

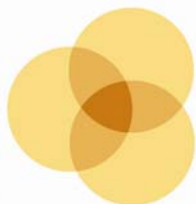
Mining, Petroleum, Oil & Gas Symposium

Boom and Bust: 1960-2007
Valuable lessons in Indigenous
Employment in the Mining Industry

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Abstract

Australia has had several mining booms in its short history two in particular have greatly affected the country's economy in the past 40 years. This paper focuses on the mining of iron ore in the Pilbara in Western Australia in the 1960s and the current resources boom and examines the engagement of local Aboriginal people in the economy generated by the booms.

A long standing Australian Government embargo on the mining and export of iron ore was lifted in the 1960s. This fuelled the first boom and led to a massive development in the Pilbara by mining companies. Aboriginal people had previously underpinned the Pilbara economy through their work in the pastoral industry but were now marginalised in the first resource boom. They were invisible and were systematically excluded from the economic benefits resulting from the huge enterprises operating on their land.

By contrast, in the 21st century, when Australia is experiencing another boom or what is now being referred to as a "supercycle", mining companies cannot ignore the Traditional Owners of the land being mined or the Indigenous communities that live beside mining operations.

The operations of mining companies significantly impact the environment, country and communities. The recognition of custodianship of Traditional Owners and political activism by Indigenous people has increasingly obliged governments to ensure mechanisms are in place to enable direct engagement and real negotiations between Traditional Owners and mining companies.

Changes in the approach to engaging with Indigenous people by mining companies over the past 40 years have been driven by several factors including cultural heritage legislation, the 1992 Mabo High Court decision, Native Title legislation in 1993 and 1997, and government and community expectations through the development of corporate social responsibility, and government approvals for mining expansion. More recently the supercycle has led to a nation wide labour and skills shortage. Mining companies have been very focused on these drivers which fundamentally impact on their ability to operate and may limit their access to land.

As a result since the 1990s, the leading iron ore companies, BHP Billiton and Hamersley Iron (now Rio Tinto Iron Ore) in the Pilbara and companies such as Argyle Diamonds have significantly increased their engagement with Traditional Owners. This has led to the development several Indigenous Land Use Agreements (ILUA) which have included commitments to employment and business development.

Recently the higher costs of fly in fly out operations and the lack of readily available locally skilled people has accelerated the level of employment of local Aboriginal people. The companies now use robust, accredited training for pre-employment and job readiness programs which seek to shorten the gap between candidates' skill levels and job requirements. More local Aboriginal people are gaining access to employment and contract work thus increasing the local economic benefits being derived from the resources boom. Initiatives such as the Minerals Council of Australia/Australian Government MoU on Indigenous employment and business development for which the author was National Project Coordinator/Facilitator are providing models for pathways forward based on regional collaboration and resource sharing.

Current Situation

In 2007 Australia is experiencing good economic times underpinned by a resources boom¹ or a supercycle of growth.² The standard of living of most Australians is high in stark contrast to the level of disadvantage experienced by many Indigenous Australians. There are however examples where Indigenous people are directly engaging in employment and business with mining companies and this has increased the income of Indigenous people with flow on benefits to their families and communities.

Current significant growth in the resources industry in Australia and particularly in remote regions has provided many more opportunities for Indigenous people to be employed in the mining industry. The mining sector is currently the largest employer of Indigenous Australians outside of government.³

Taylor and Scambury in their study of Indigenous experiences of mining in the Pilbara demonstrate that employment in the region is increasing largely due to mining expansion but also through developments in tourism.⁴ Taylor and Scambury also highlight the potential such expansion can have for local Indigenous populations.⁵ Mining companies have responded to this and are actively seeking to recruit local labour particularly in light of their obligations under land use agreements. Argyle Diamond Mine is one example, it seeks to increase its level of local Indigenous labour to 40% by 2010.⁶ Companies including BHP Billiton and Pilbara Iron have policies which commit to increase Aboriginal employment to levels which reflect the percentage of Indigenous people in the local population. Since 1992 Hamersley Iron has focused on employing Aboriginal people through their Aboriginal Training and Liaison program (ATAL) which grows the capacity of Aboriginal workers as well as strengthening long term relationships.⁷ However, the Taylor report suggests that in 40 years there has been no significant increase and numbers of Indigenous adults employed in the Pilbara remain low. This has helped to galvanise governments and companies to focus on reducing the gap and increasing investment in skills development.

