

Sustainable regional development - A new way to build prosperity for Indigenous people in Australia

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ABSTRACT

In June 2005 the Minerals Council of Australia signed a Memorandum of Understanding (MoU) with the Australian Government which states an intention “for mining companies and government 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”.

Implementation of the MoU has begun with demonstration sites established across Australia. All sites are using a Regional Partnership Agreement (RPA) model as a framework for enabling local people to find local solutions to local issues in partnership with mining companies, governments and Indigenous communities.

Mining and resources companies can provide important input into regional economic development and capacity building by working through local partnerships. Company benefits include gaining a social licence to operate, access to a reliable skilled workforce, better longterm relationships with Indigenous communities and sustainable regional communities.

All levels of government, Australian, State and Local, are working collaboratively to address unemployment and other issues in remote Indigenous communities. The Australian Government has adopted RPAs as one mechanism for implementing its whole-of-government approach to Indigenous affairs.

This leading edge work is unique to Australia and the model has applications and significant learning for other countries and industries.

1. INTRODUCTION

Minerals Council of Australia/Australian Government Memorandum of Understanding

Australia is experiencing good economic times funded in no small part by a resources boom. The standard of living of many Australians is high in stark contrast to the level of disadvantage experienced by most Indigenous Australians.

The introduction of Native Title Legislation in 1993 has required mining companies to negotiate Indigenous Land Use Agreements (ILUAs) with Traditional land owners in the county on which mining companies operate. These Agreements often include a commitment to increased direct employment of Indigenous people and business development.

The 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.

There has been some success in recruiting and retaining local Aboriginal employees and the mining sector is the largest employer of Indigenous people outside of government (Tedesco et al., 2003). However, mining companies have realized that there are barriers for many people that prevent them taking up employment and establishing businesses. These include – poor literacy and numeracy, poor health which affects their fitness for work and limited access to skills training. Mining companies are recognising that these barriers are not something that they alone can tackle (Rio Tinto, 2005) and industry has engaged with government to increase the pool of Indigenous employees.

The level of Indigenous disadvantage in Australia is well documented. The “Overcoming Indigenous Disadvantage: Key Indicators 2005 Report” (Council of Australian Governments, 2005) released 12 July 2005 by the Council of Australian Governments (COAG) provides statistical evidence of the level of need experienced by Indigenous people compared with non-Indigenous people.

- The life expectancy of Indigenous people is estimated to be around 17 years lower than that for the total Australian population.
- Nationally in 2004, Indigenous students were half as likely to continue to year 12 as non-Indigenous students.
- Nationally in 2002, a much lower proportion of Indigenous people (27 per cent) than non-Indigenous people (74 per cent) lived in homes someone in their household owned or was purchasing.
- Suicide death rates were much higher for Indigenous people (between 12 and 36 per 100,000 people) than other people (between 11 and 16 per 100,000 people) in 1999–2003, in most states and territories for which data is available.
- Nationally in 2002-03, Indigenous people were more than 12 times as likely to be hospitalised for assault as non-Indigenous people.
- Over this period 2000 to 2004 Indigenous women’s imprisonment increased by 25 per cent and that for Indigenous men by 11 per cent.

The peak mining body in Australia, the Minerals Council of Australia (MCA), through the initiative of member companies BHP Billiton, Rio Tinto, Newmont Mining and Roche, approached the Australian Government with a request for collaboration and in June 2005 the Australian Government and the Minerals Council of Australia signed a Memorandum of Understanding (MoU) to work together to increase Indigenous employment and support Indigenous businesses to build prosperous and sustainable communities in regions associated with mining operations.

2. MAIN TEXT

2.1 Government policy

Over the past 30 years the Australian and State/Territory governments have worked to implement policies that address disadvantage but these have not always been successful. In 2004 Dr Peter Shergold, Secretary, Department of the Prime Minister and Cabinet outlined a new approach:

“The vision is of a whole-of-government approach which can inspire innovative national approaches to the delivery of services to Indigenous Australians, but which are responsive to the distinctive needs of particular communities. The approach will not overcome the legacy of disadvantage overnight. Indigenous issues are far too complex for that. But it does have the potential to bring about generational change” (Shergold, 2004).

For the Australian Government the MoU fits the new way in which the government is working to deliver services to Indigenous Australians. Through a whole-of-government approach programs are based on cooperation and coordinated service delivery between agencies, at all levels of government. The government aim is to strengthen partnerships with Indigenous communities and organizations based on the principles of shared responsibility and mutual obligation. Governments are concerned to ensure that Indigenous communities develop long term economic viability and move from welfare to participation in the mainstream economy.

2.2 MoU implementation

To implement the MoU a National Coordinator, Co-operative Change, was contracted to establish 8 demonstration sites across Australia. The role of the National Coordinator is to be a neutral facilitator working to overcome real and perceived barriers between partners, to ensure the parties work collaboratively to increase employment, to set up structures and processes to achieve outcomes.

