

**Speech by Stephanie Walker**  
**SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY**  
**TO THE:**  
***Indigenous Employment in SA: Resources Industry Forum***  
***May 22<sup>nd</sup> 2006 Adelaide***

**INDIGENOUS EMPLOYMENT IN THE RESOURCES INDUSTRY:**  
**BUILD IT IN, DON'T BOLT IT ON**  
**SETTING THE AGENDA: THE SOUTH AUSTRALIAN STRATEGIC PLAN**

This Forum, and the people gathered here today, is evidence of a living and working South Australian Strategic Plan.

Most people here would have read the Plan to varying degrees. After this forum I would invite you to go back and re-read it from the perspective of what we want to achieve out of this day – *a collaborative strategy for building sustainable Aboriginal communities within the context of the resources industry.*

The following extracts from the Plan are particularly pertinent:

**“ Objective 1: Growing prosperity**

[With regard to minerals and exploration:] it puts its intention to ‘Make South Australia a favoured minerals investment destination for private investment by 2010, with exploration expenditure targeted to almost treble to \$100 million by 2007, and minerals production to reach \$3 billion by 2020, with a further \$1 billion worth of minerals processing by that time.’”

**Objective 6: Expanding opportunity**

Reduce the gap between the outcomes for South Australia’s Aboriginal population and those of the rest of South Australia’s population, particularly in relation to health, life expectancy, employment, school retention rates and imprisonment.”

**In addition**, again under Objective 1, it is the stated intention of the Government to achieve performance improvement in the South Australian public sector through productivity and through quick decision-making.

**The reason** why you have all been invited today is because each of you is a change agent with the leadership and vision to seize this unique opportunity to develop initiatives for Aboriginal people and to meet organisational objectives.

**THE RESOURCES SECTOR AND ABORIGINAL ENGAGEMENT**

The minerals and petroleum resources sector has a long tradition of working with Aboriginal people – both successfully and not so successfully. It was an industry affected probably more than any other by the Mabo decision and the Native Title Act, together with other regional activities in areas where Native Title was not extinguished.

Over the last decade however, it has largely turned around its perspective to one that is very clear that, to obtain and hold its ‘social licence to operate’, it must work with its neighbouring communities and apply good environmental practices. And because of the remote and regional localities in which the industry works, its neighbours may frequently be a predominantly Aboriginal population.

It was therefore with a sense of optimism that the industry accepted the government's invitation to be party to a statewide approach to attaining access to land by negotiation, rather than litigation, through the process of Indigenous Land Use Agreements (ILUAs). During our on-ground negotiations however, the negotiating team was being told that while the Aboriginal communities understood that employment opportunities were restricted during the exploration phase, it sought assurance that every effort would be made to ensure that opportunities for education, training and employment and entrepreneurial options would be available at the time of a discovery. Meanwhile, several significant discoveries have been made, two of which are expected to go into production in 2008 at the same time as the BHP Billiton expansion post feasibility. And, to compound the matter, we also have a chronic skills shortage.

In acting on its responsibilities, the Chamber took the opportunity to look at the Rio Tinto/Pilbara Iron story of engaging with its local communities. During the two visits to the west, in the company of senior industry, senior government and senior Aboriginal people, we saw how the company had:

- Developed and implemented a successful model apprenticeship scheme for Aboriginal students within the business
- Engaged with the wider community to support its health and well-being which, in turn, supported the students participating in the apprenticeship program
- Engaged with State and private education providers (including the Graham (Polly) Farmer Foundation) at the primary and secondary school levels to promote education, and the options that education offers, to the wider Aboriginal community.
- Implemented structures within the business to support Indigenous employees.
- And importantly, acculturated the wider workforce to understand and appreciate Aboriginal culture.
- Initiated, mentored and promoted business development opportunities.

I would also like to acknowledge that we are fortunate enough to have here today one of the architects of the Rio Tinto programs. As she said in her paper titled 'Corporate Leaders for Indigenous Employment', written in 2002 when she was the Manager for Aboriginal Relations with Rio Tinto:

"...there was a view that Aboriginal people did not want to work in the mining industry and perhaps that was not surprising given the way in which people had been previously treated... We had to overcome some of the mythology that existed... We had to provide real jobs, valued employees, productive long term participants on their country in our company....".

## **WHERE DOES THE INDUSTRY WANT TO BE AND WHY**

The Chamber recently made a submission to the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs Inquiry into Indigenous Employment. Other representation from, or on behalf of the resources industry, were the Minerals Council of Australia (MCA) and Rio Tinto.