The striking features of contemporary Indigenous employment in the mining industry are the presence of Indigenous business and the efforts made by

¹ Clifford, L, Speech delivered 27th September 2004 at the Melbourne Mining Club.

² Robb, A, Speech : Positioning Australia in a Supercycle of Change', 30 May 2007
Hyatt Hotel, Canberra

³ Tedesco L., Fainstein M. & Hogan L. Indigenous people in mining, ABARE, 2003

⁴ J. Taylor and B. Scambury, *Indigenous People and the Pilbara Mining Boom; a baseline for regional participation*, ANU E Press, Canberra, 2007, p.46

⁵ J. Taylor and B. Scambury, p.45

⁶ Rio Tinto, *Indigenous Employment In Australia*, 2007, p.10

⁷ Dames and Moore, Evaluation of Aboriginal Training and Liaison Program Report, August 1999, p. iv, (Confidential)

business leaders to incorporate Indigenous employment as part of their long term strategy.

Currently in the Pilbara there are a number of Indigenous businesses which are sourcing opportunities within the mining industry. One of these, Ngarda Civil and Mining was established in 2001.⁸ Ngarda has been a stand out business promoting Indigenous employment and increasing access to the economic boom – of its 120 employees 84% are Aboriginal people.⁹ Ngarda currently has contracts valued in excess of \$200 million and the Indigenous workforce employed by Ngarda receives approximately \$10 million in wages per year.¹⁰ Ngarda manages the Port Hedland Community Development and Employment Programme (CDEP), providing maintenance and gardening for BHP Billiton operations. Ngarda's preference to recruit from local communities means that a share of those wages is returned to the local economy, creating social and economic opportunities for the wider community. Ngarda builds its operation around training leading into employment. However, despite this success, the growth of Indigenous business in the Pilbara has generally been slow.

In June 2005 the Australian Government together with the Minerals Council of Australia (MCA) signed a Memorandum of Understanding (MoU) which offers a framework for mining companies and governments to work together with Indigenous people to build sustainable, prosperous communities in which individuals can create and take up social, employment and business opportunities in mining regions. As part of implementing the MoU eight demonstration sites have been rolled out across mining regions. There are three sites in the Pilbara region.

Although there are examples of improvements, the employment achieved has tended to remain low skilled, at this time the author is aware of only one aboriginal mine manager working in the industry.

Key messages

- Indigenous businesses benefit from the resources boom by contracting services to the mining industry, and this is an effective pathway for developing regional economies
- The Memorandum of Understanding is developing a framework with companies, governments and the local community entering into agreements which set mutually agreed goals for Indigenous employment and business development.
- It is important to remember that employment statistics are still low in the Pilbara for Aboriginal people and welfare numbers are very high. There is a large amount of work to be done to create real and sustainable solutions.

⁸ Human Rights and Equal Opportunity Commission, 'Ngarda Civil and Mining', *Native Title Report* 2006, pp.137-144

⁹ Ngarda Ngarli Foundation website, <http://www.nnyf.com.au/employee.php>, accessed June 20, 2007

¹⁰ Ngarda Ngarli Yarndu Foundation, *Correspondence to the Aboriginal and Torres Strait Islander Social Justice Commissioner*, 31 October 2006, p12.

Drivers for change

Although it may appear that inroads have been made in terms of the levels of Indigenous employment in the mining industry, this is a relatively short history with a few recent and quite modest gains, there is a lot more to be done to achieve real change. Since the first minerals boom took place in the Pilbara and in the North West Cape region in the 1960s the Indigenous experience of the resources industry has been one of exclusion from mining activities.

Events that took place in Australia's social and political culture during the early 1990s, including the handing down of the Mabo decision by the High Court in 1992, increased Indigenous activism and heightened public awareness have acted as a catalyst for change. Native Title legislation led to a modification of the way land rights and access issues were approached by the mining industry.

Most significantly, companies understand the new reality that in order to secure access to land they must engage in negotiated settlements with Traditional Owners. This has led to the signing of Indigenous Land Use Agreements (ILUAs) through which companies have committed to providing employment and business development for Indigenous communities. To fulfil these new obligations companies have worked to develop models to increase employment opportunities in their operations.¹¹

The current skills shortage, Indigenous population growth in the north western parts of Australia and a rapidly expanding minerals industry, have been strong drivers for change in mining company approaches to Indigenous employment.

