Management	Procurement, administration, cost control
Building and Construction	Labourers, plant and equipment operators, traffic management, works supervisors
Cleaning	Camp accommodation
Clerks, Receptionists & Secretaries	Project site office – reception, document management, payroll
Drivers & Transport	Truck and plant and equipment operators
Electrical & Electronics Trade	SCADA technicians
Engineering, Science & Environment	Project draftsmen, engineers, surveyors
Food, Hospitality and Tourism	Camp accommodation
Labourers, Factory & Machine Workers	Construction workers
Media, Arts and Printing	Project media and communications

Those employers interviewed were invited to share their opinions of the Ord Expansion and a variety of responses were obtained. The dominant view was that the East Kimberley only stood to benefit, a general feeling that *'any growth is good'*. This sentiment came from a diverse range of organisations including construction, food outlets, caravan parks and retail businesses, both large and small.

Beyond this, many were of the opinion that the Ord Expansion would have *'no effect'* and, interestingly, there was some scepticism in relation to the project as indicated by phrases such as: *'[I'm] a bit suss about Ord Stage 2', 'if the land release goes ahead', 'if it all goes ahead the way it's meant to' and 'you really don't know how that's all gonna go'*. Such reticence was largely attributed to perceived delays in project implementation, though at the time of writing the successful proponent was due to be named having gone through a rigorous process of tendering and evaluation of submissions.

Only two employers interviewed expressed distinctly negative opinions regarding the Ord Expansion, one with regard to a lack of accommodation, *'we're already short of housing and it'll make it worse'* and the other maintaining that any jobs created would not be tendered to local industries and long-term (sustainable) benefits would be secured.

## East Kimberley Development Package

The \$195 million East Kimberley Development Package (EKDP) was launched by Prime Minister Kevin Rudd in Kununurra on 3 July 2009.

The Package was developed by the Commonwealth Government in close collaboration with the Western Australian Government. Investment is being made in social and common use infrastructure with the aim of promoting healthy, strong and resilient communities and providing meaningful and sustainable jobs for local Indigenous people in the East Kimberley region. The National Partnership Agreement was signed by the Commonwealth and Western Australian Governments to enable 21 of the 29 projects to be directly implemented by the Western Australian Government. A breakdown by infrastructure category is provided in Table 9 while a complete summary by project is provided in Appendix 1 of this report.

**Table 9 - Breakdown of the East Kimberley Development Package**

PROJECT	\$ MILLION
Health (including Kununurra Hospital expansion and refurbishment of other health facilities)	\$50.0 million
Education and Training (including Kununurra District High School Upgrade and other education institutions)	\$64 million
Housing (including social housing in Kununurra and Wyndham)	\$50.0 million
Transport (including upgrades to Kununurra Airport and Wyndham Port facility)	\$15.0 million
Community (including sports facilities and MG Corporation-Gelganyem Trust shared facility)	\$16.0 million
<b>TOTAL</b>	<b>\$195 million</b>

In terms of forecasting the likely trades and employment numbers to emerge over the life of the EKDP, we have provided indicative estimates based on an analysis of the proposed projects, and a set of assumptions about how the works will be completed.<sup>17</sup>

According to this analysis, if all projects were completed in three years, there would be 84 full-time positions available. The breakdown of these positions is as follows:

- 21 per cent (17) in civil construction
- 47 per cent (40) in building construction
  - » 12 positions as bricklayers
  - » 14 positions as carpenters/finishers/roofers
  - » 3 positions for plumbers
  - » 5 positions in the mechanical field
  - » 1 position in fire protection
  - » 1 position in electrical services
- 32 per cent (27) in administration

Who will secure these jobs is not known and interestingly, the interviews with employers did not give any indication of local businesses sensing they would/could capitalise on the investments in either the short-term or longer term. The data was characterised by a distinct ambivalence.

<sup>17</sup> The assumptions used to determine the indicative job estimates are based on our best understanding of the EKDP projects at the time of writing and on industry benchmarks determined in conjunction with Leightons/IBA JV. The primary assumptions are:

- workers averaging 55 hours per week for 42 weeks per annum
- standard industry benchmarks of costs (direct labour/materials/services costs, indirect costs, contractor margins) for similar projects, with a 75% remote-area loading for direct materials/services

## **A note on the Global Financial Crisis**

Interviews also explored the extent and ways in which the 2009 Global Financial Crisis (GFC) had impacted / was likely to impact upon businesses in the East Kimberley region. Responses were extremely diverse. If any generalisations can be made, they would be that the mining and tourism industries were those most directly affected.

