INDIGENOUS COMMUNITIES & AUSTRALIAN BUSINESS – from little things, big things grow

A report to the Business Council of Australia

The Allen Consulting Group
INDIGENOUS COMMUNITIES & AUSTRALIAN BUSINESS

from little things, big things grow

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The Allen Consulting Group
Foreword

This report was commissioned by the Business Council of Australia and overseen by a steering group of Indigenous community and business sector representatives, led by Meredith Hellicar. Organisations represented on the research steering group were:

- Aboriginal and Torres Strait Islander Commission - Geoff Clark, Geoff Scott
- Australian Chamber of Commerce and Industry - Mark Paterson
- Business Council of Australia - David Buckingham, John Hine
- Minerals Council of Australia - Bridson Cribb
- Reconciliation Australia - Neil Westbury

The objectives of this research were twofold:

- To contribute to Australia’s economic and social development and the process of reconciliation between Aboriginal and Torres Strait Islander peoples and the wider Australian Community through a better understanding of indigenous community-business relationships and collective activities; and
- To assist companies, business organisations and Australian Indigenous communities in their pursuit of future, mutually beneficial activities.

In addition to the generous support of the Business Council of Australia and the research steering group, the authors of this publication wish to thank the numerous participants – from Australian business, large and small, Indigenous communities, business and representative organisations, researchers and government departments among others – for their cooperation and generous support.

This report was prepared by The Allen Consulting Group Pty Ltd based on national research conducted in late 2000 and early 2001. The Allen Consulting Group Team was led by Dahle Suggett and Mary Ann O’loughlin with research undertaken by Ben Goodsir, Troy Hey and Jane Worner. The authors also wish to gratefully acknowledge the support of John Hine, Assistant Director, Business Council of Australia.

The Business Council of Australia is an association of chief executives of leading Australian corporations with a combined national work force of more than 1.1 million people. It was established in 1983 to provide a forum for Australian business leadership to contribute directly to public policy debates in order to build a better and more prosperous Australian society.

The Allen Consulting Group Pty Ltd is a public affairs, public policy and business consultancy with offices in four States and Territories.
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A number of Australian companies are actively engaged with Australian Indigenous peoples and communities. The reasons for this are varied, complex and not always fully articulated. They range from principled commitment to social amelioration or national reconciliation, to a pragmatic meeting of demands for access to land or support of local communities.

Mutual respect between Indigenous and non-Indigenous peoples is a requirement of a mature, caring and productive nation. For many Indigenous Australians this means participating more fully in the mainstream of Australia’s economic and social life. While public policy strategies serve as levers for Indigenous people making the transition from disadvantage to inclusion, the active involvement of Australian business is needed to hasten the process. Many Indigenous leaders are asking business to play a central role in ensuring ‘real jobs in the real economy’.

For that reason, it is timely to provide both a critical framework for understanding existing collaborative initiatives and, through publicising current activities and past mistakes, to encourage new initiatives. In doing this, it is also important to avoid creating an overly optimistic picture by overstating achievements to date. The progress made by sections of business in supporting Indigenous Australians should be commended but it is relatively unknown both in the wider population and in the business sector. Some activities are equal to or better than similar efforts being made internationally. At the same time, initiatives are not numerous and progress is slow. Nevertheless, those already involved, and those considering collaborative activities are calling for assistance in understanding the challenges and costs alongside the successes and benefits in order to identify opportunities for the future.

Business and Indigenous Australians

This review was undertaken for the Business Council of Australia. Its general purpose is to contribute to the process of reconciliation and the economic and social development of Australia by providing a better understanding of Indigenous community-business relationships and collaborative activities.

In total, the study reports on the business-Indigenous community collaborative activities of 64 Australian companies. The study collected data from a variety of sources in order to identify, describe and assess business-Indigenous community activities. The data included responses to a national survey from 49 large companies, giving a broad view of business-Indigenous community programs and in-depth case studies of 36 organisations. To gain an appreciation of Indigenous views, data was collected from Indigenous communities on their views and experiences of collaborating with business. Consultations were also held with government departments, industry associations, Indigenous and non-Indigenous representative groups, researchers and individuals.

The study has found that there is a wide variety and intensity of collaborative activity; the number of companies is growing but there are still relatively few. Activities range from large, highly developed programs for training and employment, business development and community development, to small-scale mentoring and philan-
Not surprisingly, the resources sector, with its proximity and mutuality of interests, is deeply involved in mature programs involving partnerships, joint ventures and other structures that enable a holistic approach to communities. Indigenous land use and Native Title Agreements have mostly provided the stimulus for this often intense level of collaboration. Some business leaders in the resources sector readily acknowledge that past practices did not take Indigenous needs into account. They now welcome the chance to turn this around and contribute to building sustainable communities that will outlast the mining or oil and gas operations in those locations.

Individual companies in retail, construction, finance, rural production, tourism and other parts of the service sector are also increasingly active, particularly in training and employment of Indigenous people. They are conducting some innovative programs, but these are relatively isolated instances in the totality of Australian business. Also, many activities have a direct impact only on a selected few individuals and communities. The vast majority of Indigenous Australians (total population estimated at over 420,000) live in urban locations where the business sector’s direct involvement with Indigenous people is relatively small.

Initiatives Not Widespread

So, although progress is significant for some companies, Indigenous peoples and communities, the reality is that these efforts are not widespread. There are substantial opportunities for business to be more fully engaged and good reasons for them to be so. But, there is not as yet a sufficiently extensive effort across business to include Indigenous Australians and their enterprises in the mainstream Australian economy.

Many companies see no need for specific initiatives for Indigenous people. While a large proportion of business is embracing new ways of engaging with the community and external stakeholders, in the minds of many companies there is no obvious link between their company’s community involvement strategy and the needs of Indigenous Australians. They do not feel pressure from community expectations and do not believe they have the organisational capability to develop an active role in this area. Even if business people, as individuals, are concerned to redress disadvantage and endorse diversity in the workplace, most companies do not see a compelling business case for undertaking special activities for Indigenous people or communities. They know that the resource companies do have a business case, as do others in some regional locations.

There are also perceived obstacles to implementing initiatives. Some companies find that there simply are not the skilled people available for the jobs – supply, not demand for labour is the problem. For many companies, there is lack of confidence in their cultural understanding and fear that it is basically too complex and too hard to achieve successful outcomes. There are also questions about the role of public policy and government, with some companies seeing this area as more a responsibility of government than business. Others resist the constraints that government incentives and the like often place on how business conducts its activities.

On the positive side, many companies that are not currently involved are very interested in understanding more about the benefits for business and how to initiate and manage high quality activities. There is a sense that some are poised to take a greater role, consistent with changing community attitudes towards reconciliation.
Business Rationale: Relationships, Reputation and Skills

In a companion study with the Business Council of Australia and the Centre for Corporate Public Affairs, undertaken by the Allen Consulting Group,¹ the motives and current directions evident in corporate community involvement were explored. The Study found that motives varied widely but that, increasingly, companies were integrating external activities of this kind with their underlying business strategies. Business analysis is replacing chequebook philanthropy. It has meant that choice of activity is increasingly related to the nature of business and major stakeholders; consumer product businesses supported work associated with target markets to build brand, high technology companies focused on science and education and mining industry community activities tended to focus on environmental issues and indigenous affairs. Most companies are also motivated by increasing community demands for stakeholder engagement and, in particular, the need to meet the broader expectations and aspirations of their staff.

Accordingly, companies who do conduct activities with Indigenous peoples have strong rationales. The most common given were to improve community relationships, enhance the corporation’s reputation and develop a local supply of skilled labour. While the desire to consolidate the intangible assets of high quality community relationships and reputation is an important driver, with resource companies clearly benefiting from community endorsement, so is human capital development. Particularly for companies operating in remote regions, a stable, local and skilled labour force is an important factor in competitiveness.

A number of corporations also noted the positive internal effects that Indigenous community involvement can have on corporate cultures and values – many respondents building on these benefits by developing cultural awareness training programs.

Indigenous Perspectives on Collaborative Initiatives

Indigenous Australians participating in collaborative activities with business broadly endorsed these activities. Many, however, temper their support by calling for a greater effort by business in assisting Indigenous people to compete for sustainable jobs – not just short term employment and training. Many expressed great disappointment with those business programs that are not sufficiently incorporated into company practices and do not, as a matter of course, develop employment and career paths for participants. The issue is particularly complicated by the short to medium term nature of many remote area projects with high but short term employment demands in the construction phase. In many remote communities, associated with the changing nature of mine life, employment prospects and other benefits are hard to sustain.

Mentoring of trainees and workers was welcomed by Indigenous communities and often seen as one of the critical success factors, as was greater promotion of positive role models for youth. Many felt that working against these positive elements was the treatment given to Indigenous issues in the mainstream media. To counter the images that are cursory and reinforce negative stereotypes, business might take a more active role in promoting the successful initiatives.

¹ Centre for Corporate Public Affairs in conjunction with the Business Council of Australia, 2000, Corporate Community Involvement: Establishing a Business Case.
There was also a call for non-Indigenous business to recognise and be willing to work more fully within cultural differences that translate into different models of employment, training and business partnerships. This includes emphasising community as well as individuals’ needs, using intermediaries with the skills to foster success and providing general and pre-vocational support for participants new to the mainstream workforce.

Participants saw that other barriers to greater involvement were the often-divided voices and opposing interests within Indigenous communities and the conflicts that can cause between programs. They also identified the lack of confidence by non-Indigenous employers in the abilities of Indigenous workers and businesses and the apparent ‘tokenism’ of many initiatives which provide little real lasting benefit to the community.

Management Practices in Building Commitment

The management practices of the most active companies - large or small - show a number of commonalities. Companies with more advanced programs usually operate within the framework of a formal company policy. They may also embed initiatives for Indigenous relations in company management systems and operating procedures. This ensures that the programs are not an isolated strategy but sustainable for the company in the long term. Many have also developed clearly stated management responsibilities and accountabilities. Larger companies have established specialist units within their management structure to ensure that they draw on best practice. They also conduct programs to ensure that their employees understand Indigenous cultures.

Experience has taught these companies that the integrity of the planning processes for initiating and sustaining business-led activities with Indigenous communities is a key to success. Leading approaches to engaging with communities and conducting activities involve: researching community needs; ensuring that ‘ownership’ of an issue and solutions remains with the community; and establishing mutual trust and respect.

Some structural preconditions that facilitate effective relations with Indigenous Australians include: building networks; establishing representative management bodies; establishing tangible goals; and ensuring management accountability.

Larger companies with more resources to devote to these initiatives also seek to develop integrated approaches to communities rather than pursue isolated activities. Some companies adopt a holistic approach to community building that might revolve around education, training and employment and business development but also take into account social issues such as housing, health and justice.

Among rural, medium and small business operators, regional co-operative initiatives, employment, mentoring and small-scale Indigenous business development are providing a less visible but real contribution to Indigenous communities. While less likely to develop into formal policies or systemic approaches, the achievements of these initiatives are nonetheless significant and, as has been discovered overseas, the flexibility this allows is sometimes better at building sustainable self-employment and enterprise development.
Focus on Education, Training and Employment

Employment initiatives are a logical starting point for business in establishing their relations with Indigenous Australians. Unfortunately, companies have found the standards of education and training of potential employees can be a serious impediment. This has led to extensive efforts in vocational training and, to a smaller extent, activities in education.

The challenge taken up by a number of companies has been to generate training, (such as apprenticeships, traineeships and other qualifications) linked to their employment needs, ensuring real job opportunities at the end of training. A crucial factor in achieving this has been adopting a more flexible approach and this has required a change in the attitude of government which normally funds vocational training for anyone entering the workforce. Where government has not been able to be more flexible, activities have been conducted without government support. Some factors identified as critical to the success of training programs, aside from the quality of the instruction, include: family support strategies; mentoring programs; and advice on matters such as managing personal finances.

In some instances, successful outcomes have been achieved by the requirement in company policies that suppliers or contractors commit to providing employment, training and business opportunities for Indigenous people. Some businesses win contracts because they recognise the value of Indigenous employees to business success. Also contributing to success is the use of employment agencies acting as intermediaries between employers, Indigenous Australians and government.

Opening up Business Development Opportunities

A further important strand of activity by companies is collaboration in building Indigenous enterprise. While few underestimate the difficulties involved in the development of new Indigenous business, joint venture initiatives or trading contracts, there is recognition that the development of a viable community economic base is essential to self-reliance. Many companies and organisations are adopting innovative approaches that cover the spectrum from Indigenous business incubators to joint venture partnerships and the negotiation of long-term supply contracts.

As in many examples of innovation, success is often attributed to the extraordinary efforts of a handful of Indigenous and business sector individuals, small businesses and organisations. The role played by intermediaries such as Indigenous Business Australia and some business associations is also important to the realisation of mutual benefits in the business development process.

Some of the challenges include a lack of shared information around the country – what is working and why – the lack of long term commitment from Australian business to build partnerships; the difficulty and inflexibility in accessing government assistance; and uneven experience of corporate governance and business administration skills in Indigenous communities.
Strengthening Community Development

For Indigenous communities to benefit fully from business support, they need a base of good health, transport, access to finance and other elements of social and economic infrastructure. It is often essential to address these broader socio-economic issues from the outset for initiatives to be successful. Many companies understand this and support a range of community development and social programs that fall into the following categories:

- **People Development** – education scholarships, youth and community leadership programs, mentoring and skills network development, and heritage and culture sharing.

- **Community Infrastructure** – co-operative projects using Indigenous-owned land or resources: community housing construction programs for communities involving Indigenous trainees or apprentices; joint development of community infrastructure; and regional economic sustainability through contracting major social or infrastructure services to Indigenous delivery.

- **Health, Culture and Sport** – for example, community programs to train and attract medical staff; support for collaborative bodies such as the National Aboriginal Sports Corporation; and support for culture and the arts including funding for touring and promotion.

- **Environment** – including land remediation and support for communities that operate parcels of community owned land.

Among larger companies, some have come to the point of understanding that their assistance to Indigenous communities should be conducted in a holistic framework. A shift from “first generation” ways of working to “second generation” approaches is evidenced by a move from running programs external to the company to activities integrated into the company’s core values and needs. This includes assembling a range of economic and social considerations and transferring governance, control and the economic resource base to the Indigenous community or representative group, often with appropriate skills development.

There are also direct benefits for the small business community when community development opportunities, often carried out in cooperation with government and community support, build the community’s economic base. Such projects assist the development of basic community necessities – general stores, bakeries and the like – which remain absent in many Indigenous communities.

**Key findings: Achieving Mutual Benefits**

Many collaborative activities with Indigenous communities are costly but the long-term benefits generally outweigh the costs. Companies reported benefits such as access to new markets, positive internal effects on corporate cultures and values, access to reliable local labour markets, a ‘licence to operate’, and enhancement of corporate reputation and image.

The benefits identified for Indigenous communities include employment and economic development, improved community infrastructure development, the introduction of new business opportunities and alternatives to a ‘welfare future’. Where programs are established, the views of both the Indigenous and non-Indigenous communities had changed substantially, with greater awareness of cross-cultural issues and support for non-Indigenous business operations in and around their communities.
Nevertheless, reaching the stage of being confident of achieving successful outcomes is still a way off for the majority. Many companies simply do not know where to start. The major ‘lessons learned’ include not being afraid of making mistakes, building initiatives on negotiation and collaboration, and going beyond the enthusiasm of the project champions to embed the activities in the business. It is also important to get ‘runs on the board’ early so that the elements of success are better understood and to move quickly to build critical mass in numbers or size. Indigenous participants are looking for long term returns. When this is beyond the capacity of individual companies, some have turned to their supply chain and customers to urge them to bring their resources to this important responsibility.

There are also lessons for government: understand the commercial aspects of business involvement; less centralised control; more support for holistic community development; support for infrastructure development; and for government to see its role more as a “partner” than “purchaser.”

A Shared Goal

Reconciliation is about Indigenous people and a modern democracy – one where the rights of Indigenous people have been appropriately resolved with their consent and with the agreement of the nation.

The creation of a real economy for Indigenous communities is a shared goal for many seeking sustained improvement in the welfare of Indigenous Australians. Small, medium and large Australian businesses are all qualified to assist this process.