Taylor and Scambury report a steady growth of the Indigenous population in the Pilbara since the 1960s.¹² Prior to the first mining boom, Indigenous people predominated in the area. During the 1960s there was a large influx of non-Indigenous people who relocated to work in the mines. In the last 20 years the proportion of Indigenous people in the population has risen to approximately 16.6% (from 9 % in 1981)¹³. The growth of the Indigenous population in the Pilbara due to a relatively high birth rate has occurred alongside reducing numbers of non-Indigenous people, their levels have steadily dropped since the early 1980s. Many non-Indigenous people living in the region are migrant workers who are resident for periods of short term employment.

The business environment has also undergone a transformation since the first boom of the 1960s; it has become increasingly important for corporate entities to demonstrate sustainability. It is no longer acceptable for a mine, with all the wealth it generates, to operate beside an impoverished and socially excluded

¹¹ M. Langton, M. Tehan, L. Palmer, K. Shain, *Honour Among Nations? Treaties and Agreements with Indigenous People*, Melbourne University Press, Carlton, 2004, p.15

¹² J. Taylor and B. Scambury, p13

¹³ Cousins, D, Nieuwenhuysen, J, 'Aboriginals and the Mining Industry', CEDA, Allen and Unwin, Sydney, 1984, p. 13

community. Modern governments and the wider Australian community are demanding that companies demonstrate commitment to corporate social responsibility and sustainability to ensure that the benefits derived are accessible to local communities, especially remote Indigenous communities¹⁴.

Due to their activism, Indigenous people are now able to start *catching the wave* after experiencing a long period of dislocation from industry between the 1960s and 1980s and then again from the 1980s to early 1990s. The lessons learnt from experience in the 1960s have made way for this renewed engagement.

Key messages

- The new features and successes for Indigenous employment have come about relatively recently.
- Events in Australian history were catalysts for change; these include the 1992 High Court Decision and Native Title legislation, the Indigenous population growth, Indigenous activism, public opinion change, the developing resource boom and subsequent skills shortage, stakeholders and the new values of corporate social responsibility and sustainability.
- Mining companies now recognise their obligations to Indigenous communities.

Indigenous Engagement in 1960s Mining Industry

In 1960 the Australian Government removed restrictions on the exportation of iron ore in response to the growing global demand for this resource. This change in legislation had a dramatic effect on the Pilbara region of Western Australia which was known to have considerable iron ore deposits.

By 1970 nine new towns had been built to support population and industry growth in the region. Aboriginal people were mostly ignored during this rapid development of the resource industry in the Pilbara. They were invisible to industry and excluded from the major economic benefits that this first minerals boom brought to their country.¹⁵

Aboriginal people in Australia have a long and celebrated history of being active workers and supporters of the pastoral industry. Until 1966 they had been employed as stockmen, station hands, cooks, cleaners and nannies on pastoral stations and farms around the country and had been reliable and skilled employees in this realm.

As a result of the equal pay legislation in 1966 many skilled Indigenous pastoral workers lost their jobs or walked off stations. Unequal pay, appalling conditions or station managers' refusals to pay Indigenous people equally

¹⁴ Gettler, L, Corporate Language is becoming Responsible, *The Age*, May 10, 2007

¹⁵ Cousins, D, Nieuwenhuysen, J, 'Aboriginals and the Mining Industry', CEDA, Allen and Unwin, Sydney, 1984, p. 131-40

were all reason for this. A famous case was the walk-off from Vestey Station led by Vincent Lingiari in response to the Arbitration Commission's decision to delay for three years the payment of equal wages to Aboriginal pastoral workers in the Northern Territory. This decision was based on a desire to reduce hardship for employers.¹⁶ Another case local to the Pilbara took place some time earlier in May 1946 when over 800 Indigenous people were involved in a strike against the appalling living and working conditions on the stations in the area. The strike was largely successful and lasted a number of years¹⁷. Both events illustrate that the Indigenous workers were skilled and experienced employees of the pastoral industry who understood their true value. The equal pay legislation was one of the main causes of Indigenous dislocation from employment in the 1960s and led to the development of what has been referred to as the fringe dweller Aboriginal community.

