

Emerging Models of Diversity in Australian Mining

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Main Description

Historically, most mining companies in Australia have made little effort to diversify their workforce. Likewise there has been little engagement with residents from the diverse range of indigenous communities close to where mines are located. Instead employees have commonly been recruited from urban or provincial centres and relocated to mine sites for the duration of their employment, whether on short-term fly-in fly-out assignment or as expatriates relocated to a purpose-built company town. However over the past decade there has been a concerted drive within the minerals sector to change how mines interact with indigenous communities. Most of the larger companies have made public commitments to engage indigenous peoples on matters of mutual concern, a variety of engagement processes have been established at the local level and a growing number of operations are adopting formal community relations plans and management systems. Enlightened companies have extended beyond the subsidy and grant making paradigm in supporting local indigenous communities to strategies based on sustainable economic participation inclusive of direct employment and local enterprise facilitation.

The paper will identify the main drivers of change, provide an overview of the **community engagement** that is emerging and discuss the challenges ahead. The primary focus will be on Rio Tinto Ltd, which has over 20 sites around Australia located in a diverse range of community settings. Rio Tinto's experience is of particular interest as the company has recently developed comprehensive diversity management and community engagement frameworks for its Australian and overseas operations.

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The authors gratefully acknowledge Rio Tinto for permission to publish and present this paper and point out that it represents the work and views of many colleagues. While the authors have relied on the work of colleagues in preparing this paper, they bear sole responsibility for the views, arguments and analysis presented.

Short description

In response to the development of a new paradigm with the Native Title Act of 1993, in recognition the Australian peoples' desire for reconciliation and under visionary corporate leadership, Rio Tinto Australia has for the past decade taken a new approach towards engagement with indigenous communities at remote mining operations. This article outlines the elements of Rio Tinto's landmark indigenous employment strategy which was used to successfully build relationships between the company and indigenous communities. Outcomes from these relationships have been of mutual benefit and include land agreements, employment opportunities for indigenous people and recognition of connection to country. A case study of one mining operation, the Argyle Diamond Mine demonstrates the range of approaches used to achieve improvements in indigenous employment levels at one site. The engagement is underpinned by a corporate policy and the Argyle Participation Agreement encompassing respect for indigenous culture, traditional practices and native title rights and land access for mining.

Keywords

Indigenous, Employment, Diversity, Community, Engagement, Traditional

Organisation as Subject

Rio Tinto Pty Ltd

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1. Introduction – Mining in Australia

Historically, most mining companies in Australia have made little effort to diversify their workforce. Likewise there has been little engagement with residents from the diverse range of indigenous communities close to where mines are located. Instead employees have commonly been recruited from urban or provincial centres and work on a fly-in fly-out basis or are relocated as expatriates to purpose built company towns in the remote parts of the country.

As a result of these practices indigenous people have often been excluded from employment and lived in nearby settlements which lack the resources and infrastructure available in the well-resourced company towns. In effect, a form of job and social segregation existed as few Aboriginal people were able to acquire jobs in the mining operations other than in low skilled employment such as gardening and general maintenance.

In the early 1990s the combined effects of native title and increased activism of indigenous people led mining companies to grapple with the new realities of indigenous land ownership. Indigenous people started to demand access to employment within the mining operations and seek opportunities for their families to participate in the mainstream economy to benefit from the wealth being generated on their country.

Over the past decade there has been a concerted drive within the minerals sector to improve relationships with indigenous communities. Most of the larger mining companies have made public commitments to engage indigenous peoples on matters of mutual concern. Companies have developed land use agreements which provide financial benefits including direct employment within mining operations.

However there were considerable challenges for the mining companies as they implemented their employment strategies. As a marginalised group, indigenous people have been significantly disadvantaged and have unemployment levels five times greater than the mainstream population in Australia. In a speech entitled Grass Roots Capitalism, delivered at the Corporate Leaders for Indigenous Employment Conference, 25 September, 2002, then Minister for Employment Tony Abbott stated:

The 2001 ABS figures put Aboriginal unemployment, at 24 per cent, or nearly four times the national average... Aboriginal unemployment is disastrously high even after three decades of well-funded, well-meaning attempts to give Aboriginal people more participation in a modern economy. More so than with general unemployment, bringing Aboriginal unemployment down involves new attitudes as well as new jobs. It's too common to find very high unemployment in remote Aboriginal communities even when there's a mine with high staff turn-over just down the road. Boosting Aboriginal employment means persuading employers to abandon old prejudices. It also means persuading Aboriginal people to leave what's sometimes the comfort zone of working with indigenous organisations.¹

¹ Abbott T, "Grassroots Capitalism" <http://www.tonyabbott.com.au/speech/grassroots.html>

This paper focuses on the changes within the Rio Tinto Group, which has been a leader in Australia in developing a culturally diverse workforce that includes indigenous people. Over the past five years the Rio Tinto Group operations in Australia have implemented an indigenous employment strategy, that has seen the level of employment increase from below 0.5% in 1999 to 7% currently.² Across the Rio Tinto Group, each operation now has indigenous employment goals that reflect the local demography.