This Report

The findings of the review are reported as follows:

- Chapter One outlines the environment for business-Indigenous community collaboration in Australia and internationally. It also outlines the social, demographic and economic context in Australia for Indigenous people.
- Chapter Two presents the results from the national survey of companies on their experiences of and attitudes towards business-Indigenous collaboration.
- Chapter Three considers the building blocks that companies have developed to improve business-Indigenous collaboration: policy frameworks; management strategies; and organisational capability.
- Chapters Four, Five and Six consider the specific areas of collaboration and their associated challenges and achievements:
  - education, training and employment;
  - business development; and
  - social programs and community development.
- Chapter Seven brings together a discussion of the mutual benefits for business and Indigenous communities of collaborative activities, and the factors required for sustainable partnerships. It draws out some of the implications, including those concerning government and the public policy framework for collaborative activities with Indigenous peoples and communities.
CHAPTER 1
Addressing Indigenous Disadvantage –
the Role of Enterprise

SNAPSHOT

• The Australian Indigenous population is currently estimated at just over 420,000 and based predominantly in urban centres.

• Indigenous Australians experience levels of disadvantage in stark contrast to non-Indigenous Australians, most pronounced in the areas of health, education and training, employment, economic opportunity, housing, income and presence in courts and gaols.

• Assistance based on welfare provision and state and federal government programs has not reduced the many gaps in opportunity and disadvantage between Indigenous and non-Indigenous Australia.

• While the existence of profound disadvantage is indisputable, the role of governments, local communities, representative groups and business in reducing disadvantage are not clear-cut.

• New approaches to addressing disadvantage encourage greater Indigenous community control over shared community and economic futures, foster enterprise development and self-employment opportunities, broaden Indigenous leadership skills and reduce reliance on government support in communities.

• A consensus is emerging that approaches based on partnership between communities, governments, business and other stakeholders in Indigenous community development can deliver self-sufficiency to many disadvantaged Indigenous communities.

• The role of business is central in this new partnership. Based on business capabilities and commitments to corporate social responsibility, companies are recognising the mutual benefit of collaboration with Indigenous peoples.

• Experience in Canada, New Zealand and the United States provides evidence that indigenous community – business partnerships and business development can play a major role in indigenous community development. Recent reductions in national levels of disadvantage between indigenous and non-indigenous communities in these countries indicate the success of partnerships and economic development in engendering major social change.

• Small business development and the encouragement of Indigenous self employment is consistently lauded overseas as the most culturally and economically appropriate means of generating Indigenous community employment. In Australia as yet, this counts for only a very small contribution and hence presents a major opportunity for addressing indigenous community disadvantage.
Social and Economic Profile of Indigenous Australians

The Australian Indigenous population is currently estimated at just over 420,000 and based predominantly in urban centres. Over half of Indigenous Australians live in New South Wales and Queensland, but Indigenous Australians represent the greatest share of the population in the Northern Territory (27.7 per cent).

A strong consensus of opinion, backed by a wealth of statistical data, supports the conclusion that Australia’s Aboriginal and Torres Strait Islander people are the most disadvantaged group in the Australian Community. Indigenous disadvantage occurs in an environment characterised by Federal Government spending on Indigenous programs of approximately $2.2 billion (AUS$21,450 per Indigenous household) – in real terms, at its highest recorded level. Significantly poorer health and housing status and a much lower level of educational qualifications, income and economic development opportunities for Indigenous Australians present a social challenge to all Australians. While the existence of profound disadvantage is indisputable, the means of reducing disadvantage and the role of governments, local communities, representative groups and business in doing so, are not at all clear.

### Exhibit 1.1 Comparative Measures of Social and Economic Well-Being – Indigenous Australians

<table>
<thead>
<tr>
<th>Measure</th>
<th>Indigenous Australians</th>
<th>Other Australians</th>
<th>Comparison Ratio</th>
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<tr>
<td>Life expectancy at birth – Males (years):</td>
<td>56.9</td>
<td>75.2</td>
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<td>Life expectancy at birth – Females (years):</td>
<td>61.7</td>
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<td>Hospital admissions per 1,000 males</td>
<td>488.6</td>
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<tr>
<td>Hospital admissions per 1,000 females</td>
<td>572.8</td>
<td>296.5</td>
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<td>Prenatal mortality per 1,000 births</td>
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<td>9.7</td>
<td>2.24</td>
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<td>Hospital admissions for interpersonal violence per 100,000 females</td>
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<td>Imprisonment rate per 100,000 adults</td>
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<td>Care and protection orders per 1000 children aged 0–17 years</td>
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<td>Unemployment rate (%)</td>
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<td>9.0</td>
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<td>People in dwelling with 10 or more people (%)</td>
<td>6.63</td>
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<td>Year 12 retention rate (%)</td>
<td>32.1</td>
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<tr>
<td>Post secondary school qualifications (%)</td>
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<tr>
<td>Median weekly family income ($)</td>
<td>502</td>
<td>736</td>
<td>0.68</td>
</tr>
</tbody>
</table>

Source: Overcoming Disadvantage, Council for Aboriginal Reconciliation, 2000

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2 Australian Bureau of Statistics, 1996, Census. At the 1996 Census, 352,700 thousand people identified themselves as being of Aboriginal and Torres Strait Islander descent, growing at an average of 9 per cent annually.

3 Australian Bureau of Statistics, 1996, Census


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The Allen Consulting Group
The reasons for disadvantage are multi-layered and highly inter-dependent. They include historical factors such as dispossession of lands, recent inclusion in the mainstream economy, dependence on welfare support and the absence of basic infrastructure.

Disadvantage is most pronounced in the areas of:

- **Health** – While there has been recent improvement in a number of key Indigenous health indicators, Indigenous Australians still have a life expectancy approximately 18–19 years less than non-Indigenous Australians. Despite progress on many indicators, this gap is not closing. A combination of lower average socio-economic status, specific risk factors, social, cultural and other environmental factors lead to a far poorer health profile. Indigenous Australians are disproportionately affected by diabetes, circulatory and respiratory disorders, ear disease, eye disorders, cancer, urinary tract problems and physical injuries. Their hospital admission rates are almost twice those of the rest of the population.

- **Education** – The magnitude of the education and training disadvantage of young Indigenous Australians is considerable. Raising achievement levels has a long way to go. Indigenous students have markedly lower levels of achievement in all academic subjects. Of particular concern is their poor literacy achievement. The 1996 National School English Literacy Survey found that between 20 and 30 per cent of students in the Indigenous sample met reading standards and less than 30 per cent met writing standards. Indigenous students are much less likely to continue their education beyond the compulsory years. Only about 32 per cent of Indigenous students remain at school from the beginning of their secondary schooling to year 12, compared to about 73 per cent of non-Indigenous students in 1998.

- **Employment** – Indigenous Australians are less likely to be in the labour force, three times more likely to be unemployed if they are in the labour force, and more likely to be unemployed for a long period. More than half of all Aboriginal and Torres Strait Islander families do not include an employed adult. Indigenous Australians who have a job are more likely to be in low-skill and low-status jobs. Indigenous employees are disproportionately represented in agriculture and primary industry and noticeably under-represented in those industries requiring high skill levels and professional accreditation. A 1998 study by the Centre for Aboriginal Economic Policy Research suggests that 77,000 new jobs would need to be created before 2006 for Indigenous Australians to achieve employment parity with non-Indigenous Australians.

- **The Criminal Justice System** – Indigenous Australians remain grossly over-represented in the Australian criminal justice system. The Royal Commission into Aboriginal Deaths in Custody, concluded in 1991, found that Indigenous Australians do not die at a greater rate than other Australians but are more than 29 times likely to be imprisoned than other Australians. Recent criminal justice reforms in the Northern Territory, Western Australia and Queensland have further exacerbated the disproportionate presence of Indigenous people in Australia’s criminal justice system.

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Housing – Indigenous Australians live in more crowded conditions, with, on average, two more people per household than there are in non-Indigenous households and over twelve times the likelihood of more than one family sharing the house. The number of improvised dwellings among Indigenous Australians has fallen significantly in recent years, although they are still over ten times more likely than non-Indigenous Australians to live in such dwellings and one in forty dwellings housing Indigenous people were improvised (1996 census results).

Locality – For cultural, social and historical reasons, a much higher proportion of Indigenous Australians, compared to the total population, live outside the capital cities. Since 1971, and contrary to the migration patterns of other Australians, increasing numbers have been moving to metropolitan areas. To some extent, Indigenous Australians’ disadvantage reflects the more limited services and economic opportunities that exist outside the capital cities, but in terms of many socio-economic indicators their disadvantage is relatively greater in remote areas.

The Welfare Response

‘The bottom line is that the path of dominant government policy has delivered all it can. We should dedicate time and energy to ideas that rebuild Indigenous-controlled initiatives.’

Darren Godwell, Chief Executive, Lumbu Indigenous Community Foundation

Since the late 1960s, Federal and State Governments have enacted laws and sponsored specific assistance programs for Indigenous Australians. Attempts to address disadvantage have thus far focused on welfare and centralised government program planning. Legislation which has encouraged equal opportunity and equality, protected heritage, recognised Native Title and provided special assistance for Indigenous housing, legal aid, education and cultural development has also been enacted. Federal Government spending on Indigenous programs was over $2 billion per annum or $21,450 per Indigenous household in 1999.9

However, these changes and the increasing government assistance provided over the last 30 or so years to Indigenous communities, while showing some areas of significant improvement, have largely failed to address the underlying levels of disadvantage.

As the 2000 McClure Report found, the model of social welfare applied to Australians in need is premised on economic and social conditions that are becoming increasingly atypical of the reality of many welfare recipients’ lives.10 The report found that reliance on income support mechanisms is increasingly inappropriate in a society where long-term unemployment, lone parenthood and declining opportunities for unskilled labour are forcing many into dependency on the welfare system – with attendant social, economic and community consequences.

Many within the Indigenous community lament this dependency on welfare and the perceived causal link with social problems endemic in many Indigenous communities. This view has been put forward by Indigenous leaders, most notably Noel Pearson, and forms the impetus behind the creation of the Cape York Business Partnerships framework and other such initiatives aiming to restore leadership, responsibility and accountability to Indigenous communities. Pearson and others argue that successive government policies have fostered growing dependence on government funding.

Many communities, Indigenous organisations and regions are taking on the challenge of breaking dependence on welfare. In communities such as the remote North of Arnhem Land, in organisations such as the National Indigenous Development Alliance and Lumbu Indigenous Community Foundation, in regions such as Cape York and Moree and in businesses such as the First Nations Advantage Credit Union and Balarnji designs Indigenous Australians are changing that reality for themselves.

‘The People of the [Cape York] Peninsula must decide to take the opportunity for change or continue as things are. If we want to return to the principles of the old culture where people are respected, where there is law, health, happiness and safety in our environment, then we are the ones who must take control and exercise our rights and our responsibilities.’

Balkanu Cape York Development Corporation

Addressing Disadvantage

Partnerships

Across the spectrum of Indigenous communities, governments, business and other agencies, constructive partnerships are seen as a key path forward in addressing Indigenous community disadvantage. The Council for Aboriginal Reconciliation included partnerships as a central part of its strategy for achieving social and economic equity for Aboriginal and Torres Strait Islander people.11 (This emphasis has been retained by the Council’s successor Reconciliation Australia, as a key part of its Strategic Plan 2001–2003.) A key plank of the Council’s approach was the National Strategy for Economic Independence. Through access to resources and employment, skills development and the development of effective business practices, the Strategy seeks the same levels of economic independence for Aboriginal and Torres Strait Islander communities as those in the wider Australian community.

Private business has played a role for many years in fostering training and direct employment for Indigenous Australians. However, given the regional and remote nature of Indigenous communities, the cultural requirements of community lifestyles and the necessity of building self-sufficiency, Australian business can do more.

Private sector partnerships, with groups such as Indigenous Business Australia (formerly the Aboriginal and Torres Strait Islander Commercial Development Corporation) and with Indigenous business and communities offer increased self-sufficiency to communities.

Government is increasingly shifting its focus from welfare to engagement with community and business partners. The Council of Australian Governments' November 2000 meeting on Aboriginal Reconciliation launched a renewed focus on Indigenous community leadership development and greater economic development—forged through stronger links between the business sector and Indigenous communities.

Australian business is able to play a role in fostering that development and assisting with skills, capital and know-how. Through the transfer of skills, provision of venture capital, employment creation, support for Indigenous enterprise development and involvement in community building activities, business can make unique contributions.

‘While the percentage of all the Indigenous population in need is indeed high, a significant number of our people do not access welfare or support programs. They are part of the broader economy of this country.’

Joseph Elu, Chairman, Indigenous Business Australia, and Board member, Reconciliation Australia

Reconciliation Australia points out that endemic disadvantage can only be overcome where Indigenous Australians are given greater control over their economic futures. Pointing to a number of successful Indigenous-business partnerships and joint ventures, they have found that where such enterprises have taken over delivery of services, they have often engendered new economic opportunities for Indigenous people of the region.12

Fostering Indigenous Leadership

Community leadership is a necessity in building Indigenous community self-sufficiency. Initiatives such as the Australian Indigenous Leadership Centre/Citigroup partnership at the Australian Institute of Aboriginal and Torres Strait Islander Studies recognise the importance of encouraging leadership skills in the community. Business has a key role in building skills in corporate governance, business administration and management to facilitate successful and viable business in Indigenous communities.

‘There is a strong desire among community leaders and members to take control of their communities’ ventures, with a belief that this will lead to control of their futures. There is a strong desire to create jobs in communities so that young people will have a reason to come home to their traditional lands and create a sense of hope there. There is recognition among business and community leaders that existing community funding arrangements will not last and that if communities are to survive they must establish their own means of support through enterprise. There is enthusiasm, particularly in remote communities, about the opportunities that business can provide—to the individual, as well as to the community. Successful business operators see themselves—and are seen as—positive role models for younger community members.’

Flamsteed, K. Enterprising Culture.13

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Indigenous Self-Employment

‘Participation in paid employment is a major source of self-esteem. Without it, people can fail to develop, or become disengaged from employment, family and community networks. This can lead to physical and psychological ill health and reduced life opportunities for parents and their children.’

Participation Support For A More Equitable Society (The McClure Report)

While the promotion of self-employment is seen as a realistic option to boost Indigenous employment, at present, self-employment plays a minor role in promoting economic independence among the Indigenous population. A July 1998 discussion paper on Indigenous self-employment, estimated that just 2.7 per cent of Australian Indigenous workers are self-employed. In comparison with other workers, however, Indigenous self-employed receive on average $2,027 more income from government payments and about $4,400 more employment income. Males are almost twice as likely to be self-employed as Indigenous females, with self-employed people concentrated in older age groups – 15 to 24 year olds being significantly less likely to set up a business.

New Zealand has been far more successful in the promotion of Indigenous self-employment with Maori people over twice as likely to be self-employed than Indigenous Australians.

Indigenous Employment In Private Business

‘We accept we are in a white fella's world. We can’t leave this land so we see business opportunities as a way of giving people purpose. We are breaking the cycle of welfare dependency for the first time in three generations.’

W. Smythe, Chairwoman, Gumala Enterprises

A focus on greater partnership does not diminish the responsibility of the Australian business community to increase Indigenous employment in private, non-Indigenous businesses.

In 1991, private sector jobs accounted for 42 per cent of all Indigenous jobs as opposed to 70 per cent for non-Indigenous Australians. Most private sector jobs are found in urban areas, with rural areas accounting for 31 per cent of the Indigenous population but only 18 per cent of employment. Indigenous employees are over-represented in agriculture and primary industry and noticeably under-represented in service industries and those requiring high skill levels and professional accreditation.

The greater representation of Indigenous Australians in rural and regional Australia limits Indigenous participation in business. The major share of new business activity and growth in private sector employment continues to occur in urban centres.
Business with Communities

‘... while private and public sector companies employers need to develop more culturally and community sensitive approaches to developing and delivering tangible outcomes to Indigenous people at the local community level, Indigenous communities need to develop a more business like approach to working in partnership with public and private sector employers.’

Grant Sarra, Divisional Manager Indigenous Affairs, Pasminco Ltd

In response to earlier failures and to the need to sustain Indigenous community support and avoid the dangers of dependence on welfare or major external funding, a number of Australian businesses have adopted approaches based upon collaborations with communities.

Benefits are several: company profits are distributed to the community, business skills and sustainable enterprises are developed and Indigenous business owners act as role models within local communities.

International Comparisons

‘While overseas experience shows a developing relationship between indigenous people and the private sector, the Australian scene has been somewhat different. Apart from a few exceptions, the private sector is a relatively new entrant in Indigenous affairs, although as I have stated, Native title has proven to be the major stimulus for a more rapid interaction in recent times.’