In the Pilbara during the 1960s and 1970s there was a growing local Indigenous labour force living near the mines that was broadly excluded from participating in employment. Large numbers of local Aboriginal people were out of work as a result of the changes in the pastoral industry. These people were skilled and possessed the potential to be a significant local labour force for the mining industry. Neither industry nor governments recognized this potential.

During this period the Western Australian government and companies associated with mining in the Pilbara actively opposed Aboriginal land rights. Mining companies operating in the area had policies in place that excluded Indigenous people from the industry and any employment opportunities and this in turn fuelled the Aboriginal community's increasing dependence on the welfare system¹⁸.

Aboriginal people became increasingly dislocated from mainstream employment resulting in the downgrading of their skills, and allowing myths and attitudes to develop around ideas that Aboriginal people were 'poor' workers.¹⁹ The 1967 Referendum provided for citizenship rights that Aboriginal people had long deserved, unfortunately it was also associated with the development of new problems. These included the demise of the mission style of living and the growth of dislocated fringe-dweller camps. These changes in living arrangements for Indigenous people exacerbated a range of issues including, alcohol and substance abuse, community exclusion, racism, lack of education and general socio-economic disadvantage. Further negative attitudes towards Aboriginal workers followed the station walk-offs of 1966 and the 1967 Referendum.

¹⁶ The Resource for Australian Literature, 'Black words- Aboriginal and Torres Strait Islander Writers and Story tellers,' <http://www.austlit.edu.au/specialistDatasets/BlackWordsCalendar#1950>, accessed 12 June 2007

¹⁷ Mcleod, D., *How the West Was Lost*, Mcleod, 1984

¹⁸ Cousins & Nieuwenhuysen, p. 120

¹⁹ Edmunds, M, *They Get Heaps: a study of attitudes in Roebourne, Western Australia*, Aboriginal Studies Press, Report Series, Canberra, 1989, p. 38

Meanwhile Western Australian mining companies hired large numbers of migrant workers to satisfy their labour demands. Torres Strait Islander workers were relocated to help with construction activities including the building of a railway between Tom Price and Dampier.²⁰ This was done in response to advice from Comalco in Weipa which suggested that Islanders were 'good' workers.²¹

Key Messages

- During the first mining boom in the early to mid 1960s Aboriginal people were excluded and marginalised from participating in the industry
- Their potential for work was not recognised, nor their experience and long association with the pastoral industry as skilled stockmen, station hands, cooks and cleaners
- Many of those who had been employed by the pastoral industry found themselves out of work following the enactment of equal wage legislation in 1966
- Other events such as the citizens' rights granted through the 1967 referendum tended to exacerbate growing problems with alcohol and substance abuse. This then fuelled negative myths and attitudes about Aboriginal workers and created further barriers to gaining employment.

Indigenous Engagement and Employment in the Mining Industry in 1980s

During the 1980s some good attempts were made to include Indigenous people in employment within the mining industry however success was marginal. Indigenous employees were typically relegated to low level roles and not given opportunities to develop the readily transferable skills that could improve their future employment prospects. This resulted in poor retention rates and ongoing low end employment.

An example of this during the late 1980s and mid 1990s is the falling away of skilled employment levels for Indigenous people.²² This was due to the type of jobs being offered and the lack of training provided to new Indigenous employees. At the time there was no requirement for companies to train and retain Indigenous employees. The 1980s attempts were also marred by negative attitudes that had developed in the 1960s.

The introduction of the Community Development and Employment Project (CDEP) in 1980s led to the de-skilling of Aboriginal people as it had the effect of quarantining people in unskilled community labour. It also contributed to the maintenance of a negative stereotype about Aboriginal people's commitment

²⁰ Edmunds, Mary, *They get heaps: a study of attitudes in Roebourne, Western Australia*, Aboriginal Studies Press, Report Series, Canberra, 1989 p.8

²¹ Sharp, I, Tatz, C, *Aborigines in the Economy*, Jacaranda Press, Melbourne, 1966, p.245 (Internal Hamersley Iron Memo)

²² Cousins & Nieuwenhuysen, p.92-110

to employment. The effects of CDEP on the occupational advancement of Indigenous people during this period have been demonstrated through numerous examples: Sandy Callope of the Napranum Aboriginal Corporation has described how employees of a successful and productive brickwork business in Napranum moved from skilled, paid positions to CDEP to the detriment of the community and their own skills development.²³