The Argyle Diamond Mine, in the East Kimberley region of Western Australia, has recently achieved 25% indigenous employment. It is included here as a case study, demonstrating the issues, challenges and benefits derived from the development of a culturally diverse mining workforce. This paper also considers the drivers that have been necessary within mining operations, within indigenous communities and within government services to achieve this significant change.

2. Rio Tinto Group Australia

Rio Tinto was formed in 1995 by the merging, as a dual listed entity, of the Australian based CRA Limited and the United Kingdom based RTZ plc. It has operations in 20 different countries worldwide. Some 60% of its assets are in Australia and New Zealand. It is predominantly engaged in the mining and smelting of minerals and metals, and is a major producer of iron ore, coal, copper, diamonds, borax and aluminium. It also produces substantial volumes of gold, nickel, zinc, titanium oxide, uranium and industrial salt.

² Corporate Leaders Awards – submission to DEWR 2002.

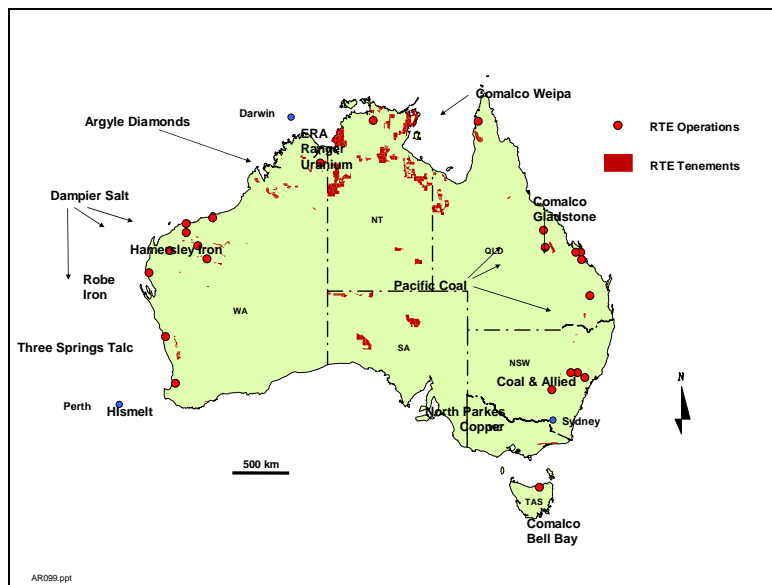


Figure 1
Rio Tinto Operations & Exploration Tenements

Rio Tinto's operations in Australia are:

- Pilbara Iron – including Hamersley Iron, Robe River, Argyle Diamond Mine, Three Springs Talc, Dampier Salt and Hi Smelt in Western Australia;
- ERA Ranger Uranium mine in Northern Territory;
- North Parkes Copper in New South Wales;
- Rio Tinto Coal Australia – Bowen Basin Queensland, Hunter Valley New South Wales;
- Comalco Aluminium at Weipa and Gladstone in Queensland; and Comalco's smelter at Bell Bay, Tasmania.

The Group directly employs some 10,000 people across Australia and provides contract work to a diverse range of industries including construction, accommodation services and transport. The Group operations actively seek to contribute to sustainable development, and work as closely as possible with local communities, respecting indigenous lore and custom. A highly skilled workforce underpins the success of the business operations in Australia, and the development of a locally based indigenous workforce reflects the implementation of key policies of the Group.

Rio Tinto's policy worldwide is to recognise and work with local and land-connected peoples in the planning of its operations.³ Rio Tinto mining operations outside Australia have always worked with local people, consistent with policies outlined in *The Way We Work*.⁴ However, for the historic reasons outlined earlier, in Australia opportunities for employment were rarely extended to indigenous people. Local indigenous land owners and residents were not considered a source of labour, and most training provided to indigenous people by the government funded education institutions was not focused on achieving sustainable skilled employment.

In 1995, the Group embarked on a strategy of formally working in active partnership with Aboriginal people in Australia.⁵ Now wherever Rio Tinto operates in Australia, the Group seeks consultative mine development and land access agreements with indigenous traditional owners. Rio Tinto has signed seven major mine development agreements and negotiated more than 60 exploration agreements across Australia. The value of the investment in the economic and social futures of indigenous communities made by the Group through these agreements has been calculated to be in excess of AU\$400 million.⁶ These include monies allocated to benefits-receiving trusts and programs relating to education, training and employment, business development, cultural heritage protection, environmental co-management and cross cultural education.⁶ Multiplier and direct benefits to individual indigenous employees, contractors and service providers are additional to this and can be predicted to be an order of magnitude greater⁷.

2.1 Rio Tinto Indigenous Employment Strategy

In Australia, Rio Tinto's Aboriginal and Torres Strait Islands peoples policy is based on recognition and respect and underpins all of the Group's relationships with indigenous people. The policy recognises that there are many diverse indigenous groups in Australia.

Rio Tinto Policy

In all exploration and development in Australia, Rio Tinto will always consider Aboriginal and Torres Strait Islands peoples' issues.