Joseph Elu, Chairman, Aboriginal and Torres Strait Islander Commercial Development Corporation

While Indigenous Australians share many historical similarities with the indigenous people of other dispossessed first nations, recent and major improvements in indigenous welfare in countries such New Zealand, Canada and the United States are not matched among Indigenous Australians. For example, Australia’s static, and in some aspects, widening gap between Indigenous and non-Indigenous life expectancy is in contrast to significant improvements in the US, New Zealand and Canada where the gap between indigenous and non-indigenous life expectancies has narrowed to three to four, five to six and seven years respectively.\(^\text{18}\)

There are many differences in these countries, such as the existence of compacts or treaties, homogeneity and cohesiveness of indigenous groups, compensation and reparation payments, historic treatment and acknowledgement of culture and relative population demographics. All these factors play a significant role in indigenous relations.

Despite these differences, however, very similar problems and, increasingly, solutions emerge in these countries. The themes of self-employment and indigenous enterprise development, self-management and a focus on training and employment are central to development in these countries.

18 Ring, I. The Australian, May 13, 2001, Wanted: A Proper Treaty and Humane Policy
‘In the United States and Canada, connecting poor people in indigenous communities with the financial mainstream is a key plank of government policy, as are the provision of funds for financial education and tax incentives to promote savings. We are yet to come to grips with these concepts in Australia.’

ANU, Centre for Aboriginal Economic Research

The role of business, including both partnerships with non-Indigenous business and increasingly indigenous business development is a central theme.

Initiatives by The New Zealand Ministry of Maori Development are fostering large increases in Maori self-employment and small business. The creation of economic assistance zones around Indigenous communities, the encouragement of Indigenous Development Accounts to assist saving and investment and substantial private credit and financial services initiatives to develop business growth in the United States and Canada, are all reducing disadvantage in these communities.

The Harvard Project on American Indian Development (Exhibit 1.2) demonstrates some of the broad themes running through approaches to Indigenous business development internationally.

EXHIBIT 1.2 AMERICAN INDIAN DEVELOPMENT

Studies carried out by the Harvard Project on American Indian Development have found the following factors key to successful economic development:

**Sovereignty Matters.** When tribes make their own decisions about what approaches to take and what resources to develop, they consistently out-perform non-tribal decision makers. Because tribes bear the consequences of their governments’ decision-making – whereas federal agencies, non-tribal developers, state governments and other outsiders do not – tribes that make their own development decisions do better. Harvard Project research on topics as diverse as timber operations and Indian Health Service programs prove the point.

**Institutions Matter.** Harvard Project research shows that successful tribal governments share a few core institutional attributes. They settle disputes fairly, separate the functions of elected representation and business management, and successfully implement tribal policies that advance tribal strategic goals. Fair dispute resolution is essential to the accumulation of human capital, physical infrastructure and investment finance because it sends a signal to investors of all kinds that their contributions will not be used inappropriately or taken over unfairly. Separating business and government is critical because many Indian businesses are government-owned. Finally, effective administration is a feature of successful tribes because, without it, legitimacy deteriorates and sovereignty is eroded as opportunities go untapped or other powers fill the vacuum left by weak tribal government.

**Culture Matters.** Not long ago, the federal government espoused the argument that acculturation was a means to development. Indians, they argued, would develop as soon as they shed their “Indian-ness.” Research by the Harvard Project finds exactly the opposite: Indian culture is a resource that strengthens tribal government and has concrete impacts upon such bottom line results as forest productivity and housing quality. Not only does culture provide important institutional resources, but a match between institutions of government and culture also matters to success.

Source: Harvard Project on American Indian development

Many initiatives, particularly in North America, have targeted financial services as an intermediary and facilitator between mainstream economic markets and marginalised Indigenous communities. First Nations Bank in Canada opened in 1997 as a partnership between the Toronto-Dominion Bank and the Saskatchewan people, the result of 15 years of development and planning with the Saskatchewan Indian Equity Foundation.

‘Our survival lies in economic development in our communities. This is the beginning of that reality.’

Chief Harry Neapetung, Saskatchewan Yellowquill Peoples

Growth in self-employment is also a core focus of international programs, including the already mentioned work undertaken by the Ministry of Maori Development and Aboriginal Business Canada.

**EXHIBIT 1.3 DEVELOPMENT OF ABORIGINAL ENTREPRENEURS IN CANADA**

- The number of Aboriginal self-employed is growing at a rate more than double the national average.
- While well established in primary and traditional industries, increasingly growth is driven by ‘knowledge-based’ endeavours.
- Aboriginal self-employed women show the greatest growth - over twice the national average.
- Predominant industries include – primary sector, recreation and personal services, construction and wholesale and retail trade.
- The creation of 12,710 new Aboriginal business (1981–1996) has added 48,502 new jobs of which 30,444 or 63 per cent are Aboriginal jobs.
- 1 in 4 new Aboriginal jobs are attributable to the rise in Aboriginal self-employment.
- Aboriginal youth are more likely to be self-employed than all Canadian youth.
- Nineteen per cent of Aboriginal businesses are involved in export, compared with 4 per cent for the population as a whole.

Source: Aboriginal Business Canada

Examples of close private and public sector collaboration with Indigenous communities are also widespread. A 1995 study of Indigenous-business community relations in Canada identified the growing trend toward Canadian business going ‘above and beyond’ regulatory and legislative requirements and realising mutual benefits from deeper engagement with Canada’s Indigenous peoples. To encourage greater business participation, the Canadian Centre for Business in the Community has identified ten critical success factors for business-Aboriginal community collaboration, set out in Exhibit 1.4 below.

**EXHIBIT 1.4 10 CRITICAL SUCCESS FACTORS FOR CORPORATE – ABORIGINAL RELATIONS**

1. Develop an Aboriginal relations strategy that reconciles the company's business objectives with Aboriginal needs, expectations and values.
2. Establish trust and a respectful relationship with Aboriginal communities and individuals.
3. Get Aboriginal communities involved in developing and implementing the corporate Aboriginal relations strategy.
4. Inform company employees of the business rationale of building mutually beneficial relationships with Aboriginal communities and individuals.
5. Incorporate Aboriginal initiatives, business partnerships, employment, community involvement and cultural awareness into the company's business plan.
6. Evaluate Aboriginal community needs and expectations and how the company's core competencies can be used to address needs.
7. Recognise and respect differences between First Nations based on their history, culture and unique circumstances.
8. Help develop the skills of Aboriginal people through employment, training, internship programs and mentoring.

Source: The Canadian Centre for Business in the Community

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Barriers to Overcome

In its final report, Reconciliation: Australia’s Challenge, the Council for Aboriginal Reconciliation explicitly recognised the need to forge greater links between the business sector and Aboriginal and Torres Strait Islander Communities. The role of forging links is being continued by Reconciliation Australia through its corporate partnerships program.

While the imperative to address Indigenous disadvantage is overwhelming to those involved directly with Indigenous communities, the Council found that almost half the Australian population believe that Indigenous Australians are not disadvantaged. The Council found that Indigenous Australians still face prejudice “when trying to rent a home, find a job, hire a taxi, get service in shops and banks and when doing the simple everyday things that Australians take for granted”. Prejudice is one of the most important and difficult barriers to overcome before Indigenous Australians will be recognised as an integral part of the Australian business community.

The Canadian business community has recognised many similar challenges involved in forging sustainable Indigenous community – business partnerships. A CEO forum in Canada in 1999 identified the following challenges and potential business responses.

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Responses</th>
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<tr>
<td>Lack of mutual trust</td>
<td>Build trust</td>
</tr>
<tr>
<td>Cultural differences</td>
<td>Respect cultural differences</td>
</tr>
<tr>
<td>Misunderstandings</td>
<td>Maintain open, frank communications</td>
</tr>
<tr>
<td>Lack of leadership</td>
<td>Have the CEO’s full support for the partnership; engage the Aboriginal leadership</td>
</tr>
<tr>
<td>Large investment</td>
<td>Ensure that the development is sustainable</td>
</tr>
<tr>
<td>Unrealistic expectations</td>
<td>Enter into a long-term agreement, with access to capital and equity on the reserve beyond the five year period</td>
</tr>
<tr>
<td>Lack of follow-up</td>
<td>Provide mentoring to the Aboriginal partners; contribute to business capacity building</td>
</tr>
</tbody>
</table>

Source: The Conference Board of Canada, highlights from the workshop discussions at the CEO Forum held in Ottawa, November 17, 1999.

In summary, Indigenous Australians experience levels of disadvantage in stark contrast to non-Indigenous Australians. This is particularly so in the areas of health, education and training, employment and economic opportunity, housing, income and representation in the criminal justice system. Experiences in Canada, New Zealand and the United States illustrate that strategies around business partnerships and economic development can engender major structural change and improve the economic and social circumstances of Indigenous peoples and communities. Developing sustainable business-Indigenous community collaboration in the Australian context is one approach to achieving similar progress.

21 The Council for Aboriginal Reconciliation, 2000, Reconciliation: Australia’s Challenge
CHAPTER 2

Business-Indigenous Community Collaboration in Australia

SNAPSHOT

- Australian Business is experiencing a transition in community expectations of its social role. Large and medium sized businesses are generating new levels of community involvement and strategic engagement with stakeholders. Collaboration with Indigenous peoples and communities is one important strand of this business activity for a small number of companies.
- The unique location, heritage, culture and disadvantage in many Indigenous communities have resulted in a small proportion of Australian businesses, primarily in the resources sector, becoming deeply involved in partnerships, joint ventures, employment and community programs with Indigenous Australians.
- Where these programs are established, they represent a fundamental shift in relations between business and Indigenous communities and the development of world leading practice.
- These initiatives are characterised by a more holistic community focus, targeted at long term sustainability. They involve joint ventures, collaborative and integrated activities and have, as a primary focus, the transfer of skills and business capability to Indigenous individuals and communities.
- Corporate assistance is focused in the areas of education and training, employment creation and Indigenous community and enterprise development.
- Internal support for initiatives was usually very strong from both senior management and staff. Cross-cultural awareness, recognition of constraints and long term commitment to program objectives were key factors in successful programs.
- Increasingly, initiatives are conducted under agreed performance criteria and in consultation with the local community. Government involvement is seen as necessary but often too rigid in its application.
- Most corporations saw both positive benefits for the community and their business and felt that support for greater business-Indigenous community collaboration was strong both within their company and also within the community at large.
- However, a large proportion of Australian business does not support or engage with Indigenous communities except through other corporate community involvement initiatives.
Introduction

This Chapter discusses the results of the national survey of business-Indigenous community Collaboration. The survey was conducted February – March 2001 with a range of companies to gauge participation across geographical areas, company size and industry sectors. All BCA member companies were surveyed. As well, an additional 100 companies from the Business Review Weekly’s top 500 companies were surveyed, making a total sample size of 200 companies. (Appendix A outlines the parameters of the survey)

A Changing Social Role for Business

As context for discussing the dimensions and implications of business and Indigenous community collaboration, it is useful to understand the broad changes that are occurring in the way Australian business as a whole is conducting its non-market or social relations. Relationships between business, community and government that have long been taken for granted are being reshaped and this is transforming the social and economic character of business. The various labels used – ‘corporate social responsibility’; ‘corporate citizenship’ ‘sustainable development’ and ‘triple bottom line’ performance – all reflect a transformation in the role and responsibilities of business.

The changing environment for Australian business is multidimensional. There are heightening community expectations of business performance with a rising concern for ethics and social values. The size, operation and role of governments are transforming the balance of the ‘mutual interdependence’ that defines business and government relations. Australian business is now operating in a more deregulated and competitive environment and that status demands greater accountability for business as an institution in its own right in serving the public good. The pressures of global competitiveness are hastening corporate restructuring and, with the rise of the knowledge economy, greater value is being placed on a company’s intangible assets such as employee loyalty and reputation.

The level of community involvement and the extent of engagement with external stakeholders has become one window into the quality of a company’s social or non-market performance. Large companies, in particular, are increasingly expected to perform additional functions in the community over and above the way business has traditionally met its economic and social responsibilities - producing goods and services in a responsible manner. Many companies are seeking a better understanding of the needs of their external stakeholders in order to align their activities with expectations. Among their motives will be a continued ‘licence to operate’, an enhanced reputation, better community relations, improved employee morale or respect from customers.
These companies see a business case for exploring greater involvement with the community. While there are moral dimensions to their community role and companies talk about their social obligations to 'put back into the community', particularly to address disadvantage, the main impetus is business viability and sustainability.\textsuperscript{22} Active engagement with the community can become an integral and differentiating feature of a successful business strategy.

Business imperatives for community involvement ensure there is a strong emphasis on strategic planning, and ‘leverage’ of business skills and infrastructure. Involvement of employees and improved management is also emphasised. Consistent with the movement to the triple bottom line, the measurement and reporting of benefits is increasingly integral to business activity. New approaches to community relationships are being taken, based on partnerships with those in the not-for-profit or third sector, alliances and joint ventures with community bodies and the involvement of intermediary organisations.

Business engagement with Indigenous communities is one aspect of this greater concern to incorporate community involvement in business strategy. However, the unique location, heritage, culture and disadvantage in many Indigenous communities has meant that only a small proportion of Australian business, primarily in the resources sector, have become deeply involved in partnerships, joint ventures, employment and community programs with Indigenous Australians.

Where these programs are established, they represent a fundamental shift in business-Indigenous community partnerships. Indeed, the best in Australian business-Indigenous community collaboration is at the leading edge of corporate community involvement globally.

Profile of Survey Respondents

The response rate to the written survey, even with subsequent follow-up, was comparatively poor, with 49 responses from the 200 companies surveyed – a 25 per cent response rate. Subsequent telephone follow-up has confirmed that those with limited or no targeted involvement with Indigenous communities or organisations were unlikely to respond to the study.

Of those companies that did respond, about half indicated that they had no programs or activities related to Indigenous collaboration. As a consequence, the results discussed below are biased toward those large companies actively engaged in the support and development of Indigenous peoples and communities. Almost half of respondent companies with programs were from the resources sector, with another 20 per cent involved in wholesale/retail trade. Results have been clearly delineated between companies active in the area and those with no programs, policies or activities. In terms of industry representation, responses came from all industry sectors, but mainly from the resources, manufacturing and retail sectors, as illustrated in Exhibit 2.1 below.

\textsuperscript{22} For a full discussion of the dimensions, character and benefits of corporate community involvement in Australia see the Centre for Corporate Public Affairs, 2000, Corporate Community Involvement: Establishing the Business Case, (www.accpa.com.au).
Companies Without Targeted Indigenous Activities

There were a variety of reasons given by companies for not undertaking Indigenous activities. In many cases, this was explained by companies’ existing partnerships with other community organisations or their focus on broader community activities such as education, environment, health or sport. Although not directly targeted to Indigenous people or communities, many of these broader corporate community activities have benefits for Indigenous people based upon their needs rather than their status as Indigenous people.

‘We conduct community development and support initiatives across a wide spread of programs, staff involvement and assistance. Indigenous people are only supported in so far as they are members of a particular region or group we support.’

Survey Respondent, Utilities Industry

Other factors cited by those without dedicated Indigenous community initiatives are summarised in Exhibit 2.2 below. These include a belief that such activities would not be appropriate for the company, and a lack of knowledge and skills for undertaking such activities – essentially, not knowing where to start or who to approach.

Where Indigenous communities are not an established ‘stakeholder group’ for a company there is no accumulated knowledge to draw on nor any perceived direct benefit to be gained from deeper engagement. This is perhaps an unintended consequence of companies adopting an increasingly strategic approach to their community activities. As companies develop a business rationale for committing additional resources to assist different social groups in the community, they tend to confine their activity to those areas they think are relevant to their business – education of local young people for the banking sector, environmental improvement for manufacturing, community health for the insurance sector and so on.
Many companies also monitor broader community attitudes and seek to be aligned with community expectations. If concern for Indigenous communities is not perceived as a prime community concern or a concern of a company's stakeholders it is less likely that business will embrace that concern. While surveys conducted for the Council for Aboriginal Reconciliation show that 81 per cent of Australians believe that reconciliation is an important issue, when compared to other immediate community concerns, it sometimes ranks poorly.

**EXHIBIT 2.2 RATIONALE FOR NOT UNDERTAKING INDIGENOUS COMMUNITY INITIATIVES**

- Inconsistency with corporate community involvement priorities/strategies.
- The location of at risk Indigenous communities in regional and remote Australia was inappropriate for largely metropolitan operations.
- Inappropriate for our company/industry to involve ourselves directly in Indigenous communities.
- A lack of understanding, cultural knowledge and skills in working with Indigenous communities.
- Difficulties in identifying, engaging and cooperating with dispersed and remote communities.
- A focus on global community support rather than domestic programs in each country of operation.
- Unable to see the same level of mutual benefit we get with programs targeted at our core constituents.
- Early failure makes it difficult to introduce Indigenous assistance back to the corporate agenda.
- A belief that government is better equipped and suited to Indigenous community support.