In the 1980s statistics from Hamersley Iron operations discounted the mythologies about Aboriginal employees, especially those associated with work attendance. The statistics showed attendance rates for Aboriginal employees actually ranged between 70 - 100% with most rates being over 90%.²⁴

It was in these two periods between 1960-80 and then the late 1980s that there was a break in Aboriginal employment largely due to the changes in the pastoral industry and lack of recognition of Indigenous workers by the mining industry. The poor employment models and training provided to new Aboriginal employees during the late 1980s allowed unemployment to worsen into the early 1990s. The Taylor and Scambury study found there was considerable employment but this was often in low skilled positions – in “bolted on” programs such as gardening and maintenance. And at a time of increasing levels of unemployment across the nation Aboriginal people were being laid off.

Also at this time the demand for skilled workers in Australia increased faster than the demand for unskilled workers. Skilled employment rose from 38% of total employment in 1980 to around 58% in 2000. In the 1980s, skilled employment grew by 4.7% a year, compared with growth of 0.5% a year in unskilled employment.²⁵ In the context of this strong, sustained demand for skills it is interesting to note that by the 1980s the old institutional structures such as technical high schools, institutes of technology and specialist institutes – institutes dedicated to training young people in the skills needed by industry - were largely gone.²⁶

During the downturn in the mining industry in the late 1980s there was a reduction in overall employment as well as a focus on higher skilled positions.²⁷ Aboriginal employees were vulnerable and the financial imperative of reducing labour costs and the bottom line meant that any “special programs” or non-core business activities were contracted out, Aboriginal people were not employed by the contractors nor did they have the capability to develop robust businesses in contracting. One exception to this was

²³ Callope, Sandy, Napranum Aboriginal Corporation in conversation with Paul Wand, *Cooperative Change*, 2007

²⁴ Cousins & Nieuwenhuysen, p. 138

²⁵ Barnes, P. and Kennard, S., *Skills and Australia's Productivity Surge*, Productivity Commission Staff Research Paper, Canberra, 2002.

²⁶ Aeuken, A., *The National Training Reform Agenda 1987 – 1996 Points of difficulty in a partial transformation*, CEET, Monash University, October 2000

²⁷ Australian Bureau of Statistics, *8414.0 - Australian Mining Industry, 1998-99, released 25/01/200*, <http://www.abs.gov.au/ausstats/>, site accessed June 21, 2007

Irremagadu, a Community Development Employment Programme which provided significant employment opportunities for Aboriginal people. Irremagadu was government subsidized and therefore cushioned against the rigors of profit making and it was able to achieve real outcomes.²⁸

Key Messages

- Aboriginal people experienced a hiatus of unemployment between 1960 and 2000.
- During the 1980s new attempts to include Indigenous people in employment opportunities within the mining industry were well intended but lacked real forethought or emphasis on quality training, future access or job pathways.
- As a result, jobs were low end and retention was poor.
- These attempts were also marred by negative attitudes towards Aboriginal workers as well as the gap between their employment in the 1960s and opportunities 20 years later. Indigenous workers lost many of their skills due to this dislocation.

Indigenous Engagement and Employment in the Mining Industry in 1990s

In the early to mid 1990s a shift occurred in the corporate thinking of mining companies which allowed them to begin to recognize Aboriginal rights and to reevaluate approaches to engagement with Indigenous communities.²⁹ This shift followed disputes such as that between Aboriginal groups, environmentalists and Hamersley Iron over the development of the Marandoo mine in the early 1990s. Direct opposition to the development of the mine occurred over its impingement on a national park, likely disturbance to heritage cave sites and cultural heritage legislation occurring against a background of an emerging public awareness of land rights issues around the Mabo case. Hamersley Iron took legal action to secure their desired outcome, however, the process was lengthy and costly for the mining company, delaying the project for two years and threatening the company's capacity to meet contractual obligations. The experience at Marandoo led Hamersley Iron to build relationships with Aboriginal communities and to the establishment of the Aboriginal Training and Liaison Unit (ATAL).³⁰ This in turn led to the current trend of mining companies prioritising Indigenous employment and seeking positive engagement with communities.