Where there are traditional or historical connections to particular land and waters, Rio Tinto will engage with Aboriginal and Torres Strait Islands

³ Rio Tinto Limited, *Submission to Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund – Inquiry into the Effectiveness of the National Native Title Tribunal*, October 2002 ('Oct 2002 Rio Submission'), para 1.4.

⁴ Rio Tinto Policy "The Way We Work" 2003.

⁵ Leon Davis, "New Directions for CRA", paper delivered to the Securities Institute of Australia, March 1995, p4.

⁶ Harvey, Bruce, in evidence to *Joint Parliamentary Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund – Inquiry into the Effectiveness of the National Native Title Tribunal* 28 March 2003, Official Committee Hansard, p. 55.

⁷ Harvey, Bruce and Fry, Eddie "What cost Native title?", November 2003

stakeholders and their representatives to find mutually advantageous outcomes.

Outcomes for Aboriginal and Torres Strait Islands people will result from listening to them. Economic independence through direct employment, business development and training are among advantages that Rio Tinto will offer. Strong support will be given to activities that are sustainable after Rio Tinto has left the area.

In implementing the policy, Rio Tinto is committed to the process of reconciliation between indigenous and non-indigenous Australians.

- It wishes to work in partnership with Aboriginal and Torres Strait Islands people at the local level to develop strategies for direct employment and contracting, and
- It is committed to achieving general employment growth for indigenous Australians in areas where it has business operations.

Rio Tinto aspires to be the employer of choice for indigenous people and recruits people across a wide range of technical, trade and professional positions. Commensurate with this, the Group seeks to attract and retain skilled indigenous people in a range of positions and has developed an Indigenous Employment Strategy which gives effect to these policy objectives.

Over 700 indigenous people are now employed across the business in a wide variety of roles, comprising 7% of the Rio Tinto workforce in Australia. This level of representation has occurred over the past five years from a very low base of less than 0.5% in 1999. Of these employees, 20% are women. Indigenous people have been trained and provided with skills that are portable and accredited across Australia. As a result of a partnership with the Australian Government Department of Employment and Workplace Relations (DEWR) training has been provided in apprenticeships –areas such as mechanical engineering and diesel fitting – and in metalliferous mining and business administration. Professional employment has been developed through a cadetships program in diverse areas such as law, mining engineering, environmental science, business administration and accounting.

In 2002 Rio Tinto was recognised for its efforts in developing a Group wide Indigenous Employment Strategy when it was awarded the Prime Minister's inaugural Corporate Leaders Award for its contribution to indigenous employment.

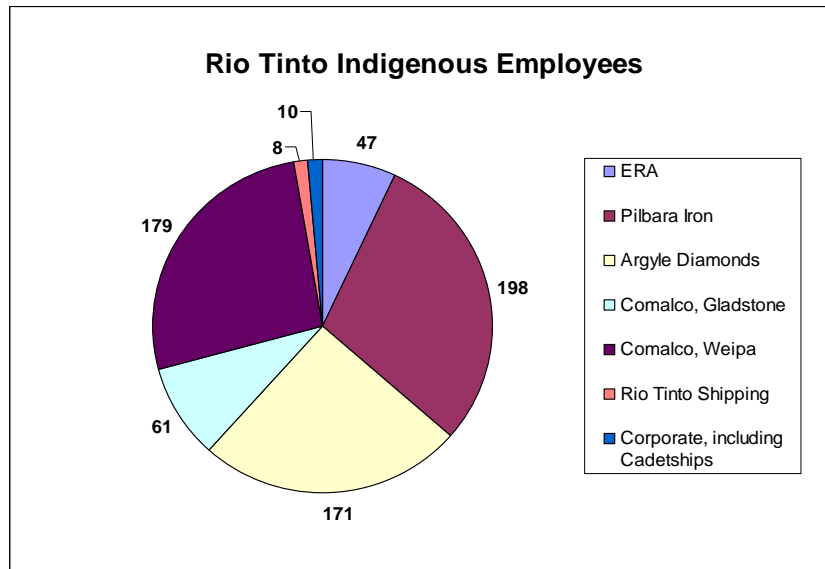


Figure 2

Current Employment levels in Rio Tinto operations: 700 people as at May 2005

- Local indigenous people currently comprise 25% of the workforce at Argyle Diamonds. The target is 50% by 2010.
- Comalco, Weipa has set a target of 35% local indigenous people by 2010, it is currently at 17.5%.
- Comalco, Gladstone only recently initiated its employment targets and indigenous employees constitute 6.5% of the workforce where the local demographic is 3%.
- Pilbara Iron has set a target of 15% of the workforce to be indigenous people, it is currently 3.8%.⁷

2.2 Challenges in developing a Diverse workforce

There have been significant challenges in building a diverse workforce within the mining operations in such a short time frame. The predominantly European male culture in the mining operations had little knowledge of the complexity of indigenous people's culture or appreciation of the importance of the new relationships with indigenous land owners. Few of the new indigenous employees had worked previously. There was a need to provide on the job training which took account of their relatively low literacy and numeracy skills but ensure that they could work safely and manage the command control environment of the mining operation.