Some companies and individuals are of course leaders rather than followers in shaping community attitudes. As they are seen to gain advantage from new approaches to the community, others also see opportunities and change their practices. Business is in a position to take a leading role in improving the circumstances of our Indigenous peoples and, in time, business benefits will flow to those who do. The challenge is to understand the current reasons for not being engaged with this area and for community groups, government and business to work to address those concerns.

For the remainder of this Chapter, the analysis focuses on those companies with targeted Indigenous community or employee support programs. The results are presented as a proportion of the 'active' respondents.

**Policies, Strategies and Activities**

Around 60 per cent of respondents who undertake or support activities involving Indigenous employees or communities, do so under a formal Indigenous affairs or Indigenous partnership policy or program.

The most common rationales offered for actively supporting Indigenous employees or programs were to improve community relationships, enhance the corporation's reputation and develop local skills (see Exhibit 2.3 below). A number of corporations also noted the positive internal effects that Indigenous community involvement can have on corporate cultures and values. Many respondents build on these benefits by developing cultural awareness training programs. Other important drivers included broad philanthropic support for social or employment goals.
Training and education was the major focus of Indigenous community programs carried out by survey participants, with almost 90 per cent supporting some form of skills development. Support for Indigenous community and enterprise development was also strong – mirroring a shift throughout those surveyed toward active development of capacities rather than ‘arms length’ philanthropic support. Culture, heritage, environment and sport also continue to play a significant role in Indigenous community support (see Exhibit 2.4 below). Other areas of support include the arts and social programs.
Echoing the focus on enterprise and capacity building, the majority of respondents favour direct involvement in the funding and management of community programs. Corporations are over three times more likely to support corporate - Indigenous community co-operative programs than they are to donate to third party Indigenous groups, events or programs (see Exhibit 2.5 below.)

Respondent companies also demonstrated a preference for consultation with participants and their representatives and Indigenous representative organisations – such as ATSIC or community corporations. About half of all companies involved government or their own employees, with local community representatives and other non-Indigenous business playing a smaller, though sometimes significant role. (see Exhibit 2.6 below).
Experiences and Perceptions

A summary of companies’ experiences and perceptions of their involvement in Indigenous activities is given in Exhibit 2.7. The main points are discussed below.

Internal company support for Indigenous initiatives

Of those corporations with established Indigenous community programs, most felt that senior executive support was very strong and that the level of resources - both staff and financial - were important and sufficient to support the programs under way. Many cited the importance of a strong champion, either in the community or within the business, who could win support from all parties and drive agreements through.

By applying the same expectations - capability, commercial viability and competitiveness - to Indigenous programs, many are seeing substantial changes of attitude within their business with regard to the commercial abilities of Indigenous people.

Ambivalence about role of the public sector

Respondents were equivocal about the contribution of State and Federal Government and the amount of information and support available to business and the Indigenous community from government programs. Many with developed programs, particularly in the resources sector, expressed strong reservations about government involvement, citing structural rigidity and a ‘one program fits all’ approach as major obstacles. That said, most acknowledge the essential role for government in building basic education and life skills and in developing community infrastructure support.

Formal agreements and performance measures favoured

Most respondents agreed that Indigenous-business initiatives usually work to a written agreement or contract with participants and most formally evaluate initiatives against agreed performance measures.

Benefits and costs of Indigenous community consultation

There are signs of both real problems and encouraging trends in consultations between business and Indigenous communities. Many corporations’ initial experiences with Indigenous community collaboration are characterised by a deep-seated lack of trust, highly political Indigenous relationships and profound cultural differences. Differences on both sides of the negotiating table arise from the relative infancy of strong business-Indigenous community links. However, for many businesses, perceptions that Indigenous communities are seeking a ‘handout’ have disappeared in the face of increasing demands from Indigenous communities for business to enter into meaningful negotiations and move away from ‘chequebook’ involvement.

Community consultation plays an important role in the planning and delivery of Indigenous programs, with participant feedback seen to be crucial in the conduct, evaluation and review of programs. Companies also combined with Indigenous or non-Indigenous organisations, such as ATSIC and Indigenous Business Australia, to forge closer relationships with communities. While an understanding of Indigenous community needs was seen as essential to program success, many initiatives were still being run without strong consultation with Indigenous communities.
A foundation of cultural awareness essential

The ability to recognise culturally specific factors in project planning was universally supported as important in planning and implementing community initiatives. Respondents felt that a realistic understanding of the constraints and limitations operating upon the corporation was a key factor. Many corporations also cited major internal obstacles, such as a lack of cultural awareness, fears of ‘paternalistic’ behaviour and a lack of internal capabilities as major barriers to successful collaboration.

Persistence, patience and a long-term commitment to positive outcomes were seen as requirements. So too was the empowerment of participants and communities to manage programs and enterprises according to their own needs and community obligations. There was recognition that without a flexible long-term commitment to community development, many programs have had little long-term effect on community wellbeing, and may indeed have contributed to greater mistrust and misunderstanding between business and Indigenous communities.

Employment, education and skill development a priority

Lack of business experience and low levels of education within Indigenous communities present the largest barriers to successful business-Indigenous community collaboration. Consequently, skills transfer and working toward employment outcomes were supported as important, and often essential, factors in successful business-Indigenous community collaboration. Involvement of company employees in the community was also strongly supported. There was widespread recognition of the mutual benefit of cultural awareness and enhanced relationships for ultimately greater business and community success.

Community development problematic for some

While support for personal development initiatives (education, employment and training) was very high, respondents were equivocal about investing directly in the development of local infrastructure. This conflicts with the belief supported by over two thirds of respondents that a lack of community infrastructure is a barrier to more successful collaboration. While it is not always clear why respondents equivocate on this issue, some at least see community infrastructure, (such as health centres, community and civic works) as beyond the scope of corporate responsibility and in the domain of government or community investment.

Perspective on Native Title

Land ownership and native title issues, while important issues for some, were not seen as a major barrier to greater collaboration. In fact, many companies noted that they had developed constructive programs with local communities, while at the same time conducting difficult and sometimes divisive negotiations over Native Title Claims.
Mutual benefits

Most corporations who were involved in initiatives saw broad benefits from Indigenous collaboration, including:

- enhanced access to land and resources
- reduction in employment and business costs
- establishment of a strong local economic and employment base
- enhanced community, government and other stakeholder relationships
- cultural understanding and social awareness
- benefits for the company’s reputation and
- employee motivational benefits

Most encouraging was the strong support for the proposition that business-Indigenous community involvement has provided a positive return for the corporation and a sustainable contribution to Indigenous community and business development. Most also felt that support for greater business-Indigenous collaboration was strong both within their company and also within the community at large. Exhibit 2.7 provides a summary of attitudes and perceptions.

| Senior executive support for indigenous collaboration within my company is usually very strong. |
| The company allocates sufficient budget for the development of indigenous programs and collaborative ventures. |
| Most corporate indigenous programs involve a substantial contribution from State/Federal Government. |
| Information on government programs to assist indigenous communities is readily available. |
| Most indigenous community programs involve the negotiation of a written agreement or contract. |
| Indigenous community programs are formally evaluated against agreed performance measures. |
| Indigenous community or participant views are regularly sought as part of community support programs. |
| Formal indigenous community consultation mechanisms or forums are regularly used. |
| The involvement of local staff in planning and delivery of indigenous programs is essential. |
| Investment in local infrastructure is a regular component of company indigenous community programs. |
| A recognition of cultural factors is a key ingredient in the delivery of successful indigenous community programs. |
| Skills transfer is an key ingredient in the delivery of successful indigenous programs. |
| Levels of business know-how in indigenous communities is a major barrier to more effective cooperation. |
| A lack of basic infrastructure to support indigenous communities is a major barrier to more effective cooperation. |
| Land ownership/native title issues are a major barrier to more effective cooperation. |
| It is easier to negotiate directly with local communities than with representative groups. |
| Involvement in indigenous programs has provided a positive return for the company. |
| Company support has provided a sustainable contribution to Indigenous community or business development. |
| Greater business - Indigenous community co-operation is supported within the company. |
| Greater business - Indigenous community co-operation is supported within the community. |

Future Activities

Looking forward, most corporations predict little change in their collaboration with Indigenous communities. However, they emphasise their continued commitment to relationship development, flexibility and inclusiveness in program delivery and to the search for mutually beneficial and, most importantly, sustainable outcomes. As programs develop, however, companies are aware that community needs change – typically moving toward greater independence and a reliance on commercial agreements.

Of those without Indigenous relationship initiatives, just under half are looking toward the development of their relationships and involvement with Indigenous communities in the future.

Indigenous Community Experience in Collaborative Activities

Indigenous Australians generally support an enhanced role for business in Indigenous communities – primarily through providing training and employment opportunities, but also in the establishment of Indigenous business enterprises.

The following themes emerge from a combination of consultations with Indigenous leaders and representative groups and focus group research with Indigenous communities undertaken by Cultural Perspectives.

Competing for real jobs is the main goal

‘Aboriginal people want to work and be trained and be competitive in the marketplace.’

Indigenous community focus group participant, Redfern

The consultations concluded that Indigenous Australians deplore the ongoing tokenism in the provision of training programs and short-term community development initiatives. They seek greater engagement in the mainstream workforce but see a number of obstacles, including a lack of cultural awareness, negative stereotyping, racism and a belief that Indigenous employees are unfit for the responsibility of senior management roles.

Skill development is a long-term process

Particularly in the metropolitan area, there is a desire for an improved long-term commitment to training and employment programs from the private sector. Skill development needs to be a long-term process of support and training rather than a short-term program with undefined outcomes.

‘They have to follow through on their promises’

Indigenous community focus group participant, Redfern

Many felt that the talent of their young people is unrecognised and wasted. They identified an urgent need for training and employment programs for young people. A focus on the needs of young people would be welcomed by all the community.
Accept working within different cultural parameters
Private non-Indigenous business needs to be aware of and sensitive to cultural differences that translate into different models of employment or business generation. Private sector partners need to be willing to work within these differences. Staff who work with Indigenous communities are valued when:

‘They never push ideas on to people and really listen well to Aboriginals – what we need and want to happen.’

Indigenous community focus group participant, the Pilbara

Non-Indigenous business should ‘go public’ on their involvement
For business to publicly acknowledge and advertise joint ventures or programs is one powerful way of combating negative stereotypes that translate on the ground into high unemployment, limited training and restricted educational opportunities.

Support and assist communities as well as individuals
While many programs focus on the skills and employment needs of individuals there is a real desire to ensure private sector initiatives also take a community’s perspective into account. This applies in metropolitan as well as regional and rural locations. Consulting with communities is an important way of establishing whether the community supports an activity and it sets the foundations for shared ownership. Participants feel that the success of an activity should similarly be assessed by how well it helps to sustain communities as well as being of benefit for individuals.

‘Mature’ programs focus on ‘getting the programs right’ not so much on the processes.
It is a measure of the maturity of business and Indigenous community collaborative activities that some are now able to focus very tightly on the programs and outcomes rather than on how they are going to operate the programs. Speaking of Hamersley Iron in the Pilbara, an Indigenous community participant said,

‘The mechanics are not such an issue any more, we want to work out good programs for our people.’

Indigenous community focus group participant, the Pilbara

There is the sense that ‘realistically the mine is here to stay’. Both business and Indigenous communities have moved on from land and access negotiations to the creation of joint ventures that will mutually benefit both parties.

Again, the benefits are seen to flow to the community as well as to individuals. Participants in these more mature programs have become open to partnerships and joint ventures and believe that they can work both for the community and for individuals.
CHAPTER 3
Building Commitment

SNAPSHOT

- The transformation of relations between business and Indigenous people is already significant but far from adequate or complete.
- Based on the projects case study material as well as the results of the national survey, this chapter looks at the building blocks a company needs to effectively generate initiatives that will improve relations between business and Indigenous communities and bring mutual benefits.

Policies and Commitments

- Around 60 per cent of survey respondents who conduct programs or activities indicated that some aspect of a policy framework supported their Indigenous programs.
- Resource companies form the majority with formal company policies for Indigenous relations.
- Significant policy and commitment features of companies include:
  - embedding Indigenous community initiatives in company management systems and operating procedures so that the Indigenous policy and programs are not an isolated strategy but sustainable for the company in the long term;
  - clearly stated responsibilities and accountabilities for implementing the policy; and
  - value frameworks and management approaches that require all business units to comply with corporate responsibility requirements.

Ways of Working: Processes of Engagement

- The integrity of the processes for initiating and sustaining company-led activities with Indigenous communities is a key to success. Indigenous leaders are asking for a communication framework where Indigenous people take their place at the table as equals.
- Companies now see that there is far more to be gained from adopting a strategic approach to community involvement than from holding on to the older practices of top-down handouts or paternalistic relationships.
- Best-practice ways to engage communities and conduct activities involve: researching community needs, ensuring ‘ownership’ of an issue and solutions remain with the community, and establishing mutual trust and respect.
- Some structural preconditions that facilitate effective Indigenous relations include: building networks; establishing representative management bodies; establishing tangible goals; and ensuring management accountability.

Operational Capability

- Best-practice companies employ staff in their community relations or Indigenous relations area with specialised skills to ensure that effective outcomes are achieved.
Introduction

Many businesses not yet engaged with Indigenous communities have signalled their intentions to initiate activities in the future and are seeking a greater understanding of how they might move forward. Many Indigenous communities and groups are also considering how they might more effectively interact with Australian business to advance economic and social outcomes for their people. On the whole, there is a cautious optimism that progress can be made through cooperative endeavours between business and Indigenous people.

Taking action for most companies has required basic structural and procedural matters to be in place before significant progress could be made. Based on the study’s case study material as well as survey results, the following discussion looks at the building blocks that a company needs to effectively generate initiatives that will improve relations between business and Indigenous communities and bring mutual benefits.

There are three core areas to ‘building commitment’:

- developing a policy framework;
- developing a management strategy for engaging with people and understanding communities; and
- building organisational capability to conduct successful initiatives with Indigenous communities.

Policies and Commitments

A corporate policy is a conventional strategic management tool that signals to internal and external audiences a high level commitment to standards of behaviour important to the business. A policy statement in business is not developed lightly. It will most likely be generated at a high level and agreed to by the Board. It sets the parameters for what can be expected from a company and serves as a framework for internal responsibilities and accountabilities. It also conveys a longer-term commitment and a sense of the importance of an area to the on-going benefit of the business.

For all these reasons it is significant that a number of companies now have policies that define their behaviour in Indigenous relations. Around 60 per cent of survey respondents conducting programs or activities indicated that some aspect of a policy framework supported their Indigenous programs. Understandably, it is the more mature programs, mostly in the resource sector, that are underpinned by policies or other high level statements of purpose but there are examples of companies in other sectors that have also formalised their values and intentions for their relations with Indigenous people.

Resource companies form the majority of businesses with formal company policies for Indigenous relations. Most of their policy statements are similar in the terrain they cover as they spell out principles and commitments that arise from the context of negotiations with Native Title claimants. The policies also cover a similar range of dimensions, such as a commitment to cultural awareness, and support for education, training, employment and business development.
Companies do vary, however, in a number of respects, such as locating their policies in company specific values frameworks (for example, a commitment to high quality community relations or openness), and they stress different aspects of policy. Some policy statements are more concrete and imply specific actions while others are at a higher level of abstraction and are supported by other statements of proposed action.

Explanatory statements from industry leaders in resource sector companies often accompany the release of a policy, with many CEOs taking the opportunity to personalise the company commitment. These statements mostly explain the link between improved relations with Indigenous communities and the long-term benefit for the business. Securing the community ‘licence to operate’ as well as the opportunity to make use of local human resources are the most frequently stated benefits. Some also acknowledge that improved Indigenous community relations is an essential part of the nation’s progress towards reconciliation and regret that past practices largely ignored the needs of Indigenous people and did not pass on benefits from development.

Policy statements from non-resource companies are often framed by a commitment to workforce diversity. These companies support the employment of Indigenous community and other disadvantaged groups in the community as a measure of social justice, as well as a way to ensure that employees are drawn from the full talent pool of the population.

Admittedly, some in the community express a degree of scepticism about the capacity of companies to deliver on the promises made in their ‘glossy’ promotional publications. A policy statement from a company is, however, at a deeper and more formal level of commitment. For that reason it is valuable to illustrate the content and emphasis of a number of policy commitments made by companies to guide relations with Indigenous people.