One major lesson learnt about Aboriginal employment is the need for robust employment models. The main features of Aboriginal employment before the mid 1990s were that it was always short-term and short sighted, the courses

²⁸ Cousins & Nieuwenhuysen, p. 137

²⁹ Howitt, R., *Rethinking Resource Management; Justice Sustainability and Indigenous Peoples*, Routledge, London, 2001, p.261

³⁰ Bradshaw, E., Thomson, J., *Cultural heritage Management: Community Partnerships and Integrated Business Systems*, accessed via www.minerals.org.au, June 28th 2007.

and training offered held no accreditation, the jobs were low-end and as a consequence there was poor tenure. There is a shift in the approach to Indigenous employment in the current environment around the quality of training offered. Training is nationally accredited and delivers high quality skills. Apprentices currently being trained for jobs in the mining industry will attain skills that are in high demand. They will be able to successfully pursue employment even when there are ebbs and flows in the mining industry. Their qualifications will ground them in skills that are readily transferable. As mentioned above Hamersley Iron used ATAL to focus on skills development, provide pathways into employment and build the confidence of participants.

In 1999 the Department of Employment and Workplace Relations made a further contribution to the development of employment models through its Corporate Leaders Program. This program sets targets and requires data collection and reporting.³¹ The development of the MoU with the Minerals Council of Australia is another example of the Australian Government collaborating with business to work towards mutual goals. Work to increase business development has also been supported by governments; the establishment of Indigenous Business Australia, the Aboriginal Chamber of Commerce in the Pilbara, the annual Aboriginal Enterprises in Mining and Exploration Conference and a range of initiatives through state governments provide opportunities and support for business development.

Key messages

- The Marandoo mine issue was a tipping point for change in the attitudes of mining companies towards Indigenous communities
- The Mabo case provided a focus for political activism.
- Changes in approach by Rio Tinto were based on building relationships with Traditional Owners and Indigenous communities
- Impact of quality training leading to real jobs was demonstrated by establishment of ATAL.

Current Indigenous Employment Models – the 2000s

Recently there has been new success in recruiting and retaining local Aboriginal employees and the mining sector is currently the largest employer of Indigenous people outside of government.³² It is imperative to mining companies to have access to land and in the Pilbara land access has been negotiated through ILUAs. This has meant that outcome targets have been set and regular reporting regimes deliver transparency about levels of participation. ILUAs help to establish strong and enduring relationships with local Traditional Owners that provide a much sharper focus on Indigenous employment.

³¹ DEWR, *Corporate Leaders for Indigenous Employment Fact sheet*, <http://www.workplace.gov.au/workplace/Individual/IndigenousAustralians/CorporateLeadersforIndigenousEmploymentProjectFactSheet.htm>, website accessed on June 22, 2007

³² Tedesco L., Fainstein M. & Hogan L. *Indigenous people in mining*, ABARE, 2003

Many mining companies have set Indigenous employment level requirements for contractors in their procurement contracts. This helps to meet commitments made under ILUAs and to grow employment opportunities with a range of employers in regions. However it does increase demand for Indigenous people and has resulted in competition between companies for the same pool of staff. This is exacerbated in the current period of skills shortage.

The experience of Argyle Diamonds provides a good example of the change in corporate attitudes and approaches to Indigenous people. Argyle Diamonds has in the past 6 years significantly improved relationships with Traditional Owners and local Indigenous communities in the region in which it operates. A land use agreement, the Argyle Participation Agreement, has been signed which defines the relationship with Traditional Owners and includes a commitment by Argyle to expand employment and business opportunities for Indigenous people. Argyle has been quite successful with its employment programs to date, however the decreasing pool of Indigenous people suitable for employment is challenging its ability to meet future commitments.

Argyle has significantly altered its recruiting practices, taking a more hands-on approach. This involves workshops around the mine for new employees as well as practical and theoretical training. Argyle also offers pre-employment training to potential employees which involves one-on-one feedback regarding skills and work required to improve future employment opportunities and the training to achieve work readiness.