The first eight demonstration sites are located in Western Australia, Northern Territory and Queensland. Table 1 details the location and company involvement of each demonstration site.

Table 1: Location and company involvement of each demonstration site.

State	Region	Company
Western Australia	East Kimberley	Argyle Diamond Mine, Roche
	Boddington	Newmont Mining
	Wiluna	Newmont Mining, BHP Billiton
	Ashburton/Roeboorne	Pilbara Iron, Woodside Energy
	Port Hedland	BHP Billiton
	Newman	BHP Billiton, Newcrest, Ngarda
Northern Territory	Tanami	Newmont Mining
Queensland	Western Cape York	Rio Tinto Aluminium, Alcan

Participants at each site include one or more mining companies, Australian Government agencies, state/territory government agencies and Indigenous community bodies. The preferred structures for enabling and implementing the goals of the MoU are through a Regional Partnership Agreement (RPA). Wherever possible the RPAs are intended to link in with existing State or Territory Indigenous employment and economic development strategies. These agreements sit alongside existing Indigenous land use agreements.

2.3 The Partners

The partners include participants from the community, corporate and government sectors.

Figure 1 presents a model for community, government and corporate partnerships. In the shaded areas, where interests coincide the parties work together, in unshaded areas partners remain independent.

In this model all partners are equal, however with the severe disadvantage experienced in Indigenous communities there is not equity between parties. The process is designed to work toward equity.

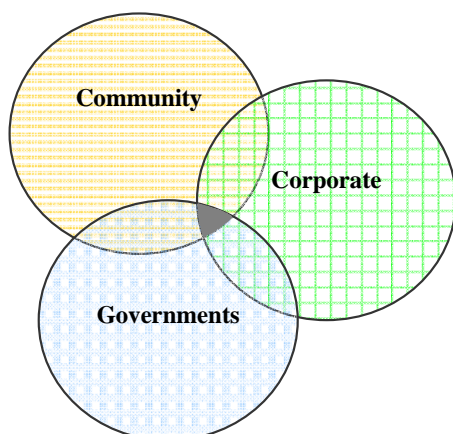


Figure 1: Regional partnership model.

Indigenous communities

Indigenous communities comprising Traditional Owners with a strong connection to land are keen to increase levels of employment participation, and bring a commitment to work collaboratively.

Australian, State & Territory Governments

In Australia State and Territory Governments have a range of existing agreements with the Australian Government which relate to Indigenous affairs. The Australian Government coordinates with the State and Territory Governments a range of services which support Indigenous employment.

Corporations

Mining companies bring employment opportunities, commitment to negotiated agreements and leadership skills, their relationships with Traditional Owners are used as a strong basis from which to develop collaborations with governments. Mining and resources companies can provide important input into regional economic development and capacity building.

There is also collaboration between mining companies. Mining companies have shown that they are prepared to work collaboratively with other corporations and businesses within regions and they are working together in the pre-competitive space.

The commitment to the MoU upholds two key elements of the International Council of Mining and Metals as reflected in the MCA's Enuring Value framework for Sustainable Development.

It makes real the commitment by the mining industry to sustainable development in the regions in which they operate through linking with local communities and governments to

build robust regional economies and demonstrates the Mining Industry's commitment to respecting local Indigenous people.

2.4 How is this approach different to other partnerships that have been developed?

- There is a commitment from the Australian Government and the MCA member companies that this work will be resourced **over 5 years** and outlines a process which develops long term partnerships
- There is an initial **demonstration phase** over 2 years to put in place the mechanisms to enable the partnership to operate and achieve its objectives. This will be **evaluated**.
- Local partnerships are empowered and financially resourced to develop **local solutions** to increase employment and be accountable for the projects and performance to their signatory agencies. A driver education program where several organisations such as schools, police, and employers are working together is being developed in Port Hedland; not having a drivers' license is a major barrier employment, few Aboriginal people have the resources to gain a licence without assistance.
- Previous competitors in the mining industry are **collaborating** in their regions to find solutions with local Indigenous people and governments.
- There is a commitment to **build on already successful programs** and focus on increasing Indigenous employment outcomes across all sectors, community, government and mining operations and their supply chains.
- The projects are seeking to streamline resources and investments and **maximise outcomes** for local indigenous people.

2.5 Regional Partnership Agreements

The intent of an RPA is to set out the terms of a joint relationship where all parties - employers, government and Indigenous groups identify their responsibilities and commitments to increase Indigenous employment and business development in the region.

Principles on which an RPA is based:

- Commitment from all parties to achieving the agreement target outcomes.
- Achieving regional targets for Indigenous employment.

- A long term strategy which results in sustainable change and defines outcomes, establishes the roles of each player, sets objectives, targets and priorities, defines performance measures and timelines.

The design of an RPA is developed in direct response to local Indigenous community needs. There is an opportunity to take a radically different approach to Indigenous employment and business enterprise. Thinking outside the box – looking for new ways of engaging in the region is essential if this partnership is to deliver.