Argyle Diamond Mine, for example, publicly announced the cut back of 60 non-core jobs. In January 2009 the *Sunday Times* reported that Argyle job losses could run as high as 200. Further, caravan parks reported decreases in trade, particularly vis-a-vis numbers of backpackers. One park owner expanded further on this, saying that their other significant tourist demographic, the *'grey nomads'* (retirees), were less likely to cancel or change travel plans, because they were not as dependent on regular incomes and so would not be directly affected by the GFC. A marine store reported a decrease in the sale of leisure boats, because *'when people tighten their belts, luxuries are the first to go'*.

Other businesses reported an increase in people looking for work, because they had lost their previous jobs in the mines or elsewhere, and several companies reported that the GFC had resulted in an increased tendency of people *'holding onto and valuing the jobs we [they] have'*. Several government bodies (Department of Housing, Shire offices, schools) mentioned a 3% budget cut across the board in response to the GFC, and one government funded agency stated that in some cases they were not seeking to fill positions when they became vacant.

Alternatively, a considerable number of businesses reported that the GFC had had no effect whatsoever - *'there's no Global Financial Crisis in Kununurra'*, *'[we're] immune to it here'*, *'it's like it didn't exist'*, *'I think we expected more, but there wasn't really that much'*.

It seems that for a small region with a strong reliance on mining and tourism, employers in the East Kimberley region have not only insulated themselves from significant impacts of a major global downturn, but will also benefit from the potential impacts of major local investments by State and Commonwealth Governments.

# Indigenous Employment: What the Employers Say...

A number of interview respondents, from a range of industry categories, stated that they currently employ Indigenous people.

- In total, 24 of the 53 (45.3%) businesses in the research sample employed Indigenous people.
- Table 10 below shows employment of Indigenous people by Industry Category for those interviewed.
- Overall, 291 from a total of 1576 people employed across Kununurra, Wyndham and Halls Creek are Indigenous (18.46%). Excluding Argyle Diamond Mine the percentage of Indigenous people employed is 13.99%.

**Table 10 - Breakdown of Indigenous employment of interview sample, by industry category**

Industry category	No. of employers interviewed in sector	No. of employers who employ Indigenous people	No. of Indigenous people employed
Accommodation and food services	7	2	2
Administrative and support services	0	0	0
Agriculture, forestry and fishing	2	1	2
Arts and recreation services	0	0	0
Construction	5	3	35
Education and training	6	5	31
Electricity, gas, water and waste services	2	1	3
Financial and insurance services	1	1	4
Health care and social assistance	2	1	39
Information media and telecommunications	4	0	0
Manufacturing	0	0	0
Mining	3	3	144
Professional, scientific & technical services	0	0	0
Public administration and safety	8	3	20
Rental, hiring and real estate services	2	0	0
Retail Trade	7	2	7
Transport, postal and warehousing	4	2	4
Wholesale trade	0	0	0
Other services	0	0	0
<b>TOTAL</b>	<b>53</b>	<b>24</b>	<b>291</b>

- It should be noted that of the 53 employers surveyed 28 (52.8%) spoke of their efforts to employ Indigenous people as broadly being unsuccessful.
- Further, of the 28 employers who spoke of the challenges associated with employing Indigenous people only three had Indigenous employees at the time of the interview.
- Notably, the most salient finding relating to these challenges was that there was a perceived lack of reliability and a lack of incentives to encourage people to move from welfare or CDEP positions into the mainstream labour market.
- This is a salient finding within the data, since responses were common and not related to a specific question within the interview guide – these were voluntarily given.

The enquiry into why more than half of those interviewed felt employing Indigenous people was (too) challenging is beyond the scope of this study. However, the finding should certainly be offset by the earlier finding that many employers had successfully employed Indigenous people and in many cases had enjoyed long-term and highly reliable tenure from their employees – in most of these cases long-term tenure had been secured from Indigenous and non-Indigenous employees. This was in large and small enterprises alike.

The interviews also suggested that it was increasingly difficult to find Indigenous candidates for positions with the required competencies to commence as employees. These included low level computer skills and Workplace English Literacy and Language skills. However, many of the positions identified as possible pathways into employment did not require any accredited learning and a salient feature of the data in terms of a core characteristic towards employment was *'a willingness to work'* and to be *'reliable'*.