Australian Chamber of Commerce and Industry: competitive skills for indigenous Australians

The approach of the Australian Chamber of Commerce and Industry (ACCI) explicitly acknowledges that Indigenous Australians remain the most disadvantaged group in Australian society. Its policies and programs encourage employment, education, training and small business development to assist Indigenous Australians to move away from welfare dependency.

Based on the experience of over 10 years involvement in fostering increased Indigenous employment in the private sector, ACCI advocates support for an employment system that enables all Australians to be competitive in the employment market. This involves supporting initiatives that promote a sound general education, marketable skills and developing education and training systems which keep pace with the skill needs of business.
WMC Resources: consultation and cultural awareness

In the mid-1990s, WMC Resources developed and publicly released their Indigenous People's Policy. Their policy is a public statement of intent outlining what Indigenous communities can expect from the company. It also communicates to WMC employees the company’s expectations for their relationships with Indigenous communities.

The policy (Case Study 3.2) is located in their broader corporate policy framework where the company ‘strives for optimal bottom line, environment, safety and team performance’. A significant feature of WMC initiatives is that they strive to embed their initiatives in existing company management systems and operating procedures. Thus policy and programs for Indigenous peoples will be sustainable for the company in the long term. The policy statement is a clear statement of concrete intent, speaking to the relevant audiences about what they can expect of the company.

WMC Resources policy documentation

ACCI's Indigenous Policy is based on underpinning principles of a shared responsibility of all Australians to develop a responsive Australian employment, education and training system, which takes account of:

- the importance of Indigenous community leadership seeking genuine employment, education and training outcomes;
- a reduction in welfare dependency through mutual obligation and development of appropriate strategies to encourage employment in the general labour market;
- the recognition of the diverse location of Indigenous peoples in Australia, particularly in rural and remote communities;
- the considerable potential that Indigenous Australians have in contributing to the national economy; and
- the role business can play in offering more jobs to Indigenous job seekers.


CASE STUDY 3.1 AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY: PRINCIPLES OF POLICY

WMC is committed to developing relationships for mutual understanding and respect with the Indigenous peoples of the area in which we operate or propose to operate.

To fulfil this commitment, the Company will:

- Establish and maintain effective, positive and frequent communication with Indigenous groups.
- Recognise the desire of Indigenous peoples to fulfil their responsibilities within their traditional culture.
- Seek to identify all Indigenous interests in the area with which the Company is or intends to operate, define the basis for those interests whether derived from cultural traditions, historical association, occupation, social or economic need, and deal with those interests in accordance with the relevant government policy.
- Recognise and observe all state, provincial, and federal laws relevant to Indigenous community and cultural matters.
- Formulate and implement for appropriate Company personnel, an Indigenous awareness program, pertinent to the local situation, which will engender the appropriate understanding, sensitivity and respect towards the local Indigenous peoples.
- Wherever reasonable and appropriate, provide local Indigenous groups with the opportunity to participate directly or indirectly in employment opportunities.
- Taking into account local conditions, provide the opportunity for qualified local Indigenous businesses to tender for the supply of goods and services necessary for the Company’s local activities.

Source: WMC Resources policy documentation
For WMC, initiating the first programs in Indigenous relations was like 'walking into a fog'. There were no relevant models or approaches to follow nor a sense of how extensive initiatives should be. The company had to establish how it would operate in terms of its own commitments and philosophies. WMC see themselves as advanced in their wider community relations approaches and close to the local communities in which they operate. However, there was a perception that WMC's commitments were limited to Native Title claimants. Hence, an important objective for WMC in formulating their Indigenous policy was to ensure that all stakeholders were aware of their public commitments. The policy commitment was important as it indicated to a wide audience the directions WMC intended to follow into the future.

Woodside Energy Ltd: being accountable

Woodside’s $12 billion North West Shelf project, located on the Burrup Peninsula near the port of Dampier and the town of Karratha in Western Australia, is the company’s main operation. It is conducted with a range of joint venture partners.

The Burrup Peninsula along with other areas in the Shire of Roebourne is subject to a number of Native Title claims. To allow for North West Shelf future expansion, native title agreements were signed in 1998, after over 3 years of negotiation. This agreement included establishment of a heritage protocol, education, employment and training opportunities and a Foundation.

Signing the agreement, the Managing Director committed to a long-term effort to consolidate relationships and work with Indigenous people to build viable communities in the spirit of reconciliation. He placed great value on the lessons for business gained from the extended communication and negotiation among industry and regional Aboriginal communities. He acknowledged the past failures of industry to understand the needs of Indigenous people and to engage with them.

‘The goodwill and history in making this agreement brought to light many issues where we as a company had not done as much as we should have for the local Indigenous community. We are sorry for these past failures and seek your assistance in moving forward into a future of mutual sharing and understanding. Woodside has been here for twenty years, but we are still in the early days of our relationship. It will take some time, possibly many more years, before we can say that we are truly reconciled.’

Managing Director, Woodside Energy 1998

A distinguishing feature of the 1999 Woodside policy on Indigenous relations is that the responsibilities and accountabilities for implementing the policy are made clear. The Managing Director of Woodside is accountable to the Woodside Board of Directors for ensuring that the policy is implemented and that its effectiveness is reviewed annually. Woodside’s Human Resources, Corporate and Public Affairs Division is responsible for the ongoing development of the policy. Responsibility for the implementation of the policy rests with all Woodside employees and contractors.

The policy commitment (Case Study 3.3) is structured around the value of mutually advantageous long-term relationships and the awareness that these relationships are part of an evolving legal framework. The policy commits to encouraging employment, business opportunities and community support within a consultative environment.
Rio Tinto

The Rio Tinto Aboriginal and Torres Strait Islander Policy was developed in 1995. Its key intention is to formally recognise and show respect for Aboriginal and Torres Strait Islander people and their issues. It documents the principles that will underpin company behaviour with Indigenous people and communities. Since 1994, the company has achieved numerous land access agreements through its endorsement of the principles of active recognition and engagement with Aboriginal people and their representative bodies. In all instances, except one, these agreements have occurred outside the Native Title process.

The trauma of transition to the present state of relations with Indigenous people for Rio Tinto was most evident during the development of the Marandoo deposit in the Pilbara by Hamersley Iron in 1992. Protracted disagreement with local Aboriginal people led to a delay of 18 months and escalating costs. Hamersley Iron recognised the long-term impact of the antipathy that developed and determined it should actively develop a constructive relationship with the local Indigenous communities.

Similar experiences elsewhere in the Group, and the company’s ability to make comparisons with its overseas operations, where land rights recognition is a normal part of business, led Rio Tinto to step aside from the approach followed by most of the minerals industry in Australia. Rio Tinto adopted a policy of pro-active engagement with Aboriginal and Torres Strait Islander peoples.

As the historian Henry Reynolds said:

‘... corporate solidarity cracked during the 1990s. Two industry leaders broke rank and declared their acceptance of native title and the new reality of land tenure post Mabo. Robert de Crespigny of Normandy and Leon Davis of Rio Tinto both publicly committed themselves to accepting the new circumstances in which they had to work and the reality that Aborigines were likely to be stakeholders in many future developments.’


CASE STUDY 3.3  THE WOODSIDE GROUP OF COMPANIES: ABORIGINAL AFFAIRS POLICY

Woodside is committed to maintaining viable and mutually beneficial, long-term relationships with Aboriginal communities on whose traditional lands the Company operates.

In pursing this policy, Woodside will seek to understand and respect the often diverse range of cultural and social matters that are likely to influence our relationships with Aboriginal communities, recognising that we operate within an evolving legal framework.

Woodside’s objectives in the fulfilment of this policy are:

• To consult with relevant Aboriginal communities to promote an understanding of each other’s concerns and aspirations.
• To assist Aboriginal communities in managing any issues and challenges they may face as a result of company activities.
• To provide Aboriginal cultural awareness programs for the Company’s employees and contractors.
• To assist Aboriginal people to compete effectively for employment in the Company’s operations.
• To identify relevant opportunities within the Company’s operations for Aboriginal communities to participate in projects through contractual and other cooperative ventures on a commercially competitive basis.
• Where appropriate, to support the development and implementation of sustainable social and economic initiatives within Aboriginal communities.

Source: Woodside company documentation
As the Rio Tinto Chief Executive Leon Davis said, ‘To redress this imbalance we developed the position that we would first listen to Aboriginal people and act on their concerns about our interest in their land. We formalised this approach publicly by adopting a policy in which Rio Tinto also committed to assisting Aboriginal people achieve economic independence through employment, business development and training.’

New Directions: Aboriginal Australia and Business, Rio Tinto and the Department of Foreign Affairs

<table>
<thead>
<tr>
<th>CASE STUDY 3.4 RIO TINTO: ABORIGINAL AND TORRES STRAIT ISLANDER POLICY</th>
</tr>
</thead>
<tbody>
<tr>
<td>In all exploration and development in Australia, Rio Tinto will consider Aboriginal and Torres Strait Islander people's issues.</td>
</tr>
<tr>
<td>Where there are traditional or historical connections to particular land and waters, Rio Tinto will engage with Aboriginal and Torres Strait Islander stakeholders and their representatives to find mutually advantageous outcomes.</td>
</tr>
<tr>
<td>Outcomes beneficial to Aboriginal and Torres Strait Islander people will result from listening to them.</td>
</tr>
<tr>
<td>Economic independence through direct employment, business development and training are among the advantages that Rio Tinto will offer. We will give strong support to activities that are sustainable after Rio Tinto has left the area.</td>
</tr>
<tr>
<td>This policy is based on recognition and respect. Rio Tinto recognises that Aboriginal and Torres Strait Islander people in Australia:</td>
</tr>
<tr>
<td>• have been disadvantaged and dispossessed;</td>
</tr>
<tr>
<td>• have a special connection to land and waters;</td>
</tr>
<tr>
<td>• have native title rights recognised by law.</td>
</tr>
<tr>
<td>Rio Tinto respects Aboriginal and Torres Strait Islander people's:</td>
</tr>
<tr>
<td>• cultural diversity;</td>
</tr>
<tr>
<td>• aspirations for self-sufficiency;</td>
</tr>
<tr>
<td>• interest in land management;</td>
</tr>
<tr>
<td>• regional and Land Access Agreements – aiming to link community development packages with regional development.</td>
</tr>
</tbody>
</table>

Source: Company documentation

The policy (Case Study 3.4) aligns with the global direction of Rio Tinto’s values framework and management approach to community relations under which all business units comply with corporate responsibility requirements and produce Five Year Community Plans, prepared in conjunction with their neighbours. The Rio Tinto Communities Policy states:

Wherever the Group operates its relations with neighbours are fundamental to long-term success. Knowing that each local community is different, the policy of Rio Tinto is that every Group operation shall strive to understand and interact constructively with its local communities and to assist their development in ways that apply the following principles: mutual respect; active partnership; and, long-term commitment.

Values and management of community relations

The Australian business units’ negotiations with Indigenous neighbours is an integral part of this process to strategically plan community relations and give the process the same status as other business planning systems in the company.
The Chamber of Minerals and Energy of Western Australia

The Chamber represents the collective interests of companies involved in the minerals and energy industry in Western Australia. In 2000 the Chamber had 114 members comprising production and processing companies, exploration and contractor companies and other service providers. The objectives of the chamber are to achieve:

• high industry standards;
• a community that understands and supports the industry; and
• government policies that enhance industry performance and competitiveness and encourage investment.

Land access and associated relations with Aboriginal communities is a high priority for the Chamber. The Chamber believes that the minerals industry is uniquely placed to facilitate Aboriginal economic participation and thus encourage the reconciliation process. Their reconciliation policy statement outlines the public commitment in this area. The Chamber sees that it is very important for them to frame their activities in a larger policy context that is known to their members, government and the community.

A policy framework to support members

Pasminco

A distinguishing feature of the Pasminco policy released in 1996 to reflect and guide its relations with Indigenous communities is its values-based approach. The company commits to fostering racial equality in the company, developing mutual understanding and respect and adopting a proactive approach to Indigenous relations. The policy is supplemented by specific goals and concrete strategies.

CASE STUDY 3.5 THE CHAMBER OF MINERALS AND ENERGY OF WESTERN AUSTRALIA: POLICY STATEMENT ON ABORIGINAL AFFAIRS

Members of the Chamber recognise the significant role that the reconciliation process can play in improving the economic well-being and advancement of Aboriginal people. The Chamber believes that it can play a major role by affirming strong support for the wider process of reconciliation by:

• Encouraging the development and use of cultural awareness training with the industry, particularly for those having responsibility in areas affecting Aboriginal interests to maximise effective communication and social interaction;
• Respecting and supporting Aboriginal people’s kinship and connection with traditional lands and sites of cultural or religious significance;
• Valuing Aboriginal culture, customary laws, beliefs and traditions in the hope that all Australians will grow together, enriching their mutual understanding;
• Adopting open and constructive consultation procedures with Aboriginal people as a foundation for achieving beneficial outcomes;
• Promoting the observance of similar procedures by contractors and other business partners of Chamber members;
• Supporting a goal of greater economic independence for Aboriginal people through:
  – Increased involvement in mainstream economic activity;
  – Providing training, employment opportunities and business encouragement to Aboriginal people and businesses;
  – Where appropriate, facilitating access to capital and business planning advice; and
  – Encouraging networking and mentoring opportunities.

Source: Organisation documentation

A value-based policy
Australia Post

Australia Post has one of the nation's largest and most geographically dispersed workforces and has a stated commitment to workforce diversity. It is in this framework that it conducts specific initiatives to provide and improve employment opportunities for Indigenous Australians. The success of its ‘Aboriginal Employment Strategies’ means it is one of the leading employers of Indigenous Australians.

The commitment made by the Managing Director (Case Study 3.7) reflects this support for workforce diversity, both as a socially just requirement and also as a way to capture the ‘valuable contribution Indigenous people have and will continue to make to the Corporation’s business outcomes’.

CASE STUDY 3.6 PASMINEO LTD: INDIGENOUS PEOPLES POLICY

We recognise and respect the importance of historical affiliation to the land, and the traditional values, of Indigenous people. Our aim is to achieve broad-based support for exploration and mining by working co-operatively with local communities in developing our operations.

We will:
Foster an ethos of racial equality throughout Pasminco and amongst its contractors.

Develop mutual understanding and respect between Pasminco personnel and Indigenous communities and organisations by:
- Building relationships with indigenous communities and organisations.
- Educating Pasminco personnel in an awareness of indigenous culture and values.
- Explaining the benefits of the mining industry in general and Pasminco in particular to the relevant Indigenous communities.

Adopt a proactive approach to indigenous relations by:
- Consultation with groups that may be affected.
- Assessing the cultural impact of any program prior to commencement, with a commitment to minimise any effect.
- Provision of opportunities for employment, Indigenous business and assistance to local Indigenous communities.


CASE STUDY 3.7 AUSTRALIA POST: COMMITMENT TO INDIGENOUS AUSTRALIANS

Australia Post is committed to the inclusion of Indigenous Australian’s within its workforce and business enterprise. This commitment reflects our Managing Diversity Policy, the Workforce Diversity Business Strategy, and is based on the recognition of the unique and valuable contribution Indigenous people have and continue to make to the Corporation’s business outcomes.

It is Australia Post’s aim to provide Indigenous employment and career development opportunities at all levels and across all employment categories in all business operations.

Australia Post will actively pursue practices that encourage the inclusion of Indigenous people in all aspects of its operations.

Graeme John
Managing Director

Australia Post’s public commitment to Indigenous people is translated into concrete terms according to what they intend to do in the forthcoming period (Case Study 3.8).

**CASE STUDY 3.8 AUSTRALIA POST: INDIGENOUS EMPLOYMENT STRATEGY**

- Develop and launch a re-energised national employment strategy framework.
- Revise and/or develop policy for the recruitment of Indigenous people with a focus on the development of broad employment opportunities.
- Increase representation of Indigenous employees at decision-making level.
- Foster the development of business links with Indigenous communities.
- Develop a national cross-cultural learning framework.
- Explore and attract supportive funding for a range of employment initiatives.


The Body Shop
The mission statement of The Body Shop defines a company equally concerned with social and environmental outcomes alongside commercial goals. In that context, concern for Indigenous people is seen as both a community building goal and an aspect of diversity and equality (Case Study 3.9).

**CASE STUDY 3.9 THE BODY SHOP: MISSION STATEMENT**

- To dedicate our business to the pursuit of social and environmental change.
- To creatively balance the financial and human needs of our stakeholders: employees, franchisees, customers and suppliers.
- To courageously ensure that our business is ecologically sustainable, meeting the needs of the present without compromising the future.
- To meaningfully contribute to local, national and international communities in which we trade, by adopting a code of conduct which ensures care, honesty, fairness and respect.
- To passionately campaign for the protection of the environment, human rights and civil rights, and against animal testing within the cosmetics and toiletries industry.
- To tirelessly work to narrow the gap between principle and practice, while making fun, passion and care part of our daily life.