⁷ Pilbara Iron has substantially increased its workforce during a recent significant expansion phase, however total numbers of indigenous employees have not altered.

The challenge of increasing diversity in the workplace culture was compounded by the need to manage the change within the mining townships as indigenous employees and their families moved into the previously closed settlements.

For Rio Tinto Group operations this challenge has been met with a multi-pronged approach. Within the workplace there has been considerable emphasis placed on developing two-way learning and cultural competence so that indigenous people feel included and valued in the workplace. Rio Tinto employees and contractors are provided with cultural awareness training that informs them of the history and culture of the local traditional owners of the region in which the mine operates.

To address the skills needs of indigenous people, Rio Tinto has worked in partnership with government to develop extensive apprenticeship and traineeship programs so that people can be trained to meet the requirements of their positions and contribute to the overall productivity of the mining operation.

In the townships there has been an emphasis on reconciliation programs so that indigenous families are welcomed into the townships and included in the community. Reconciliation has been a major theme developed through the local schools to promote greater tolerance and understanding of indigenous and non-indigenous culture.

What have been the drivers for change? What does this change look like? What have been the learnings that have developed greater cultural diversity, within the workplace and within the mining towns where many of the indigenous employees and their families reside? How can these learnings be shared with other mining operations and be transferred into other areas of employment?

3. Drivers for change – the Paradigm Shift

3.1 Mabo and the Native Title Act

In the early 1990s there was a paradigm shift in the way in which mining companies engaged with indigenous people. The Mabo decision was handed down by the High Court. This overturned the legal fiction of *terra nullius* which had effectively excluded indigenous interests and rights from land development, and negotiations about their interests and rights in land, across Australia for the previous 200 years. The development of the Native Title Act 1993 (NTA) sought to bring clarity to the new environment, but in general terms the Native Title provisions were not enthusiastically welcomed by the mining industry.

3.2 CEO Leadership

CRA, the predecessor to Rio Tinto, decided to step aside from the oppositional stance predominant in the mining industry at the time and sought a new way forward. In March 1996 new Chief Executive Officer, Leon Davis gave a speech at the Australian Securities Institute saying, “In CRA, we believe that there are major opportunities for growth in outback Australia which will only be realised

with the full cooperation of all interested parties.” He embraced the Native Title Act and said, “It laid the basis for better exploration access and thus increased the probability that the next decade will see a series of CRA operations developed in active partnership with Aboriginal people.”¹⁰

To drive home this point, Davis outlined his intentions at the company’s annual conference of managing directors.

“It is my desire to move away from a litigious framework, I wish to open channels to those who are not favourably disposed to CRA. I want to establish innovative ways of sharing with and or compensating Indigenous people. I believe that a negative attitude will produce negative results and I have an open mind on how we should approach the question.”

For many years Rio Tinto Group companies had been engaged with communities through “good neighbour” programs as a good corporate citizen. The new policy provided a very different platform for engagement which required an increased competency within the company to develop new relationships based on long-term partnerships with indigenous people and traditional owner groups.

This led to a significant cultural shift within Rio Tinto. No longer was it acceptable to ignore indigenous people near mining operations – the expectation was that there would be agreements, inclusive of demonstrated benefits in the form of direct employment, business opportunities and direct impact benefit consideration paid to trusts to assist regional development.

3.3 Agreements

Negotiated agreements between companies and traditional owner groups are the legal basis that underpins engagement with indigenous communities. These agreements generally provide access to land for mining companies and access to employment for traditional owners.

Agreements are reached between the traditional owners where a mine is operating, the representative Land Council, community councils where applicable and the State Government. The Agreement struck between Comalco and the traditional owners in the Western Cape York provides some insight into the relationship complexities that a mining operation and communities agreement needs to encompass for it to be effective. The Western Cape Communities Co-existence Agreement (WCCCA) includes 11 traditional owner groups, community councils, Comalco, Cape York Land Council and the Queensland Government. The Agreement formalised Aboriginal support for Comalco’s future operations in return for support, benefits, employment, business development and educational opportunities, and full recognition of their status as traditional owners on their own lands.¹¹

¹⁰ Davis, p4

¹¹ Refer www.atns.net.au/biogs/A000088b.htm for further information

To help give effect to these agreements, Rio Tinto has developed strategic partnerships with State and Australian Government agencies that support the development of indigenous employment. The government agencies provide assistance in the form of pre-employment, literacy and numeracy training and assist with apprenticeships and traineeships across a range of skill areas.

3.4 Indigenous participation in mainstream economy

Noel Pearson, the indigenous leader from Cape York, has strongly advocated the re-engagement of indigenous people in the mainstream economy to overcome the legacy of years of passive welfare.¹² He indicated that the most effective way in which indigenous people could be engaged in the mainstream economy was to be employed, thereby reducing the reliance on unemployment benefits. This philosophy underpinned the Indigenous Land Use Agreements developed on Western Cape York with Comalco in 2002 and the Argyle Participation Agreement in 2005. Both of these agreements have included an emphasis on direct employment and engagement in business development.