This research study did not make any enquiry about employers' policies and procedures to either support or enhance Indigenous participation but notes that those who were successfully employing Indigenous people suggested that the critical success factor in their business approach with regard to this was to *'provide a nurturing environment'* and *'to go above and beyond the call of duty'*.

Future research might look at how employers are operationalising nurturing environments and what going above and beyond the call of duty involves. Currently, however, there is clearly a disconnect for many employers between a willingness to employ Indigenous people and achieving success. For many of those interviewed there was a frustration and/or fatigue from successive failings.

# Conclusion

The major finding of this research is consistent with that of *Real Jobs I*, that there are a large number of jobs currently available in the East Kimberley region, across a range of industry sectors and skill level requirements.

Further, there are likely to be ongoing opportunities for job seekers, as a result of both industry growth and job turnover, for at least the next three years.

Regardless of considerable opportunities for employment, Indigenous people in the East Kimberley are under-represented in the labour market and over-represented in unemployment statistics. This appears to be occurring despite a strongly expressed preference by many local employers to hire local workers.

Many East Kimberley employers stated a reluctance to employ Indigenous workers, because of a perception that they were 'unreliable'. Further, it was reported that there was, in general, low incentives for Indigenous people to work due to an over-availability of government assistance.

Related to the preference for local employees is the need for employers to provide affordable and adequate housing if workers are sourced from elsewhere. This can be problematic, since housing is in short supply.

The role of seasonal change in estimating employment statistics in the East Kimberley cannot be underestimated. The shift from peak (dry) season to lower (wet) season employment is felt across all industry sectors, not only in tourism and agriculture where the effects are most direct.

Related to changing seasonal employment levels is a high reliance on casual and part-time employment in many industry sectors. Detailed examination of these components of the total workforce is essential in any accurate assessment of East Kimberley employment figures.

In the minds of many East Kimberley employers, recent infrastructure improvements such as the East Kimberley Development Package and Ord Expansion are grouped together as a single project. Opinions vary widely as to what the impact of these developments will be.

It is clear that the current research took place at a crucial time in the East Kimberley. Ord Expansion is soon to be operational and the EKDP will provide significant impetus into the local economy if not the labour market. This is an exciting time for the region and employment prospects are clearly high – even without these two infrastructure developments.

Critically, this period of development provides a significant opportunity to change the engagement of Indigenous people with the labour market. However, without further research that identifies the current causes of disengagement and some new thinking and policy about how to best address such disengagement the likely scenario is maintenance of the status quo.

## Appendix 1: East Kimberley Development Package Summary

PROJECT	\$ MILLION
<b>Health</b>	<b>\$50.0 million</b>
Wyndham health facilities refurbishment	3.4
Kununurra Hospital expansion	20.0
Short stay patient accommodation in Kununurra	4.0
Residential rehabilitation facility in Wyndham	3.2
Remote aged care services in Kalumburu and Warmun	5.0
Remote clinics in Kalumburu and Warmun	2.0
Environmental health measures in Kalumburu, Warmun and Oombulgurri	6.8
Sobering Up Centres in Kununurra and Wyndham	0.6
Health service providers housing in Kununurra	5.0
<b>Education and Training</b>	<b>\$64 million</b>
Wyndham Early Learning Activities Centre	1.6
Warmun Early Learning Centre	0.6
Kununurra Primary School	25.0
Kununurra District High School upgrade	15.0
Kununurra School Community Library expansion	5.0
East Kimberley Teacher Training Facility within Kununurra High School	3.5
Kimberley TAFE upgrade in Kununurra and Wyndham	10.0
Community meeting rooms in Kununurra, Kalumburu, Oombulgurri and Dawul	2.3
Early Childhood Building for Jungdranung Community	1.0
<b>Housing</b>	<b>\$50.0 million</b>
Social Housing in Kununurra and Wyndham	30.0
Transition Housing in Kununurra and other locations	20.0
<b>Transport</b>	<b>\$15.0 million</b>
Wyndham Port facility upgrade	10.0
Kununurra Airport upgrade	5.4
<b>Community</b>	<b>\$16.0 million</b>
Community sporting facilities in Kununurra and Wyndham	4.2
Waringarri Art Centre in Kununurra	1.6
Wyndham Picture Gardens	0.3
Wyndham Community Jetty	5.0
MG Corporation – Gelganyem Trust shared facility in Kununurra	4.5
<b>TOTAL</b>	<b>\$195 million</b>