Source: The Body Shop, Mission Statement

The statements of principle and practice in The Body Shop’s Trading Charter include support for the development of long term, sustainable relationships with communities in need. The Body Shop commits to paying special attention “to those minority groups, women and disadvantaged peoples who are socially and economically marginalised”.

The Body Shop has instituted appropriate monitoring, auditing and disclosure mechanisms to demonstrate compliance with these principles.
Gwydir Valley Cotton Growers Association

Following the 1992 Royal Commission into Aboriginal Deaths in Custody, Moree was the location for an Aboriginal Employment Promotion Committee charged with the task of developing employment strategies in the region. Following two years where they failed to agree on an approach, the cotton-growing members of the committee decided that the best way to proceed was to design an industry specific strategy, rather than a business or company specific employment strategy.

‘The decision to put in place and sponsor an Aboriginal Employment Strategy occurred partly in response to the deteriorating race relations between the Aboriginal and non-Aboriginal people in the community, and partly from economic necessity to stem the departure of skilled and experienced people who no longer wanted to stay in a town which was spinning out of control at that time.’

Cotton grower

The stated mission is:

To provide Aboriginal people with employment opportunities in town businesses and the cotton industry, and facilitate further training, provide mentor support, and promote cultural awareness to the community.

The commitment made by the cotton growing industry in the Gwydir Valley (Case Study 3.10) is for the industry as a whole to promote the social and economic well-being of Indigenous peoples and the community through training and employment supported by cross cultural understanding. The vision is to establish programs that will be sustained in the long term for the benefit of local people and the industry.

<table>
<thead>
<tr>
<th>CASE STUDY 3.10 GWYDIR VALLEY COTTON GROWERS' ASSOCIATION: EMPLOYMENT STRATEGY VISION</th>
</tr>
</thead>
<tbody>
<tr>
<td>• To gain increased employment for local Aboriginal people.</td>
</tr>
<tr>
<td>• With increased employment, the Aboriginal community is better able to manage the social problems of high unemployment within its community.</td>
</tr>
<tr>
<td>• To provide employers with well-trained team members from a different cultural background (improves community tolerance, encourages multiculturalism).</td>
</tr>
<tr>
<td>• To provide the Aboriginal community with a self managed Employment Strategy that works.</td>
</tr>
<tr>
<td>• To help create role models and community leaders for future generations.</td>
</tr>
<tr>
<td>• Promote Aboriginal employment nationally.</td>
</tr>
</tbody>
</table>

Source: Association documentation

Hall Chadwick

Hall Chadwick, an accounting and business services firm, established Hall Chadwick Indigenous Services (HCIS) to encourage the success of Indigenous enterprises and organisations by providing services in financial and business management skills. Their core business is therefore with Indigenous communities and businesses where they provide full accountancy and business management services, training and development of commercial and governance skills.
HCIS strives to assist Indigenous enterprises and organisations to be as effective and successful as possible.

'We believe that this will assist in breaking down stereotypes and misconceptions in the broader community - reducing the burden of regulation and more effectively address “accountability” issues.'

Their role is relatively unusual in Australia. They not only embrace the goals of enhancing outcomes for Indigenous communities and businesses but also conduct business services to achieve this (Case Study 3.11).

**CASE STUDY 3.11  HALL CHADWICK: INDIGENOUS BUSINESS GOALS**

<table>
<thead>
<tr>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>To encourage the success of Indigenous ventures through better financial and business management;</td>
</tr>
<tr>
<td>To help empower and enable Indigenous organisations and communities to become self-reliant in business and financial matters;</td>
</tr>
<tr>
<td>To be price-competitive in the services it offers (i.e. to provide the greatest value for money);</td>
</tr>
<tr>
<td>To assist governments and Indigenous communities to improve their communications and their relationships, particularly in business and financial matters;</td>
</tr>
<tr>
<td>To assist Indigenous Australians to understand and meet all compliance requirements of business, governments, and the community as a whole; and in so doing</td>
</tr>
<tr>
<td>To improve the wealth and well being of Indigenous Australians generally.</td>
</tr>
</tbody>
</table>

Source: Company documentation

**BHPBilliton**

BHPBilliton's approach to Indigenous communities has been developed through long term experience with Indigenous community relations globally, beginning with the Navajo people of New Mexico in the 1950s. Current policies, which have underpinned agreements with First Nations peoples for the EKATI™ diamond mine in Canada, compensation agreements related to the Ok Tedi mine in Papua New Guinea, and various native title and heritage agreements for different projects in Australia focus on the recognition of, and respect for, the importance of culture, heritage and the traditional rights of Indigenous people.

Indigenous Affairs policies are co-ordinated by employees at key sites and by BHPBilliton's Indigenous Affairs department which is housed within the Minerals business but provides wider strategic advice on Indigenous community issues. This aims to ensure that BHPBilliton's dealings with Indigenous peoples incorporate industry best practice within a unified Company policy.

Indigenous Affairs policies are part of BHPBilliton's core group policies and practices and presented in the company's: “Working Responsibly at BHPBilliton: Our Health, Safety, Environment and Community Policy, (see Case Study 3.12 below).
### CASE STUDY 3.12  BHPBILLITON: WORKING RESPONSIBLY, INDIGENOUS HERITAGE AND RIGHTS

Support the fundamental human rights of employees, contractors and the communities in which we operate.

We support the fundamental human rights of people with whom we work. Our approach is consistent with the principles set out in the United Nations Universal Declaration of Human Rights.

Our Community Management Standards commit to concepts such as safe and healthy working conditions, freedom of association, non-discrimination in employment practices, no forced or child labour, rights to basic health, education and housing, and prevention of forcible displacement of individuals, groups or communities. Within our sphere of influence, we aim to eliminate situations where human rights breaches are identified.

Respect the traditional rights of Indigenous peoples.

We respect the traditional rights of Indigenous peoples and aim to work cooperatively with them to ensure that our presence provides lasting benefits and causes as little disruption as possible to their communities. We also acknowledge that Indigenous peoples have the right to keep their culture, identity, traditions and customs. We strive to ensure that host communities benefit from our operations having been there.

Value cultural heritage and care for the environment.

BHPBilliton operations worldwide recognise and value diversity, both in the natural environment and among peoples. Natural and cultural heritage and respect for peoples from different cultures and backgrounds are vital. This means recognising, respecting and valuing biodiversity, sites, places, structures and objects that are culturally or traditionally significant. We encourage cultural sensitivity in an environment of sharing, trust, teamwork and involvement.

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Partnership between Museum Victoria board and Aboriginal and Torres Strait Islander Communities in Victoria

Recognition of Australia’s Indigenous cultures and peoples is a major and integral component of the Museum’s values, strategies and operations. The Museum’s commitment to Indigenous issues is demonstrated by the development of Bunjilaka at Melbourne Museum and proposed Partnership Agreements between the Museum Board and Aboriginal and Torres Strait islander Communities of Victoria.

(Our mission includes) promoting a better understanding of cultural diversity within society and the special place of Indigenous communities in our nation.

Museum Victoria Guiding Values

The Partnership agreements aim to recognise Indigenous rights, present Indigenous perspectives and pursue reconciliation in the presentation and management of Indigenous cultural heritage. Collaboration in developing exhibitions, public programs, and collection policies, underpins this. There is also a commitment to promote Aboriginal employment and awareness of Indigenous cultures and provide symbolic recognition of Australian Indigenous cultures.

Government facilitation: a platform for corporate commitment

A number of companies are signing on to government-led initiatives to improve economic and social outcomes for Indigenous people. As well as providing a framework for substantive activities and facilitating projects that may not be generated by individual companies, particularly smaller enterprises, these initiatives also provide business leaders with a platform for public commitments and for sharing insights. Companies do, however, differ in their interest in these group initiatives with some major companies preferring to keep their programs separate from others and from government.
Over 1700 jobs committed by corporate leaders

The Corporate Leaders for Indigenous Employment Project is a component of the Indigenous employment initiatives of the Department of Employment, Workplace Relations and Small Business (DEWRSB). The objective is to generate more employment opportunities for Indigenous Australians, particularly in the private sector.

Companies have the option of signing the Corporate Leaders Statement. Around twenty-three companies initially signed the Corporate Leaders Statement in July 1999 with the number of signatories more than doubling since. The project provides a public way for companies to accept responsibility for developing and implementing measures to provide equal employment opportunities for Indigenous Australians (See Appendix C for signatories). Participation signals that each company will develop an Indigenous employment strategy that suits their own company structure and operation. To date over 1700 jobs have been committed.

Ways of Working: Getting the Processes of Engagement Right

The integrity of the processes for initiating and sustaining company led activities with Indigenous communities is vital to success. As Joseph Elu, the Chairman of the Aboriginal and Torres Strait Islander Commercial Development Corporation (now called Indigenous Business Australia) and a Board member of Reconciliation Australia said:

‘The challenge facing governments and the private sector is to listen to what people are saying and to work constructively with us…. We need to open up debate about what is working and to empower our communities to make the choices about what is an appropriate program for our people.’

Indigenous leaders are asking for a communication framework that is founded on the right of Indigenous people to negotiate their own way; where Indigenous people take their place at the table as equals not as the recipients of largesse and welfare.

One of the many challenges faced by the Australian business sector, particularly those in small, regional and rural enterprises, is to undertake these approaches when many indigenous communities have limited resources, limited experience and limited business and employment skills. Many small businesses want to accommodate this important community dialogue, but are constrained by the demands of day-to-day administration. The long-term outlooks favoured by large business are often not practicable, except when they are negotiated collectively, as can happen in private regional employment initiatives.

At the community level, there remains an appropriately pragmatic bias toward a “whatever it takes” approach to expanding private sector Indigenous employment. Many small business operators take on a broader life management role to ensure that Indigenous employees will have the bare essentials to enter, often for the first time in generations, the private sector workforce.

23 See Appendix C for an outline of the program and list of signatories.
The caution for larger business is to avoid falling into the practices that governments have often followed. There is a view that governments have typically provided services to Indigenous communities with little consultation about the nature and extent of need. Consequently, the preconditions for Indigenous people to find their way out of poverty have not been met. Central to these preconditions is recognition of their rights and their culture.

'It is not possible to extract oneself from public sector dependence unless you are recognised for who you are ... Reconciliation is about Aboriginal people and a modern democracy – one where the rights of Aboriginal people have been appropriately resolved with their consent and with the agreement of the nation.'

Indigenous leaders and others with a sense of future directions in this area ask that strategic enterprises and partnerships be developed at the community and regional levels to include ‘Aboriginal society in the real economy.’ The time has passed when companies are simply able to allocate additional resources to an Indigenous project and expect high quality outcomes for all involved, although reputedly there are companies who, according to a successful program manager “still throw the dollars around for their own short term gain”. Understandably, companies who have developed more thoughtful approaches, geared to longer-term outcomes for communities and business, are increasingly annoyed by such ‘short-termism’, which they regard as counter productive.

Companies now see that there is far more to be gained from adopting a strategic approach to community involvement than in holding on to the older practices of handouts or paternalistic relationships. This applies to all areas of community relations not just those with Indigenous communities. Establishing where a company can make the most relevant contribution, how it should work with a community in implementation, how mutual respect is established and sustained, how failures are handled and how success is measured are all features of what companies increasingly call a strategic approach to community involvement.

One company explained how it tries to involve the community in determining where the company’s assistance would be of most benefit in these words:

‘Very early on we had Aboriginal community workshops about the issues in their community and asked what they wanted to achieve. We came up with a long list of things. From that we were able to say these are the sorts of things that we are able to influence so let’s work on this. The rest of the issues are really for you and for government.

So, a lot of the work that we have done is based on sound research. We make sure that what we actually do is grounded in solid analysis of what the community issues are and what the community needs and aspirations are. At the end of the day, unless we are meeting community needs it is not going to work. Also, if there aren’t people in the community who want to champion it there is no point in doing it; unless they are willing, you can’t do it for them.’

Senior Manager for Indigenous Relations

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25 The Cranlana Programme, Occasional Publication no 1, Melbourne, the Myer Foundation. 2000, Dilemmas in Competitiveness, Citizenship and Community.

Or, as a manager for a government employment program concluded,

‘My experience in Queensland, the Northern Territory and Victoria has shown me the vital ingredient for success is that a community itself has to want to improve its circumstances. Altruistic assistance may be OK at the start but in the end people have to want to work.’

Government Employment Program Manager

Consultation is more than promoting understanding of an initiative. It is also giving people the capacity to accept (or resist) an offer of assistance and understand what that implies for them and others.

Partnerships between a company and a community organisation, committee or some other intermediary structure are also increasingly common as companies move from the one-off and handout mentality to wanting to sustain an ongoing connection with a community. The challenge is not only to be thoughtful and strategic – finding out the best contribution a company can make – but also to generate effective partnerships with communities directly and with those groups or organisations that help the company to implement its objectives. Exhibit 3.1 lists the main features of successful partnerships between business and the community.

When it comes down to what businesses actually do to start activities with Indigenous communities – how they engage with communities and conduct activities – there are both commonalities and differences. Researching community needs, ensuring that ‘ownership’ of an issue and solutions remain with the community, and establishing mutual trust and respect are examples of the qualities most companies strive for as best practice. Some propose structural preconditions for working effectively with communities: building networks; establishing representative management bodies; establishing tangible goals; and ensuring management accountability, (Exhibit 3.2).

### EXHIBIT 3.1 CRITICAL SUCCESS FACTORS FOR PARTNERSHIPS IN COMMUNITY INVOLVEMENT

<table>
<thead>
<tr>
<th>Identification</th>
<th>Development</th>
<th>Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>• careful identification of the community issue</td>
<td>• roles and responsibilities are negotiated and clearly defined</td>
<td>• activities need a ‘champion’ to get started</td>
</tr>
<tr>
<td>• find the mutual interest: the ‘good fit’ between the parties</td>
<td></td>
<td>• both parties should be sincere and honest in the relationship</td>
</tr>
<tr>
<td>• accept each other as equals</td>
<td></td>
<td>• troubleshooting mechanisms are activated when required</td>
</tr>
<tr>
<td>• the parties should want to work together: be proud of the association</td>
<td></td>
<td>• replacement personnel are available to drive the project if required</td>
</tr>
</tbody>
</table>

Source: The Allen Consulting Group
No one underestimates the complexity of choosing an approach that works best for all parties. The descriptions below are some examples to draw on in facing this challenge.

**Lend Lease Corporation: coalitions essential for success**

Lend Lease Corporation established a Foundation between themselves and the Australian Council of Trade Unions in 1981. The ACTU-Lend Lease Foundation was established with a charter to focus on the skill and job needs of young Australians. The Foundation is fully funded from Lend Lease. (The Foundation is now operating under the auspices of The Hornery Institute.)

Lend Lease has for a number of years conducted a range of innovative programs in support of Indigenous young people. They were one of the first non-resource companies to do so. They were nevertheless cautious.

‘It was clear that getting involved in Indigenous affairs could be risky; a minefield of community sensitivities and deep political differences.’

Also, they avoided being too optimistic.

‘We knew significant change required a long-term commitment; 200 years of neglect could not be righted overnight and solved by any single initiative.’

Their approach is unlike that of most companies. They seek to seed ideas and build networks with others that will in turn extend and sustain the project. They are also somewhat modest and do not readily brand or promote an initiative as their own, preferring to see an idea grow and belong to a wide number of organisations.

Their approach is based on the belief that only by co-operative program development, particularly with the business sector, can programs be successful in the long term. They believe that any program constituted around a single body, be that an Indigenous authority, government or business itself, is likely to be less successful.

**EXHIBIT 3.2 GETTING STARTED: CRITICAL SUCCESS FACTORS**

<table>
<thead>
<tr>
<th>The critical success factors identified through the case studies included:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• A foundation of solid research</td>
</tr>
<tr>
<td>• Ensure community ownership</td>
</tr>
<tr>
<td>• Actively pursue mutual trust</td>
</tr>
<tr>
<td>• Build networks</td>
</tr>
<tr>
<td>• Establish representative management bodies</td>
</tr>
<tr>
<td>• Set tangible goals</td>
</tr>
<tr>
<td>• Require accountability</td>
</tr>
</tbody>
</table>

Source: The Allen Consulting Group

Indigenous Communities & Australian Business
A number of their projects will be discussed in detail in later chapters. Each has a set of similar characteristics in that they have been generated from contacts and networks throughout the Australian community, seek to draw on the expertise and resources of Lend Lease for their success and yet are not “owned” exclusively by the Foundation.