The program has been very successful. This year Argyle published statistics showing that it had increased its ratio of Indigenous employees from 4.5% to above 25% within the first five years of its employment program.³³

Argyle is a participant in the East Kimberley demonstration site for the Australian Government /Minerals Council of Australia MoU. The following organisations are involved in the development of the partnership.

| | |
|---------------------|---|
| Communities | Wunan Foundation East Kimberley CDEP Ngoonjuwah Council Aboriginal Corporation Kununurra Waringarri Aboriginal Corporation Warmun Community (Turkey Creek) Incorporated |
| Corporations | Argyle Diamond Mine Roche Kimberley Leadership Group (local employers) Kimberley Group Training Voyages El Questro East Kimberley Job Pathways |
| Governments | OIPC/ICC, DEWR, FACS, Health & Ageing Western Australia Government |

³³ Rio Tinto, *Indigenous Employment In Australia*, 2007, p.13

Shire of Halls Creek
Shire of Wyndham
Kimberley TAFE

These community partners have signed the East Kimberley Regional Partnership Agreement which is a framework legal agreement between regional players who have committed to a shared vision for Indigenous people. The benefit of this regional approach is that it increases the pressure to address broader employment and sustainability issues.

Argyle Diamonds is not alone in the changes it is developing as part of its commitment to Indigenous employment. Newmont has also made strong commitments to this priority at its Granites mine in the Tanami. Rio Tinto Aluminum operating its bauxite mine in Weipa, is another corporate leader, with a stable and increasing Indigenous employment rate which hopes to reach 35% by 2010³⁴ and BHP Billiton is currently working to raise its Indigenous workforce in the Pilbara to 12 per cent from 7 per cent.³⁵ Many mining companies are beginning a process to implement change, setting achievable and sustainable targets associated with community development and employment. This illustrates that the current industry now views Indigenous employment as a necessary and mutually beneficial component of mining in Australia.

Key Messages

- During the current mining boom mining companies have learnt valuable lessons in how to engage and employ Indigenous people and include them in the economic benefits companies generate.
- Mining companies have recognised the significant barriers that Aboriginal people experience in gaining employment and their overall disadvantage as a population, and are providing programs that seek to shorten the gap between the skill levels and job requirements.
- Argyle Diamonds is one such example that provides programs with robust training and transferable skills to improve employment opportunities for local Aboriginal people. Partnerships between Aboriginal communities, mining companies and governments are working together to overcome disadvantage.

What does this mean for the future?

Between 1960-2007 Aboriginal people experienced long periods of dislocation from the mining industry with some attempts at engagement and recruitment in the 1980s. The long hiatus between unemployment and employment for Aboriginal people allowed negative attitudes to develop regarding their capacity for employment and creating additional barriers to opportunities.

³⁴ Harvey, B, "Rio Tinto Agreement Making in Australia", in Langton, M, Palmer, L. Shain, K. & Tehan, M, *Honour Among Nations*, Melbourne University Press, Melbourne, 2004, p. 243

³⁵ Trounson, A, 'Aboriginal workers cash in on Mining Boom', *The Australian*, July 24, 2006

Changes in Australian attitudes to Indigenous people hastened by the 1992 High Court decision on Mabo, native title legislation and skills shortages have been a driver for the mining industry to change its approach to Indigenous communities. The challenge now is to ensure that employment, business and economic opportunities are increasingly available to Aboriginal people and become an integral part of mining company policy and operation.

In determining a pathway forward, there are a number of lessons that Australia can learn from the Canadian example. In Canada Indigenous business is a recognised and supported contributor to regional economic development. Its experience illustrates the potential for Indigenous business development to be a sustainable solution regardless of the type of industry it is attached to. It also highlights that with government support it has the potential to be long term and not solely dependent on commercial markets. A report released by the Government in March 2007 entitled "*Sharing Canada's prosperity; A hand up not a hand out*" concluded that:

*"Aboriginal people, businesses and communities are taking their place in the national and global economy. Through innovation, imagination and an indefatigable entrepreneurial spirit, Aboriginal people are contributing not only to the well-being and economic futures of their communities, but to national prosperity as well."*³⁶

Despite improvements, significant issues remain. Even considering the recent gains and successes for Aboriginal people in the East Kimberley region of Australia the population in this area still has a very high dependency rate which indicates that for every Indigenous adult employed, 3.7 are not employed.³⁷ Employment examples from the Pilbara show the total number is also very low. In 1996 Indigenous employment levels in the Pilbara mining industry remained at 2%, and considering the industry's large presence in the area, provided only 10% of the total employment for local Indigenous people.³⁸ To address this, a deficit model is required which takes people from unemployment to robust employment, benefiting the individual as well as having a flow on effect to their dependents.