In 2002 Rio Tinto commissioned a study of Indigenous population projections out to the year 2016 for the hinterlands of its long-life mines and areas of exploration interest in northern Australia¹³ The research made it very clear that in the Pilbara, Kakadu/West Arnhem, Gulf of Carpentaria, East Kimberley and Cape York regions, the momentum for population growth lies with Indigenous residents and by 2016 the combined Indigenous population in these regions is conservatively projected to increase by some 10,000 people. As much as anything else, this demographic reality is driving Rio Tinto's local and indigenous employment strategy, acknowledging that sustainable development and mining in these regions is going to require a broad coalition of government, corporate and local interests to build regional economies with a range of enterprise and employment opportunities.

3.5 Reconciliation – engaging communities

In Australia there has been increasing social and political debate about the need for reconciliation between the non-indigenous and indigenous communities to acknowledge the history of settlement and overcome the legacy of indigenous disadvantage. Rio Tinto Group companies developed both formal and informal reconciliation programs so that indigenous people would be welcomed into the workplace and their families could reside within the previously closed townships with a sense of belonging and active engagement.

¹² Pearson, Noel *Our right to take responsibility* Noel Pearson & Associates, Cairns 2000

¹³ Taylor, J. & Bell, M. *Implementing Regional Agreements Aboriginal Population: Projections in Rio Tinto mine hinterlands 1996-2016* (2001) Centre for Aboriginal Economic Policy Research, Australian National University, Canberra unpublished report to Rio Tinto.

4. A model for cultural diversity – significant learnings

Several significant factors contribute to success in developing a culturally diverse workforce. This model presupposes the development of a formal land use agreement that underpins the relationship between the mining company and the traditional land owners. The first requirement is a relationship based on mutual respect and recognition of the traditional owners' culture.

4.1 Relationship

The primary relationship is with the traditional land owners of the mining operation. The mining company, its General Manager and its leadership team should be able to provide a clear statement about the importance of the relationship to business.

There needs to be a formal recognition of the previous history that has existed between traditional land owners and the mining operation. Where appropriate the company should make a statement of apology for past behaviour which may have excluded local indigenous people. Until the past is acknowledged, much of the pain and history of the region cannot be addressed and the statement demonstrates a willingness of the company to learn from the past and move forward in partnership.

Regular and effective consultation between the mining operation and indigenous people (traditional owners, their families and other historical residents in the region) is required. Consultations assist in formulating programs to support indigenous employment and enable cooperative program design to achieve mutual benefits.

There should be a regular report to the operation and the indigenous people about progress and agreed targets. These arrangements need to be internalised within the day to day operations of the mine, and require the entire leadership group within the operations to give effect to these programs.

4.2 Policy formulation

An indigenous employment and engagement policy should be developed and promoted widely both within the community and inside the company. This ensures that all employees within the company understand that there is now a new way of doing business.

In designing an employment strategy to give effect to the policy, there should be statements about the targets to be achieved, resources to be provided and the timeframe for delivery.

A process to monitor progress towards the agreed targets should be established and embedded in the management systems of the company. This needs to be reported to the local community.

Rio Tinto now formulates its five year communities plans taking into account the requirements arising from land use agreements and regular consultation with indigenous people. Each year Rio Tinto operations provide a sustainability report which outlines the performance in implementing the community plan against the agreed targets. This transparency has been a major platform in building trust and making real the written agreements.

4.3 Workforce capability – developing Cultural Competence

It is not enough to be “culturally aware”. Cultural awareness does not change behaviours. For a company to succeed in building a new culture, it needs culturally competent people who can communicate effectively in a diverse range of contexts. However, the development of an introductory “cultural awareness” program can provide employees with some understanding of the history of place and the impact of settlement and mining on local indigenous people.

Communication styles practised in the workplace must ensure that staff are inclusive and supportive of indigenous employees. It is expected that cultural competence will also extend into the community, particularly into the families in the town – and this requires significant transformation. For example, in the Western Cape mining town of Weipa prior to the WCCCA, there was relatively little engagement between the Comalco company town residents and indigenous people of the region. A reconciliation committee was established comprising indigenous people and non-indigenous employees which developed a range of social and community activities to bring people together.

Clear guidelines and protocols on the management and care of cultural heritage are essential. A policy should be developed by the company to ensure that the protection of heritage sites and their management is promoted to all employees, ensuring that they recognise their responsibilities in managing relationships with traditional owners.

4.4 Human Resources – an inclusive approach

The internal organisational culture should be consistent with, and supportive of, the indigenous engagement/employment policies adopted by the company. This includes skills training to support indigenous employees and the development of mentoring programs and career plans for each employee.

Human resource policies must acknowledge local traditional needs. Such policies can be negotiated with local elders. They should ensure that employees are treated fairly, for example, ensuring that cultural obligations can be supported within standard leave provisions.

5. The Argyle Diamond Mine

A case study in building a culturally diverse workforce

It's one of the most remote yet lucrative pieces of real estate on the planet. The Argyle diamond mine in the east Kimberley region of Western Australia is the world's biggest producer of natural diamonds worth billions of dollars. For much of the 20 years the mine has been worked, its owners, Rio Tinto, have been offside with local Aboriginal people. But reconciliation was in the air as both parties joined to celebrate a new land and management agreement, hailed as landmark by the Governor-General.