**APMA and AMA: build ownership**

The Australian Pharmaceutical Manufacturers Association (APMA) and the Australian Medical Association (AMA) joined forces to research and implement programs to improve Aboriginal health. One strand of this large program was concerned with smoking among the Indigenous population: what is known about the problem; are current interventions constructive and what action might be taken to improve the situation? The area is complex and solutions have a cultural dimension in that they need to be compatible with Indigenous community social and cultural values and aspirations.

In regard to developing programs and policies on smoking, the research found that any policies need high ownership by Indigenous communities and must be developed within the community’s own decision making structure. In particular, policies must ‘represent best practice, be empowering and be supportive of culturally appropriate ways of doing things’.

The research also found that the way of working with Indigenous peoples must:

- show long term commitment – not having strict timelines but accept that ‘things will take as long as they take’;
- recognise that funding needs to be long term; and
- avoid partnerships where Indigenous people cannot deliver due to lack of resources or facilities.

For example the partnerships:

must not tamper with the ownership of the smoking dilemma. The smoking dilemma is theirs to control and get rid of. All we can do is to make sure these partnerships with non-Indigenous entities allow this to happen.

Hamersley Iron: establishing community needs

Hamersley Iron is a wholly owned subsidiary of Rio Tinto operating within its policy framework.

From the 1960s to the late 1980s the company now concedes it, ‘... was fairly ignorant of Aboriginal issues and did not have a relationship with the local Aboriginal communities.’

This is generally seen as the main reason for the serious conflict between Hamersley and Aboriginal groups over the development of the Marandoo mine in the early 1990s. Although the company eventually achieved its desired legal outcome with the mine opening in 1992, adopting a legislative approach to the dispute resulted in a two-year delay and consequently lost revenue and substantial additional costs.

‘The Managing Director wanted another way of doing things. The Aboriginal people had been ’out of sight out of mind’ in the remote communities.’

The subsequent negotiation process that opened the way for the development of the company’s Yandicoogina mine illustrates the fundamentally different approach adopted by the company. The Yandi Land Use agreement was the first formal agreement signed for a major resource development under the Native Title Act within Australia.

The early consultations revealed that

‘the elders didn’t really want much: some training and jobs for the young blokes and they wanted consideration for the culture and heritage issues. We thought this was achievable so away we went beyond what the legislation required at the time.’

The way of ascertaining community needs and determining a role for the company has changed considerably since that early time.

‘Over the time we have focused our activities a lot more and now call on more professional skills to achieve the outcomes we are looking for. We started simply but now the programs are enhanced and operate across a wide spectrum.’

Support throughout the company is now “reasonably sound”. Top management is committed but middle management and the rest of the company “may not fully understand the detail and the value of the initiatives”.

Hamersley Iron conducts very comprehensive and expertly managed initiatives. Demonstrating and evaluating the benefits to the business of their programs is nevertheless an on-going requirement.

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CASE STUDY 3.14 APMA & AMA: LESSONS FOR A SUCCESSFUL PARTNERSHIP

- Be realistic and patient
- Show long-term commitment
- Empower the partners
- Understand participants capacity
- Pursue best practice

Source: APMA and AMA on Improving Aboriginal Health

Aboriginal people - out of sight out of mind

Now use professional skills to identify needs and manage programs

Hamersley Iron: establishing community needs

Hamersley Iron is a wholly owned subsidiary of Rio Tinto operating within its policy framework.

From the 1960s to the late 1980s the company now concedes it, ‘... was fairly ignorant of Aboriginal issues and did not have a relationship with the local Aboriginal communities.’

This is generally seen as the main reason for the serious conflict between Hamersley and Aboriginal groups over the development of the Marandoo mine in the early 1990s. Although the company eventually achieved its desired legal outcome with the mine opening in 1992, adopting a legislative approach to the dispute resulted in a two-year delay and consequently lost revenue and substantial additional costs.

‘The Managing Director wanted another way of doing things. The Aboriginal people had been ’out of sight out of mind’ in the remote communities.’

The subsequent negotiation process that opened the way for the development of the company’s Yandicoogina mine illustrates the fundamentally different approach adopted by the company. The Yandi Land Use agreement was the first formal agreement signed for a major resource development under the Native Title Act within Australia.

The early consultations revealed that

‘the elders didn’t really want much: some training and jobs for the young blokes and they wanted consideration for the culture and heritage issues. We thought this was achievable so away we went beyond what the legislation required at the time.’

The way of ascertaining community needs and determining a role for the company has changed considerably since that early time.

‘Over the time we have focused our activities a lot more and now call on more professional skills to achieve the outcomes we are looking for. We started simply but now the programs are enhanced and operate across a wide spectrum.’

Support throughout the company is now “reasonably sound”. Top management is committed but middle management and the rest of the company “may not fully understand the detail and the value of the initiatives”.

Hamersley Iron conducts very comprehensive and expertly managed initiatives. Demonstrating and evaluating the benefits to the business of their programs is nevertheless an on-going requirement.
Pasminco: structures and principles to guide activity

Pasminco’s Gulf Communities Agreement was negotiated between Pasminco’s Century Mine, the Queensland Government and three Indigenous groups within the North West Cape, the Waanyi, Minginda and Ghuthhaarn and Kutatj peoples. Similar in content to other land access agreements, it comprises detailed commitments to education, employment, training, business development, cultural and environmental protection, transfer of pastoral properties and compensation.

The agreement also established a set of consultative and management structures with the community to implement the substance of the agreement. Underpinning the agreement is a number of operational principles to guide implementation. They are about company practices and essentially concern clarifying the organisation’s capacity to deliver outcomes, establishing mechanisms to achieve this and ensuring the quality of relationships (Case Study 3.15).

Operational principles underpin the agreements

- **Expectations** - be very clear, very early about what the organisation can and can’t do in the long term.
- **Policies** - develop supporting corporate policies such as cultural awareness, anti-harassment and anti-discrimination.
- **Partnerships** - focus on the development of cooperative partnerships with indigenous communities based on fairness, trust, mutual respect and open and honest dealings.
- **Tangible outcomes** - a focus on real outcomes - employment, businesses and community development and contracts, rather than inputs such as training, programs and support.
- **Respect history and culture** - including spiritual connections to land and diversity among indigenous communities.

Source: Consultations.

To consolidate the implementation of the Agreement, according to the stated principles, a supporting structure with a number of committees representing the communities and Native Title eligible bodies were established – all with a majority Indigenous representation. They include bodies, for example, to manage the interest of the traditional owners, monitor the environment, steer training and employment programs, and manage a trust fund over the twenty years of the agreement.

CASE STUDY 3.15 PASMINCO: ESTABLISHING OPERATIONAL PRINCIPLES

CASE STUDY 3.16 PASMINCO: MANAGEMENT STRUCTURES

The Gulf Aboriginal Development Corporation – based in Mt Isa, this group represents the interests of the traditional owners during the life of the agreement and manages the direct compensation payments negotiated under the agreement.

The Century Environment Committee - monitors, evaluates and advises on the environmental impact of the Century mine. The group also manages a full-time local Aboriginal Liaison Officer who works with site environmental teams.

Century Employment and Training Committee - monitors the delivery of a range of employment and training commitments under the agreement.

Aboriginal Development Benefits Trust - manages contributions from the century mine over the 20 years of the agreement with a focus on sustainability and growth and the provision of business development loans.

Staff Position - The agreement also requires the appointment of community liaison officers from each indigenous community, a community relations officer and a Gulf Communities Agreement Superintendent.

Source: Consultations
As with most similar initiatives it is still too early to evaluate the processes of negotiation and engagement between companies and communities. Getting to where they are now was a difficult process. Pasminco does say that attitudes and a lack of cultural awareness within the company presented initial hurdles to the negotiations and the company had to work hard to overcome these impediments. Also, diverse Indigenous communities, most with a long history of neglect, abandoned negotiations and broken promises, are extremely wary of the negotiating process. Political differences between Indigenous groups and the often divisive nature of Native Title negotiations further complicated the process.

There is now a sense that a foundation of “sustainable partnerships” has been established. The long and difficult negotiation process has developed valued partnerships between the government, the Century mine and indigenous communities. It is believed that “these relationships are now an avenue to strengthen and sustain long-term social and economic benefits for the region”.

Victorian Minerals and Energy Council: getting the communication right

Alongside the policy commitments made by individual companies, there is an increasingly important role being played by industry associations in supporting companies in their endeavours. The Victorian Minerals and Energy Council is one instance of a relatively small association advising on policy development in Indigenous relations and producing a Guide to Relationships.

The mining sector in Victoria comprises the headquarters of major Australian companies and some mining operations (e.g. Central Victoria, La Trobe Valley and Robinvale) with a relatively low volume of exploration.

The Victorian Minerals and Energy Council prepared a booklet Building Relationships: Working with the Indigenous Peoples of Victoria, to facilitate better communication and consultation with Indigenous people by the minerals exploration and mining industry. The booklet is designed to assist companies to establish “better relationships based on mutual understanding and respect”. It enables miners to meet the requirements of legislation affecting Native Title and cultural heritage and, at the same time, serves as a resource to raise awareness of Victoria’s Indigenous groups. The publication was jointly developed by the chamber and the Mirimbiak Nations Aboriginal Corporation.

CASE STUDY 3.17 VICTORIAN MINERALS AND ENERGY COUNCIL: FORMING AN INDIGENOUS AFFAIRS POLICY

It makes good business sense to ‘get things right the first time’. An Indigenous Affairs policy serves as a procedural framework for compliance with relevant legislation and a sound basis for establishing effective channels of communication with Indigenous communities. The level of detail of such a policy will depend on the size and the nature of the company involved.

Strategies can be developed in line with the policy to suit local needs and your operation.

A company policy might address:

- Consultation process: Who, how, when?
- Protocol and cultural awareness training
- Cultural heritage management and native title
- Direct and indirect training and employment for Indigenous people
- Workplace diversity
- Sponsorship of community endeavours

Normandy Mining Limited considers its social responsibilities to be as important as its sustained commitment to minerals exploration and global expansion. Long-term success (or sustainability) is held to be inextricably linked with the long-term impacts of operations on local communities.

The company has made a priority of building long-term relationships with Indigenous people, based on mutual respect and trust. The Company actively promotes an understanding of Indigenous cultures among its employees.

Underpinning this approach is the philosophy that, 

‘entering a region uninvited, setting up operations without explanation and ignoring the concerns and heritage of Indigenous communities is inappropriate and unjustifiable.’

While there is strong support for Indigenous initiatives from senior management, the way of working with Indigenous communities is driven by a planning process built around a devolved management framework. This approach encourages middle management – who have ongoing contact and relationships with Indigenous communities – to generate and implement tailored initiatives.

As part of the management and planning strategy, each site is required to develop a program for engaging local Indigenous communities. The focus of these programs is centred on employment, training, and/or Indigenous business opportunities. The initiatives tend to reflect the requirements of both the local community and the operation. For example, when a mining operation is ‘scaling down’ it will focus on facilitating Indigenous business opportunities rather than employment.

Given the devolved nature of the planning process for Indigenous initiatives, Normandy has developed a set of principles to ensure consistency across the company. These principles are listed in Case Study 3.18.

**CASE STUDY 3.18 NORMANDY: PRINCIPLES TO GUIDE INDIGENOUS RELATIONS**

- Build trust and respect the traditions and culture of Indigenous People;
- Respect human and property rights, and sites of cultural or religious significance (i.e. recognise the unique relationship Indigenous People have to the land and sea);
- Develop a clear and concise approach to negotiations with landholders – to ensure constructive long-term relationships with Indigenous groups at all levels;
- Adhere to acceptable protocols and meeting procedures that are endorsed by Indigenous People – to ensure local community support is gained; and
- Create fair and equitable agreements that are of mutual benefit to both Normandy and Indigenous people for sustainable operations – by identifying and implementing commercial enterprises, employment and career development opportunities.

Source: Consultations

To implement these principles each operation and office is responsible for developing a Management Plan. These plans are essentially integrated into Normandy’s general management framework but emphasise maintaining and building long-term relationships with local communities. Each operation is required to provide quarterly reports on the Indigenous community initiatives established and the outcomes of their identified objectives.
All plans are monitored and reviewed, thus providing a baseline for ongoing improvement and performance measurement. The assessment and audit process is based on ranking criteria of performance according to five levels (from unacceptable, to industry leader).

### CASE STUDY 3.19 NORMANDY: ASSESSMENT PROCESS FOR MANAGEMENT OF INDIGENOUS RELATIONS

<table>
<thead>
<tr>
<th>Normandy has a community relations assessment that:</th>
<th>and incorporates performance areas:</th>
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<td>covers management systems:</td>
<td>• management of heritage and sacred sites;</td>
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<td>• policy;</td>
<td>• Indigenous employment;</td>
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<td>• reporting;</td>
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Source: Consultations

A key component of the whole management system is the continuous building of relationships with local Indigenous communities. An external auditor of the community relations program reviews this aspect of the management system.

### Seeking change for a lasting effect

WMC Resources: a business systems approach

In designing an approach to Indigenous communities WMC Resources made an early decision that the company needed a model to guide its decisions rather than simply responding to requests for assistance. It was seeking an approach where it could facilitate lasting change in the circumstances of individuals and communities. In particular, the company decided not to assume responsibilities that they believe rightly belong to government. In order to maximise the impact and availability of government services, WMC will act as an advocate or facilitator on behalf of communities for appropriate service delivery in areas such as education.

### CASE STUDY 3.20 WMC RESOURCES: PRINCIPLES FOR MANAGEMENT

WMC seeks to establish a foundation for people to live and work after the initiatives are over or WMC has departed the region. WMC applies the following principles to Indigenous community participation.

Participants must be:

- **Capable**: able to do the job or business opportunity.
- **Commercial**: able to survive without subsidies and the like.
- **Competitive**: able to compete with other applicants or businesses and win jobs or contracts on merit.

Source: Consultations
The company also decided to attempt to embed Indigenous programs in its core business systems. As a process-driven resource business conducting a large part of its operations through contractors, these systems are robust and well understood throughout the company. The aim of a business systems approach is to ensure there are no systemic barriers to Indigenous employment, business participation or building programs that will be sustainable in the long term. Under the conditions for obtaining a contract with WMC, contractors are required to consider Aboriginal employment and training and business participation, and show evidence of support to enhance Aboriginal participation.

**Operational Capability**

A noticeable feature of companies engaged in ongoing initiatives with Indigenous communities is the type of staff they employ in their community or Indigenous relations area. These include Indigenous people as well as non-Indigenous people who have worked previously with communities and community organisations often in an activist capacity. Some resource companies employ archaeologists and others who have specialist professional skills. As one company manager said, ‘those who might have been opposed to us and who might even have been seen as ‘the enemy’ are now part of our capability to communicate and work with Indigenous people. I guess we have just grown up in this respect.’

Company Executive

Hamersley Iron appointed a liaison officer in late 1991 as community consultation started on what communities wanted in order to build their future. The number of staff devoted to working in the company’s programs with Aboriginal people has grown from four in 1991, to eight in 1995 and to fourteen in 2000.

The Aboriginal Training and Liaison unit (ATAL) was the platform for these initiatives. It is still in operation and is now a centrepiece of the company’s on-going relationship with Aboriginal communities. The unit, established in 1992, manages a training, employment, heritage and community relations program designed to help Aboriginal people to participate in, and benefit from, Hamersley operations.

As part of Normandy’s proactive approach to Indigenous matters, the company now employs a group of specialised people including senior Indigenous staff who are responsible for managing and developing a range of projects and strategies. Nationally, three Indigenous Australians are employed to conduct Indigenous relations.

At their individual sites, Normandy operations are required to appoint a senior person responsible for co-ordinating all aspects of managing Indigenous relations. They are expected to develop, implement and monitor Indigenous Relations Management Plans and provide culturally sensitive training to ensure employees recognise the potential impact of their activities.
Qantas’s Aboriginal and Torres Strait Islander Program focuses on training and employment. It has been in place for more than 10 years and is located in the human resources area. There is a full-time workforce diversity coordinator responsible for the airline’s Aboriginal and Torres Strait Islander Program Unit. This role includes offering assistance to Indigenous employees (approximately 1 to 2 per cent of the workforce) with career and training development, monitoring performance and developing employment strategies. The coordination role is also responsible for ensuring that the program is effectively integrated into the airline’s divisions, subsidiaries, regions and ports.