Through Australia's own experience of engagement with Indigenous people, as well as the example of Canadian Indigenous business, there are a number of lessons that the current Australian mining industry can learn to advance and develop the economic situation of many Indigenous communities.

Learnings

There is a need to take full advantage of the supercycle. There is significant and unprecedented potential to address long term and systemic issues of regional economic sustainability, including unemployment in Aboriginal

³⁶ Standing Senate Committee on Aboriginal Peoples, *Sharing Canada's Prosperity; A hand up not a hand out*, March 2007, p.20

³⁷ Taylor, J & Scambary, p.32

³⁸ Taylor, J & Scambary, p.45.

communities, during the current supercycle. This is a real opportunity, to use the current activity to build the necessary infrastructure to provide long term viability for remote communities and secure a future beyond the inevitable downturn or the life of local mining operations.

The MoU and regional partnership initiative demonstrates that it is possible to take an integrated whole of government and cross-sectoral approach. Government efforts must continue to overcome the barriers that prevent work across jurisdictions – within and between governments, companies and communities. This involves a devolvement of power to the region and brings opportunities to collaborate on the ground, share resources and create an agreed vision for moving forward.

There is a growing need to commit to programs which increase the region-wide pool of skilled Indigenous labour. Until recently companies were competing with each other for the same pool of employees and commitments to increase employment were pushed on to contractors who poached existing trained employees. This can be addressed by creating pathways for school leavers and current CDEP participants into training and employment. The focus needs to be on skills and developing transferable skills. Skill development will build resilience not only for employees but also for industry.

There needs to be a larger and more supportive focus attached to Indigenous business development. There are some good examples of this in the Pilbara and through activities such as the Aboriginal Enterprises in Mining and Exploration Conference, and more work can be done to develop further opportunities based on the Canadian experience.

The companies which have demonstrated success in increasing Indigenous employment levels have taken a systematic *built in, not bolted on* approach. Indigenous employment has been a significant focus, the companies have made a strong commitment and it has become part of the *business of the business*. A range of mechanisms have been identified which deliver outcomes and the Centre for Social Responsibility in Mining report³⁹ on Indigenous employment is a valuable tool to broadly disseminate these learnings. The key to success is the integration of the work into company's systems, incorporating learnings in the corporate memory and most importantly building and maintaining long term relationships between companies and Indigenous communities.

To be successful company practices must directly address barriers to achieving employment outcomes. Some of the identified barriers are:

- Inappropriate recruitment practices - psychometric assessment tests replaced with culturally appropriate tests
- Racism - cross cultural competency training in workplaces for supervisors & teams, respect for culture

³⁹ Tiplady, T, Barclay, M, *Indigenous Employment in the Australian Minerals Industry*, Centre for Social Responsibility in Mining, Brisbane, 2007

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- Retention practices – mentoring programs, adjusting leave entitlements, opportunities for career progression
- Low levels of literacy & numeracy - support for students to remain in school, early childhood education
- Fit for work - health & nutrition programs
- OH&S – companies with a strong focus on safety have a zero tolerance of substance & alcohol abuse & support may be required to achieve this for some Indigenous employees
- Family support
- Housing – access to adequate, functional & appropriate housing

All barriers must be addressed in response to local priorities and needs specific to that individual or community.

Key Messages

- Indigenous engagement must be an ongoing project for mining companies and there must be a long-term commitment to ensure that the pool of job ready and working Aboriginal people is being topped up as the population grows.
- The solutions are local, and can be found in accredited training, access to real jobs, Indigenous business development and support in other areas such as health and housing.
- Companies have had to invest substantially in programs to support Indigenous employment across several areas and work in collaboration with Indigenous community organisations and governments.
- There are still significant numbers of unemployed people – substantial barriers remain and disadvantage is so great that the challenge lies in getting enough people into employment while the opportunities exist
- Growth of Indigenous business development has been slow compared to Indigenous employment levels.

Recent small gains for Aboriginal people from the mining industry have occurred following 40 years of marginalisation. There is a significant opportunity to use the current supercycle to make a real difference to the economic prosperity of some remote regions and to ensure that local communities reap the benefits on their own terms. The keys to this are developing transferable skills (including business skills) which build capacity in communities to weather future change. Industry and governments will stand condemned if they miss this opportunity to actively learn the lessons of the past.

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