In establishing this new paradigm the model does not ignore good practice and experiences that have made a difference. It is about maximising the investment by employers, government and community. It is about learning to build relationships and work across different cultures. It is about building linkages across many local employers to develop robust regional economies.

This commitment upholds two key elements of the International Council for Mining and Minerals as reflected in the MCA's Enduring Value framework for Sustainable Development (Minerals Council of Australia, 2004). It makes real the commitment by the mining industry to sustainable development in the regions in which they operate through linking with local communities and governments to build robust regional economies and demonstrates the industry's commitment to respecting local Indigenous people.

Focusing questions for developing an RPA and selecting suitable projects are:

- How can the RPA make a difference for Indigenous people in their participation in the mainstream economy through employment and business development? What are the performance measures that will demonstrate this change? What additional investment needs to be made?
- How can the current opportunities to find skilled people to meet the expansion and boom times act as a catalyst to change Indigenous socio-economic disadvantage?

2.6 Outcomes

It is important early in the development of the RPA that employment targets are set and there is baseline data to benchmark progress at the

commencement of the RPA. If there is not sufficient data available the Steering Committee should establish a process to enable this to be developed in conjunction with communities. Once this data has been acquired then performance against Key Performance Indicators will be regularly assessed by the Steering Group and assist in shaping the direction of the working parties and their respective projects. Projects developed under RPAs are expected to achieve significant outcomes within 5 years.

The first two years of the overall process will be evaluated. A rigorous process of evaluation is a requirement for each RPA.

3. CASE STUDIES

Port Hedland RPA

In Port Hedland in November 2006 Australian and State government ministers, mining company CEOs and other partner representatives signed the Port Hedland Regional Partnership Agreement. At this demonstration site parties are collaborating effectively to develop projects providing pathways to employment for Indigenous people.

Bloodwood Tree Association, a local Indigenous organization that has experience in engaging Indigenous people in employment is managing the work readiness project which involves assessment, training, job allocation and mentoring. The Australian and West Australian governments are funding the placements and BHP Billiton and other businesses will provide access to jobs. The Agreement has a target of 90 new jobs for Indigenous people each year.

Projects at this site also include child care, increased housing, youth pathways and business development.

East Kimberley RPA

Argyle Diamonds is the world's largest supplier of diamonds, producing approximately 30 million carats each year from its operations in the East Kimberley region in northern Western Australia. Argyle Diamonds and Traditional Owners have signed the Argyle Participation Agreement in East Kimberley which includes a commitment to employment and business development and Argyle is working towards 40%

of its workforce being Indigenous by 2010. An RPA was signed in November 2006.

Argyle has developed an innovative and effective model of Indigenous recruitment, training and retention and in the past three years Argyle has increased Indigenous employment levels from 4.5% to 28%. The work is being extended with Argyle's participation in the East Kimberley RPA, where it is the lead agency in a regional response to employment. Projects include work readiness, education and training, business development and local industry and employer engagement. The Kimberley Corporate Leaders group was formed to promote opportunities and increase Indigenous employment. This RPA has set a target of 300 new Indigenous employees a year for the next 5 years.

An important initial outcome in Western Australia was a significant change in Western Australian government policy. To encourage Indigenous public housing tenants to take up employment tenants will have the opportunity to stay in their homes for up to two years without being penalized and will be able to save towards owning their homes.

Tanami – Northern Territory

Newmont Mining operates the Granites mine in the Tanami desert near Alice Springs. Newmont is working collaboratively with the Central Land Council, Alice Springs Indigenous Coordination Centre, Commonwealth Dept of Employment and Workplace Relations and the Northern Territory Government in developing an RPA which will focus on pre-vocational training and business development opportunities rising from mine rehabilitation work.

Newmont trains several groups of up to 10 - 12 trainees from remote communities on site at the mine each year. On completion graduates access pathways to employment at the mine or with local businesses in Alice Springs. The mine rehabilitation work will be split into contracts for specific pieces of work such as fencing, top soil harvesting, weed monitoring and management, fire management and seed collection and supply. Government and land council staff are supporting people from community interested in establishing a business to take up these opportunities.

4. CONCLUSION

Mining and resources companies can provide important input into regional economic development and capacity building by working through local partnerships. Company benefits include gaining social licence to operate, access to a reliable skilled workforce, better longterm relationships with Indigenous communities and sustainable regional communities.

This project is establishing new pathways to address economic development in remote communities and leveraging the opportunities created by the presence of mining operations. It is expected that once the model is evaluated this year, further sites will be developed.

Early indications show real benefits for all parties. Barriers are being readily addressed through the streamlining of services and more Indigenous people are being placed in jobs.

The partnerships are responsive to the needs and demands of communities and are enabling services to be customized to a specific community or region and helping to break down artificial barriers between communities, businesses and governments.

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