More than 2,000 kilometres north of Perth, the Argyle diamond mine in the east Kimberley is the world's biggest. The mining company Rio Tinto has extracted more than 650 million carats of diamonds during the mine's 20-year history. And for most of that time, local indigenous people have felt unwelcome on their own land. Those scars were healed last week. Hundreds of guests came to the mine to celebrate the settlement after three years of negotiations, of an indigenous land use agreement, and a new management plan for the mine.

It was a day for the company to bask in praise from on high. Of more immediate impact is the increase of Aboriginal employment at the mine.

When Brendan Hammond arrived seven years ago, the work force of 800 included only a few Aborigines. Today, more than a quarter of the work force is Aboriginal and the company wants to improve that to 50%.

Extract from ABC TV Lateline, 15th July 2005

Background

Argyle Diamond Mine commenced operation on the sacred Women's Dreaming site at Barramundi Gap in 1980. It was a site of great significance to the people in the region but in those days Native Title law did not exist, and mines sought and obtained government approval without any reference to traditional owners of the country. This was a very difficult time for indigenous people.

I think the mine had a very unhappy start. Areas that were of great importance to Aboriginal people were to be mined and I think the way it was handled is light-years away from the way it's been handled over this recent period. I'd go so far as to say there was an enormous amount of pain inflicted, there were divisions produced in the community. I think it left very big scars.

(Fred Chaney, Deputy President of the Native Title Tribunal Extract from ABC TV Lateline, 15th July 2005)

Argyle at the time developed a Good Neighbour policy which provided some recognition of interests in land by a few traditional owner families and established community development programs in education, health, culture, sport and recreation. However traditional owners were not able to access the site and conduct ceremonies on the mine lease and they were excluded from land management and decisions about their country within the mining lease.

"We didn't really come here much, no. Gates locked, no Aboriginal people coming here inside. Only just the whites. Yeah, pretty hard at the time. Not like this time when Brendan Hammond came."

(Alan Chocolate Thomas, Traditional Owner)

Local Aboriginal people were included in employment programs. By the mid 1990s up to 10% of the workforce were Aboriginal people working in Civil and Maintenance programs and in direct employment in the pit driving trucks, however access to skilled employment remained limited. By 2000 the level of Aboriginal employment had diminished to 4% of the workforce.

Drivers for change

In 1998 Brendan Hammond was appointed General Manager for the operation at a time when it was expected that the mine would close in 2002. At that time there was a poor relationship with local indigenous people.

“The mine was going to close. In addition to that, I came to understand that there were very few Aboriginal people and local people involved with the operation. And as I arrived, it was an outstanding question with me as to why this was.”
(Brendan Hammond, Managing Director, Argyle Diamonds)

Brendan Hammond realised that if the mine was to gain local support and therefore government support to continue its licence to operate, it needed to be able to make real its sustainability policy.

In his discussions with local people he had the following to say:

We want to negotiate a better relationship with the traditional owners and local Aboriginal communities by:

- Recognising the rights of the traditional owners;
- Working out the benefits from the mine to the traditional owners and local Aboriginal communities, and how those benefits work;
- Working out what our relationship should be with the traditional owners and local Aboriginal communities;
- Improving our heritage management and sacred site protection;
- Identifying Business opportunities with the mine;
- Developing cultural education for the workforce at the mine site.

(Meeting with Kimberley Land Council, Traditional Owners and Argyle, Sept 2001)

To this end Argyle established a localised employment strategy which led to the development of a diverse workforce reflecting the multiple traditional owner groups resident beside the mine and across the Kimberley region.

Against the trends that have developed in the mining industry to locate skilled people in large cities and fly them in and out of remote locations, Argyle under Brendan Hammond’s leadership took a new approach. In 2000 almost 100% of the mining workforce was on a shift roster flying in and out of Perth. There were two factors that impacted on Argyle. One was the collapse of the Australian carrier Ansett, which threw into stark relief the uncertainty of the airline business and the reliability of its services. The second was the potential for the mine to extend its life – beyond initial closure to at least 2008 and perhaps longer.

At this stage Brendan developed the localised employment strategy with a focus on indigenous employment to make a contribution to sustainability in the region and to use the endowment of the ore asset to contribute to the social capital in the region.

Participation Agreement

Following several years of relationship building and negotiation, the Argyle Participation Agreement was jointly signed by the Traditional Owners of the mining lease area and Argyle in September 2004. The Kimberley Land Council represented Traditional Owners in this process. The National Native Title Tribunal registered the agreement as an Indigenous Land Use Agreement (ILUA) in 2005 and the celebration of the Agreement was held on 8th July 2005.

“We’ve got a good agreement now, solid agreement, really strong and good and we are all happy for that. Mengawem. Mengawem means ‘good’.”
(Alan Chocolate Thomas, Traditional Owner, Tiltuwam Dawaam)

The Agreement is a statement of mutual respect and recognition: Argyle recognises Traditional Owners as the landlords of the Argyle mining lease, while the Traditional Owners recognise Argyle’s right to mine and consent to the proposed underground mine. The Agreement lays the foundation for a long-term relationship, including a shared commitment to increase Aboriginal employment and economic participation in the region.