## Appendix 2: Nation Building / Economic Stimulus Halls Creek Investment Areas

PROJECT	\$ MILLION
<b>Education</b>	<b>\$3.81</b>
Kimberely TAFE - Halls Creek Campus upgrades	0.27
Halls Creek District High School – Upgrades, Carpeting	0.1
Halls Creek District High School - Switchboard	0.04
Halls Creek District High School - 4 Classroom Block	2.75
Warlawurru Catholic School – Building Renovations	0.05
Warlawurru Catholic School - BER P21: New Construction: Multi Purpose Hall	0.6
<b>Housing</b>	<b>N/A</b>
5 dwellings under repairs and maintenance in this local council area	N/A
7 dwellings under Stage One construction in this area	N/A
<b>Community Infrastructure</b>	<b>\$0.1</b>
Halls Creek Security Lights	0.04
Construction of Walking Paths and Bicycle Tracks, Halls Creek	0.06
<b>TOTAL</b>	<b>\$3.91</b>

## Appendix 3: Methodological Considerations

The analysis contained in the foregoing research takes baseline point-in-time data with a sample of employers and then applies a precautionary principle to generalise to the wider population. From here we project from the point-in-time data into the future on the basis of what employers believed might happen.

From the companies interviewed during the fieldwork component of this research ( $n = 53$ ), it was found that:

- there were 1576 people employed
- expected growth over the next 12 months = 331 positions
- expected job turnover in the next 12 months = 337 positions

These figures include data received from Argyle Diamond Mine and from the Ord Expansion Project. However, ADM constitutes an outlying and anomalous part of the data set<sup>18</sup>, and as a result has been excluded from the following calculations. Likewise, the Ord Expansion project has also been excluded, as it is a 'one-off' event, employing a relatively large number of people for a finite period of time. It is unknown how much such a case will contribute to overall employment growth across the East Kimberley in the coming years.

Further, with regard to employment growth, it should be noted that responses from the businesses / organisations surveyed were not evenly distributed. For the most part, reported expectations of growth were quite low, with the exception of the Ord Expansion project, and three other organisations in the building and agriculture sectors. These businesses were also three of the largest surveyed, in terms of the total numbers employed. On the basis of interview data, it emerged that these businesses were expecting substantial growth largely as a result of Ord Expansion, as a secondary carryover effect. As a consequence of both their relative size and their connection with the Ord Expansion, these businesses have been treated as outlying and anomalous in the calculations for growth, and thus excluded.

While the main body of the report has reported separately the likely employment to occur from the implementation of the EKDP, it is assumed that the scope of work will be completed (mostly) by sub-contractors. Therefore, consistent with the precautionary approach taken overall to this report, the 84 jobs projected as part of the EKDP are assumed to be contained in the overall growth projected for the region through generalising from the sample to the population.

So, for turnover, if Argyle Diamond Mine and the Ord Project are removed from the data set, then ( $n = 51$ ):

- there were 931 people employed
- expected job turnover in the next 12 months = 271 positions

For growth, with Argyle Diamond Mine, Ord Expansion and the other three agriculture and building firms excluded ( $n = 48$ ):

- there were 755 people employed
- expected job growth in the next 12 months = 67 positions

Working from a cautious base position, then, it can be safely assumed that there will be:

- 338 positions arising by the end of 2010 (67 growth + 271 turnover).

From the figures provided, it is also possible to calculate percentages of East Kimberley employment growth and employment turnover, as follows:

$$\text{GROWTH} = 67 / 755 \times 100 = 9\%$$

$$\text{TURNOVER} = 271 / 931 \times 100 = 29\%$$

---

<sup>18</sup> The reasoning here is that, alone, ADM represents just over a third of the total number of people employed in the sample surveyed, and as such would likely skew the data. The risk of a skew is supported by Census 2006 figures for Mining (as an industry category), as explored in the preceding pages. The Census found that Mining, while it constitutes one of the top four industry sector categories in the East Kimberley, does not outweigh other categories to the degree found in the sample.

Assuming that the employers included in these calculations represent an indicative sample of the total businesses / organisations in the East Kimberley region, these percentages will be applied to an estimate of the current total of available positions, so as to provide projection figures 2011 and 2012.