The MCA makes the very salient point that "the minerals industry is committed to developing its social licence to operate .... Simply defined the 'social licence to operate' is an unwritten social contract, and is demonstrated through industry practices such as:

- Engaging stakeholders to identify and address their concerns, to contextualise the operating environment and to seek opportunities to develop mutually beneficial partnerships;

- Developing and implementing programs to minimise the social and environmental impacts of operations to manage and prevent future liabilities;
- Undertaking social and environmental accounting, auditing and reporting that enables industry to be open and transparent about its impacts and its management approach; and
- Developing and implementing Enduring Value – the Australian Minerals Industry Framework for Sustainable Development, a framework within which business can demonstrate its commitment to operating in a manner which is attuned to community expectations.

**SOME WAYS THAT MIGHT BE TAKEN TO GET THERE: the coordination of effort to achieve real outcomes**

The paper goes on to state however, that “industry clearly differentiates between its own responsibilities and Government’s responsibilities in delivering integrated basic social services to remote and regional communities, which are foundational to building social and economic wellbeing in Indigenous communities. For example, it is hoped that the MoU [with the Federal Government] will deliver enhanced Government accountability and service delivery to Indigenous people through improved access to:

- **literacy and numeracy education;**
- **work readiness initiatives such as Fitness to Work programs;**
- **acquisition of standard vehicle licences;**
- **drug and alcohol services;**
- **financial services;**
- **family support services including child care and counselling services; and**
- **human and financial capital to facilitate Indigenous enterprise development.**

The Rio Tinto submission continues the theme of **the need for co-ordination of effort to achieve real outcomes**. The submission states that

“There are many other agencies also involved with the same communities [as Rio Tinto], but there is little coordination of these services.

Rio Tinto’s core business is mining...” and “what is clear is that for the long term unemployed people, there is a need for greater support than individual companies can sustain alone.” The paper goes on to state that “**Mainstream Indigenous employment will only be achieved where there is a sustained and significant commitment from both [governments] and businesses. Businesses need to ensure that Indigenous employment is intrinsic to their business... Indigenous employment needs to be ‘built in, not bolted on’**”.

Copies of both the MCA and the Rio Tinto papers are in the SACOME ‘showbag’.

The State Government has *demonstrated* its commitment to supporting the resources industry through the plan to establish a Minerals Resources and Heavy Engineering Skills Centre in response to an unprecedented skilled labour shortage for which detailed research was undertaken, providing information about the range of career options, the skilling required and, importantly, the number of skilled jobs required by all those companies either in production or going into production. The industry supported Graham (Polly) Farmer Centre being established in Port Augusta, and designed to nurture Aboriginal kids successfully through year 12, will complement the Skills Centre. Without doubt, the opportunities for regional South Australia are unprecedented.

What I believe we are all trying to do is to achieve a state wide solution for the resources sector that both alleviates the skills shortage and assists Aboriginal people. As the resources sector is aware, there is strategic value in our committing to partnerships with all relevant government (both State and Federal) and non-government agencies (many of whom are here today) that can work with the industry in involving Aboriginal communities as students, as employees, as mentored entrepreneurial trainees and as neighbours worthy of our respect and consideration. It is clear that no single entity can, or has, achieved widespread change to improve the well-being of the lives of Aboriginal people alone.

**The business for this Forum** it seems to me, is to work out what that collaboration might look like and how it might work. Do we, for instance, consider that it would be valuable to mainstream our partnership through the Skills Centre and, if so, how? I would particularly ask you to respond to the proposed strategy given today by Parry Agius, Executive Officer of the ALRM's Native Title Unit. Is there any reason why industry would not find this a workable and realistic plan of action? What does the industry feel that both government and non-government agencies can do to ensure that we put in place systems that provide greater expectations of success for Aboriginal participants and the end to systems failures?

In December 2005, industry came together to respond to the State's concept of a Minerals Industry and Heavy Engineering Skills Centre and, in closing, I would like to leave you with a snapshot of its 'wish list' of what it would like to be able to achieve. It wants (quote):

- **to draw an identified percentage of its workforce from the region in which it is working**
- **creative thinking put towards the way students are attracted into the industry and into associated education programs**
- **co-ordination of effort; and a break away from what it describes as the 'fog' of training and education options**

The South Australian Chamber of Mines and Energy, as a partner to the Statewide Indigenous Land Use Agreement Negotiating Team, endorses this new and bold initiative. It is fundamental to the social licence to operate of all of our businesses. I therefore encourage all those here to participate in this privileged opportunity to work together to this most desirable outcome.

Let's not have a re-run of that old movie of the Cook, the Thief, his Wife and her Lover – namely an inedible, indigestible and chaotic mess.