“Our people went through two or three years fighting to get this agreement; to fix the old agreement and get this new agreement going. It made us realise that our people are important and that they need to get involved in what happens on their country.”
(Marjorie Brown, Traditional Owner, Bilbildjing Dawawang)

In practical terms the agreement provides for:

1. Recognition of native title rights;
2. Transfer of Argyle’s grazing lease to Traditional Owners on mine closure;
3. Financial benefits for Traditional Owners and local Aboriginal communities;
4. Traditional Owner Trusts to invest and manage financial benefits;
5. Support and preference for Traditional Owners for jobs and training;
6. Support and preference for Traditional Owners for contracting opportunities;
7. Business development support for Traditional Owners;
8. Aboriginal site protection;
9. Traditional Owner consultation on land management;
10. Traditional Owner consultation in closure planning and rehabilitation;
11. Traditional Owner access to the mine lease area.

The Participation Agreement establishes a mechanism for Argyle and Traditional Owners to jointly monitor its implementation. A Traditional Owner Relationship

Committee has been established, comprising 26 Traditional Owner representatives and four Argyle representatives. This Relationship Committee, which meets every three months, jointly monitors the implementation of the Agreement and can adapt management plans as required.

The Agreement acknowledges the effectiveness of Traditional Owner governance by creating a Traditional Owner controlled trust (Gelganyem Trust), which manages a long-term capital fund and a number of other funds to generate community and economic development opportunities.

'I think it's a landmark agreement. You can tell from the feel of the Indigenous people and the mine people and all the residents of the area that they feel this is something extremely special, perhaps unique.' "

Extract from ABC TV Lateline, 15th July 2005 (Major General Michael Jeffery, Governor-General of Australia)

Promoting local Indigenous employment

Argyle employed 804 people at the end of 2004 with 607 of them working on site. The percentage of mine site employees who live in the East Kimberley rose significantly in 2004, reflecting a deliberate policy by Argyle to localise its mine site workforce. Approximately half of the workforce living in the East Kimberley is Aboriginal people, which reflect the population mix of the East Kimberley region.

The plan is to have 80% of the workforce localised with half of that comprising Aboriginal people. This policy commits the company to build a sustainable future for the region through an investment in social capital. Argyle increased its local Aboriginal employment in the site workforce from 17.8% in 2003 to 22.4% in 2004. Most of this increase has been due to the recruitment of Aboriginal apprentices and trainees.

Up until 1999 Argyle had employed indigenous people in relatively low skilled positions. Most were employed in a program called Civil and Maintenance, which did not provide accredited and portable skills. To be able to effectively achieve its goal of a localised workforce, Argyle needed to include Aboriginal people within its workforce but it recognised that this required a significant investment in training and support as few people in the region had previously been employed. Argyle sought and gained support to increase its Indigenous workforce through a partnership with the Australian Government Department of Employment and Workplace Relations.

The challenge was compounded as there were few Aboriginal people in the East Kimberley region who had any work experience other than through the Community Development Employment Program (CDEP) which is a form of "work for the dole". In 2001 of the 6,000 estimated usual resident Aboriginal people in the region only 428 were employed in the mainstream workforce¹⁴.

¹⁴ Source: ABS 2001 Census of Population and Housing, customised tables

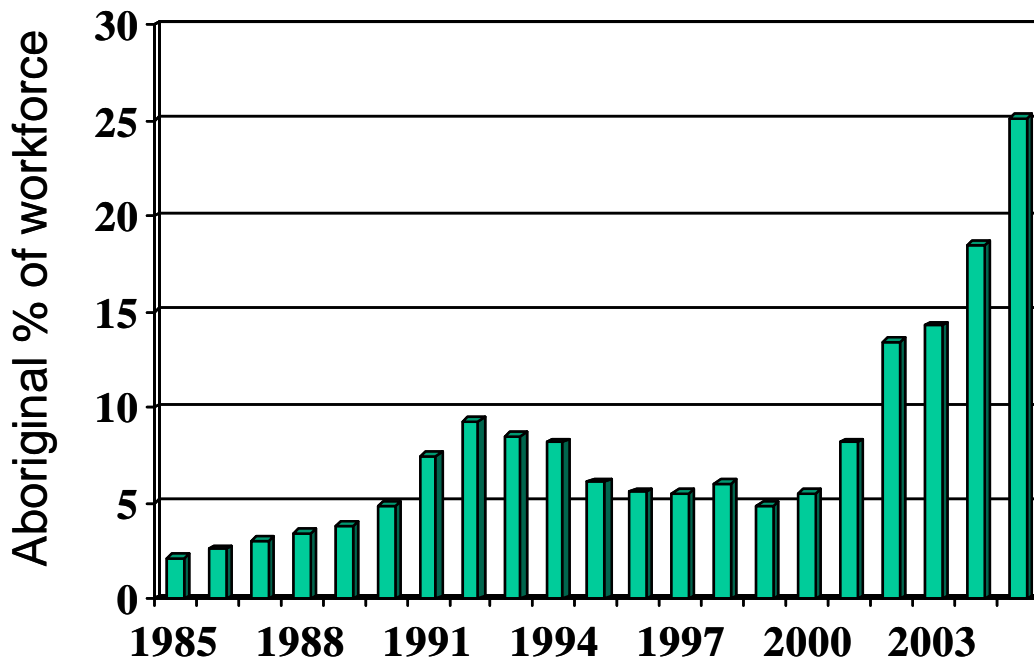


Figure 3 Aboriginal percentage of total Argyle mine workforce: 1983–2003

Source: Argyle Diamond Mine Community Relations and Regional Business Development Units