Maintaining the position of erring on the side of caution, the total of current positions in the East Kimberley region has been estimated at 3000. This figure is based on the following considerations:

- Census 2006 states that there were 2968<sup>19</sup> current positions in total in Kununurra, Wyndham and Halls Creek. That is to say, the current research is based on a conservative estimate that there has been virtually no growth between Census 2006 and the present day.
- Census 2006 data for the Wyndham East Kimberley and Halls Creek Shire areas reports that the total number of currently existent positions is 4048. However, Shires constitute larger catchment areas than towns, which are the primary focus of the research at hand, so a considerable degree of leniency has been applied. Further, the figure of 4048 also includes CDEP positions which, in the present context, do not constitute 'real jobs'.
- In 2008, Taylor cited Census 2006 data as stating that there were 3325 people in mainstream employment in the East Kimberley (although this figure includes CDEP participants). The discrepancy between this figure and those reported above may be the result of different catchment areas for the data collected (region / shire / town), and / or may be attributed to Taylor's use of 'ABS 2006 Census customised usual residency tables'.
- DEEWR data on Australian Small Labour Markets for 2007 – 2009 estimates the Wyndham East Kimberley and Halls Creek Shire areas to have falling numbers of total available positions:

Shire	Total Positions 2007	Total Positions 2009	Decrease
Halls Creek	1543	1247	296
Wyndham East Kimberley	3882	3570	312

With estimates of employment growth, employment turnover and total job market now in place, the following projections can be made:

20	2010	2011	2012
<b>Employment Base</b>	3000	3270	3564
<b>Job Turnover</b>	870	948	1034
<b>Job Growth</b>	270	294	321
<b>Real Jobs (arising)</b>	<b>1140</b>	<b>1242</b>	<b>1355</b>

- In the 'Employment Base' cells for 2011 and 2012, the figure is derived by adding the previous year's 'Employment Base' and 'Job Growth'. The previous year's 'Job Turnover' data is not incorporated here, because 'turnover' jobs are already existent positions that are taken up by different people.
- In every year, job turnover is assumed to be steady. This is, of course, highly unlikely, but in the absence of future vision to assume steady turnover is in line with the precautionary principle that informs all of *Real Jobs II*.
- Also in line with the precautionary principle, the 'Employment Base' has only been calculated annually. If it were to be calculated bi-annually, or even monthly, a compounding effect would be noticed (ie. growth building on top of growth) whereby the final figures reached would be considerably higher.

19 Where the search criteria used is 'employment by State Suburb', rather than by 'Industry Category', the variable considered earlier. The discrepancies between figures are attributable to unanswered questions on Census forms. For example, a response to a question such as 'Are you employed?' would be answered, but then a subsequent question, 'Which industry are you employed in?' would be skipped.

20 This table is a duplicate of the one that appears on page 3 of the main body of this report. It is (re)included here to facilitate methodological discussion.

As noted, the businesses omitted from the above calculations were Argyle Diamond Mine, three other agriculture and building companies, and any impact from the Ord Expansion Project. Had they been included, then the percentages used to calculate 'Job Turnover' and 'Job Growth' would both have been considerably higher.

To expand on the reasoning behind their omission, the sample of businesses interviewed was not randomly drawn. Based on preliminary research (including *Real Jobs I*), the sample was constructed so that the largest and most significant employers in the East Kimberley were incorporated within it.

However, had the sample been randomly drawn from the 600 businesses listed in the *East Kimberley Directory*, or drawn a second or third time (randomly or otherwise) once the original sample had been removed, then it is highly probable that the percentages reached would closely resemble those used here, because the small businesses (employing only a few people) that constitute most of the current sample are by far the most common business demographic in the East Kimberley overall.

Regardless of this, however, a little more needs to be said about the large businesses excluded from the percentage calculations:

Taken overall, these businesses alone currently employ a total of 687 people. This figure includes the 525 employed by Argyle Diamond Mine, but not the 120 jobs reported by the Ord Expansion, since the latter constitute anticipated jobs arising over the next 12 months, and as such have been included under the heading of 'Job Growth'.

- This 687 positions from the 5 largest employers alone constitutes 23% of the 3000 assumed to be the employment base in the East Kimberley overall.
- Collectively, the 5 omitted employers reported job turnover of 130 positions, and job growth of 270 positions over the coming year (including the 120 for Ord Expansion).
- The anomalous nature of the 5 omitted employers is highlighted by exploring expected job growth reported by the rest of the businesses interviewed in the sample. Of the remaining 48 companies, 31(or 65%) anticipated no growth at all, and the highest reported growth figure for an individual company was only 9 positions.









**For more information  
contact Social Compass**

726 High Street, Kew East  
Victoria 3102 Australia

email: [info@socialcompass.com](mailto:info@socialcompass.com)  
[www.socialcompass.com](http://www.socialcompass.com)



**wunan**  
Choose your future