Recruitment and retention – changing the Human Resources approach to indigenous employment

“I’ve a passion for indigenous training and Argyle is a great vehicle for creating opportunities for indigenous people.”
 (Ray Chamberlain, Specialist Traineeships & Apprenticeships, Argyle Diamonds)

Aboriginal employment in the mainstream workforce at the Argyle operation is currently at 26% of the workforce. This is a substantial change from the 4% in early 2000. Figure 3 demonstrates the significant improvement achieved in Aboriginal employment achieved in recent years. Argyle believes that providing local employment and training opportunities is the best and most lasting way to make the East Kimberley stronger. Argyle’s success to date in employing people locally is due to the strong commitment of many people in the business to using new and different approaches to recruit staff.

Argyle realised that it would need to change its approach to recruitment if it was to increase its indigenous employment numbers. Face to face interviews are often very intimidating and have not previously provided large numbers of successful candidates. Instead Argyle instituted a one-and-a-half day assessment program, run on site, which provides job applicants with one-on-one feedback on their current skill levels, and the training they need to undertake to

improve future employment opportunities. Argyle then works with the participants to guide them through TAFE or other pre-employment training they need to become work-ready.

Late in 2004 Argyle introduced a short-term traineeship program providing “fast-track” training opportunities for particularly keen and committed job applicants who don’t yet possess all the skills needed to work at the mine. Local Aboriginal people who show this kind of promise are now being enrolled in nine-month traineeships that initially involve daily work within the maintenance workshop. After three months of regular attendance, participants are enrolled in the Certificate 1 in Engineering course. Argyle then works with successful graduates of this course to develop their skills so that they will be ready for a traineeship or full-time employment in an area of interest at the mine.

Developing cultural competence

Cultural competence is built into the key performance assessments of managers, supervisors and team leaders. Cross cultural training and the ability to work with a wide range of indigenous people from across the Kimberley, requires a high level of capability and is part of the new way of doing business on the mining operation. This extends to town-based activities that foster reconciliation.

In the workplace there is tangible evidence of the new approach to building a diverse work culture. Every Wednesday at the mine site, the Traditional Owners as hosts ritually welcome new workers and visitors as guests to the country. The guests walk through a curtain of smoke and are brushed with warmed leaves to ensure their safety within the landscape. This ceremony has now been incorporated into the occupational health and safety training program at the mine

Community Engagement – building a sustainable region for all cultures

Argyle and other Rio Tinto business units have been instrumental in introducing a pilot educational program to Australia, which the Halls Creek District High School will trial in the East Kimberley. Other partners include Australian and Western Australian Government departments, the business community, philanthropists and universities.

The Yachad Accelerated Learning Project is based on education models from Israel that have been very successful in addressing problems similar to those identified amongst Aboriginal students left behind by the regular school system. The program uses accelerated learning principles to lift the lower performing students up to and beyond acceptable levels of performance.

Halls Creek was chosen as a pilot location as it has all the ingredients necessary for the project to succeed, including staff enthusiasm, school flexibility and the willingness by the whole school community to embrace a new way of thinking.

Halls Creek District High School will host Jonathon and Liat Ventura of Israel for a ten week period in early 2005, and for a further four weeks later in the year. They will train staff to deliver the program to primary and secondary students. They will also provide professional development to teachers and teaching assistants.

Challenges ahead

There are many challenges ahead for Argyle Diamond Mine. While there are now several indigenous people now employed in supervisory positions, there is a need to increase their participation in management. Career mentoring has been established to facilitate this development. Argyle needs to maximise opportunities to increase the number of professional positions filled by indigenous people.

Argyle must ensure that its non-indigenous workforce, in the work place, in the home and in the community, continues to value engagement with local indigenous people.

In addition Argyle and the community also face the challenge of possible mine closure in 2009.

6. Conclusion

Applying policies of diversity to a mining workforce is both complex and challenging. In the Australian context Rio Tinto has worked to apply its policy through the development of relationships with indigenous groups, building workforce capabilities and cultural competence, and finding new ways to manage human resources. The company's experiences demonstrate that the combination of these elements can bring about increased levels of direct indigenous employment.

Rio Tinto is one of several global mining companies operating in Australia. Its work in engaging with indigenous communities and providing employment opportunities is innovative. Its experience demonstrates that it is possible for effective engagement to begin to address entrenched disadvantage and develop sustainable communities in remote locations.

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