Australia Post’s use of indigenous employment advisers across its national operations also provides strong support for the often difficult transition from irregular or no employment to full-time work. Indigenous employment advisers follow a new recruit through selection, pre-employment training, induction and development within Australia Post’s workforce. This long-term supportive relationship results in very high retention of Indigenous employees at Australia Post and provides essential, culturally appropriate support for Australia Post’s 500 Indigenous employees.

The limited resources available to rural and small business presents a unique challenge in this area, with many small business proprietors finding themselves in the difficult situation of mentoring Indigenous employees or enterprises, with little training, awareness or ongoing cultural support. Groups such as the ACCI and regional employment initiatives play a role, but small business will continue to find the process difficult while there is a lack of information, support and experience in fostering Indigenous employment and enterprise development.
CHAPTER 4
Education, Training and Employment

SNAPSHOT

- Training and employment initiatives are the most common category of activity conducted by companies in their relations with Indigenous Australians.
- Companies committed to increasing employment of Indigenous Australians have found that the standards of education and training levels of potential employees are serious impediments.

School Education
- Some companies have become involved at the school level. This has been small scale but, on the whole, welcome and successful. Factors that consistently appear in successful programs include:
  - culture is acknowledged and supported;
  - necessary skills are developed;
  - participation and retention are brought to adequate levels;
  - high standards are expected by teachers;
  - homes support education;
  - holistic or integrated approaches are seen as essential; and
  - pathways to futures in further education, training and employment are clear and accessible.

Training and Employment
- The challenge for companies has been to generate training that is linked with their employment requirements, so that there are real job opportunities at the end.
- A crucial factor in overcoming this challenge has been the change in the attitude of government which has become more flexible in its approaches.
- Factors identified as critical to the success of training programs include: family support; mentoring programs; and managing personal finances.
- Companies have achieved significant training and employment results by:
  - requiring supply contractors to commit to Indigenous employment, training and business opportunities; and
  - using employment agencies that specialise in Indigenous employment and acting as intermediaries between employers, Indigenous people, and government.
Introduction

One of the major labour market disadvantages experienced by Indigenous people is their relatively low level of formal education. While many companies have committed to increasing employment of Indigenous peoples, the standards of education and levels of training of potential employees have been serious impediments. Educational achievement has not always been at a standard where individuals could productively and safely perform the tasks required.

Achieving educational equality for Indigenous Australians is one of the most important educational challenges facing this nation. Crucial to this goal is the delivery of an education that is relevant to young Indigenous people and that reflects the richness and diversity of the cultures of Australia’s Indigenous peoples.

Initiating vocational training programs has been a logical entry point for many companies in their efforts to build a local work force and enhance employment options in both urban and rural communities. Indeed, training and employment initiatives are the most common category of activity conducted by companies in their relations with Indigenous peoples.

While initial company training initiatives were moderately successful, some companies realised that their involvement – or influence – should probably start further down at the school level where the foundations of educational success are acquired. This raises a number of issues for companies. While they are relatively experienced in conducting vocational training for employees, stepping into the school sector is a different matter. School education is not an area where business could be expected to be competent. Training is often a shared responsibility between government, who provide training subsidies, and the employer. School education, on the other hand, is traditionally the responsibility of government and families. Companies’ involvement in school education for Indigenous young people has therefore been risky, small scale but, on the whole, welcome and successful.

Active business involvement in conducting employment and training programs is more routine but the experiences of Indigenous participants vary. Many have found aspects of the programs unsatisfactory and cite experiences where they are laid off after training and no effort is made by the employer or the government to facilitate entry to other employment. Others have experienced what they see as more successful training programs that embrace mentoring, counselling on family matters and the like, and training opportunities connected to real skill needs and strong opportunities for employment.

This chapter outlines a number of initiatives being undertaken by business across the spectrum of school education, vocational training and employment. Some companies became aware of the special requirements of Indigenous young people in schools and the needs of those in training. Conventional sponsorship programs for schools and simply depending on vocational training institutions for workplace skills have not delivered expected outcomes. Success has been hard to achieve and most sustainable initiatives have been the result of commitment and innovation by all involved. Those that have not been so successful have been mostly constrained by rigid institutional structures and have not had a “champion” to carry the activity forward.
Dimensions of Educational Disadvantage

The magnitude of the education and training disadvantages of young Indigenous people is considerable. Indigenous students have lower levels of achievement in all academic subjects. Their poor level of achievement in literacy is a particular concern. Over time, an achievement deficit compounds to the point where many Indigenous students are often 3 to 4 year levels below other students and leave school with an unacceptably low level of literacy.

The good news is there has been a strong growth in school enrolments as well as in vocational training and higher education. In the last decade, the proportion of Indigenous Australians aged 15 years and over with a formal qualification has increased from 10 per cent in 1991 to 14 per cent in 1996.

While this represents an advance, significant inequality remains. Participation in secondary schooling has increased but it still falls short of the non-Indigenous rate of 84 per cent. Indigenous students are much less likely to continue their education beyond the compulsory years. In a world where 12 years of schooling is now the expected norm for Australians, it is disturbing to find that the apparent retention rate to Year 12 for Indigenous students across the nation is half that for other students.27

A recent review of school initiatives for Indigenous young people identified a number of features of successful practice. These provide a useful frame of reference for business considering initiatives in this area.

The review, conducted by the Department of Education, Training and Youth Affairs,28 found the factors that appeared most consistently in successful programs were:

- culture is acknowledged and supported;
- necessary skills are developed;
- participation and retention are brought to adequate levels;
- high standards are expected by teachers;
- homes support education;
- holistic or integrated approaches are seen as essential; and
- pathways to futures in further education, training and employment are clear and accessible.

These characteristics provide a helpful checklist for companies seeking to assist in promoting greater success for Indigenous young people in education.

GUMALA MIRNUWARNI: joint endeavour managed by Polly Farmer Foundation

An education program that operates according to the principles discussed above is currently run from Roebourne, Western Australia by a group of companies aimed at increasing the educational standard of Aboriginal communities and their participation in employment in the Pilbara.

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The program is a partnership between local Aboriginal people, Woodside Energy Ltd, Dampier Salt, Hamersley Iron and Department of Education, Training and Youth Affairs and is managed by the Polly Farmer Foundation (Case Study 4.1). It aims to provide support for young people to participate fully in school and to be able to progress to further education, training and employment.

**CASE STUDY 4.1  POLLY FARMER FOUNDATION: BUILDING EDUCATIONAL OPPORTUNITIES**

The Graham ‘Polly’ Farmer Foundation is a WA-based, private philanthropic organisation established to increase the opportunities of Aboriginal students. The Foundation has developed an enrichment program to provide selected students with supervised homework and other educational activities, including work experience, encourage them to successfully complete Secondary schooling and if desired make the transition to tertiary education.

The Foundation works with the educational sector and Aboriginal communities to plan and provide the programs, and actively seeks funding from partners such as government departments and local industry and resource companies. It has successfully implemented programs in Karratha and Roebourne in northwest Western Australia, and in Port and South Hedland.

Their educators, family and community recommend students for the program. While selection is not always based on academic performance, firm criteria apply, including strong family support and independent recommendations. A compact between the students, their parents/guardians, schools, mentors and project sponsors commits each party to make every effort for the participants to succeed. During the 3 years the Roebourne/Karratha project has been operating, it has achieved a 98 per cent student retention rate.

Source: BHPBilliton Documentation

Low school participation impedes growth of skilled workforce

The desire of Hamersley Iron to employ Indigenous people in skilled occupations was impeded by the low participation rate of Indigenous young people in secondary school. After research to establish how educational achievement could be improved, a program was initiated based on family involvement and support and the value of traditional knowledge and culture. Strategies included ‘homework centres’, school-based mentors, tutors and visits to industries and tertiary institutions. Students, families and the project steering committee signed a ‘compact’ to commit to the requirements, including an agreement from students to attend school.

The community and the companies are pleased with the results. There were 30 participants in 1996. At the end of 2000, six have gone directly to university. The success rates are such that this program has supported almost 40 per cent of the State’s direct tertiary entrance by Aboriginal young people (Case Study 4.2).

**CASE STUDY 4.2  GUMALA MIRNUWARNI: ACHIEVEMENTS**

By the end of 2000 the following outcomes have been achieved through the program:

- Seventeen of the original project students were still at school, representing a retention rate of 85 per cent.
- Nine of eleven Project students having entered Year 12 will have completed the Western Australian Certificate of Education and three of those nine have graduated with TEE results suitable for Tertiary entrance.
- Seven had direct entry into traineeships.
- Participants show a 5 per cent increase in self-esteem. (Normally at year 7 or 8 year level there will be a 7 per cent drop.)

Students and community leaders also see benefits. A community participant in the program summarised the benefits and lessons from the program and concluded that there would be long-term effects.

‘As far as I am aware, not one of the thirty or so students has been in police trouble since the project begun. This of course is of great interest to me and to the Minister of Justice Department. If there are more projects developed in other areas the rate of juvenile offending in this state should decline not escalate. This being the case then there should also be a significant reduction in adult offending over a longer term as these young people become responsible adults and parents.’

Marshall Smith – Community elder, project participant parent, and since January 1999 involved in the project as project co-leader (July 1999)

The students see benefits in terms of personal encouragement and support, enabling them to see school as non-threatening and useful (Case Study 4.3). The effect of this integrated approach is that many more Aboriginal young people now see school as positive and manageable “It is now seen as cool to do well in education”.

CASE STUDY 4.3 GUMALA MIRNUWARNI: EDUCATION PROJECT – STUDENT VIEWS

Some student responses to the question “Explain what you think has been most benefit to you about the project, and why?”

- “Helps me with getting my homework completed.”
- “The project has assisted me with work experience.”
- “It helps me to get good marks.”
- “Tutoring is important.”
- “This centre has helped me overcome my shyness.”
- “It’s most important that we succeed at school.”
- “The project encourages me to regularly attend school.”
- “The project means a lot to me.”
- “The project helps me to understand things.”
- “Helped me to be confident and know the importance of education.”
- “It’s given me a wider view of training, education and employment options.”
- “The project supports me and helps me to meet new people.”


The flow on to increased participation in tertiary education is very new. The companies allocate tertiary scholarships as part of their community involvement programs. Hamersley Iron, for example, found that,

‘four years ago no tertiary scholarships had been awarded to local Aboriginal people; now Aboriginal people fill them all. The participants are in law, journalism, and environmental science. This is where the impact will occur.’

Those on scholarships are not guaranteed employment with the company but they are encouraged to build relationships in the company through vacation work and the like. Tertiary qualified Indigenous people are, however, readily recruited throughout industry.
The experience of the companies in the Gumala Mirnuwarni initiative is an example to other companies – and indeed to government who may be considering this level of involvement in school education. A company needs to be clear about why it seeks to be involved and where a contribution will have most effect. It must also avoid being a substitute for government.

The companies in this project see educational support as most useful when it is targeted at those with the potential to succeed, when it supports families, respects traditional cultural learning and tries to engage the support of as many other organisations as possible. These success factors distinguish business involvement from that of governments.

The companies had to handle their involvement with the schools very delicately – schools and teachers do not like industry coming into their domain and telling them what to do. The line the companies adopted was to say that “Aboriginal education costs more and therefore you have to do more; we can assist you with additional resources”.

### Targeted at those who will succeed; supports families; respects culture

### Training and Employment

Indigenous people have not been short of training opportunities. As one mining company found there was a lot of early scepticism from the community when they embarked on consultation for a vocational training initiative:

‘Oh yeah we have seen training programs come and go. This government also talks about these brand new programs with a big announcement but they don’t follow through. The training comes and goes and we don’t see any jobs out of it.’

The initial challenge for companies has been to generate training that is linked with their employment requirements, so that there are real job opportunities at the end. They have needed to design training that retains the participants and provides clearly relevant skills but at the standard equal to that required of non-Indigenous people.

Achieving this has been a challenge for many companies and participants alike. Mostly, companies have had to step outside the conventional institutional training arrangements with TAFE and government subsidies to establish their own training initiatives in ways that suit their objectives, location and capabilities. After an initial period, most companies have then re-entered relations with government and government training institutions on far more flexible and realistic terms. They have found that their training programs need to be supplemented by personal guidance, family support, financial education and a range of other guidance and counselling mechanisms geared to retaining those in training.

Company training and employment initiatives only involve relatively small numbers in a community. Most stress that they improve their chances of success if they focus on the business imperative to increase the number of skilled employees rather than see their contribution as part of welfare.
Australian Chamber of Commerce and Industry – encouraging indigenous employment

'It is critical to establish programs for Indigenous Australians to fully consider the range of pathways and the value of employment in the private sector. IEP is an important initiative in this area.'

Steve Balzary, Director of Employment and Training, ACCI

The Australian Chamber of Commerce and Industry (ACCI) assists Indigenous Australians to move into paid employment through a number of programs aimed at employment, education, training and small business development. Its Indigenous Education Program (re-launched in June 2000 as the Indigenous Education and Employment Program or IEEP) is one of the earliest initiatives in the area, see Case Study 4.4 below.

The original program generated over 2,000 vacancies and initiated successful strategies with industries including security, pharmacy, mining, hospitality, gas and retail. The new IEEP program extends the focus from finding employment opportunities for Indigenous jobseekers in the private sector to also facilitating partnerships between business, schools and community organisations to deliver structured workplace learning for Years 9, 10, 11 and 12 students.

The IEEP focuses on private sector, as distinguished from community and public sector employment options, the design of pre-employment assistance for job seekers, cross cultural awareness training for non-Indigenous employers and the continuous development of labour force skills and knowledge for Indigenous job seekers. For education and training policies, the focus is on sound basic literacy and numeracy skills, developing pathways from the school to the workplace – including structured workplace learning initiatives – the promotion and adoption of an enterprising culture and greater flexibility in education and training delivery.
ACTU-Lend Lease Foundation: real employment outcomes

Lend Lease Corporation, established a Foundation between themselves and the Australian Council of Trade Unions in 1981. The ACTU-Lend Lease Foundation was established with a charter to develop “real skills and real jobs” for young Australians. The Foundation is fully funded from Lend Lease and both parties have equal representation on the Board. (The Foundation now comes under the auspices of The Hornery Institute.)

While the company has a long history of generating programs to meet what it sees as its “broad social obligations”; the activities of the Foundation have also built on some of the central concerns of the company as a real estate development business. Having a highly skilled labour force was an important driving concern. At the time the program started, youth unemployment was a significant social problem and it was apparent to Lend Lease that there was a role for experts and concerned companies in encouraging training and support systems for young people. This grew to include training for Indigenous young people.

The Foundation has a history of cultivating long-term support for Indigenous training and employment in Australia. The national network of group training companies has employed over 500 Indigenous apprentices and trainees. The experience gained from these programs has equipped the Foundation to draw up a strategic framework to meet Indigenous development goals. Their 1996 paper “Let’s Do What: A Strategy to Improve the Social and Economic Standing of Aboriginal and Torres Strait Islander Communities”, summarises their advice.

Their research into training “that works” concluded that the most constructive approaches are characterised by community based learning, focusing on practical applications and close involvement of participants in the design of their own learning (Case Study 4.5). They placed emphasis on the need to provide continuity, accreditation, recognition and flexible pathways – important institutional requirements in providing real skills for real jobs.

**CASE STUDY 4.5 LEND LEASE: A STRATEGY FOR OUTCOMES**

An innovative strategy to enable disadvantaged Aboriginal peoples to enhance their employment and economic prospects would encourage approaches which would:

- Involve Aboriginal people in the development of initiatives, to the maximum extent possible;
- Determine strategies, organise and deliver programs at a community level;
- Encourage cooperative partnerships, especially with the business sector;
- Involve Aboriginal people in work, eg. house construction, which directly affects them;
- Therefore, encourage skills transfer/closer integration of work and learning;
- Produce the business skills needed for enterprise and development;
- Minimise institutional ‘chalk and talk’ style approaches to training and education;
- Involve the use of technology and flexible delivery modes;
- Avoid ‘the training for training’s sake’; lack of continuity; and lack of accreditation/recognised qualifications.

Source: “Let’s do what?” produced by ACTU – Lend Lease Foundation October 1996
Projects they have developed include an Indigenous youth leadership program; a residential business and technology learning/development centre; an Indigenous group training network and a “TAFE without walls” – to deliver training in remote Indigenous communities. They have developed practical, multi-media training and hands on technology programs and support and expanded Indigenous training and employment associated with major development projects.

A network of Retail Skills Centres developed by the Foundation also conducts a range of training for Aboriginal and Torres Strait Islander people, including for the IBIS stores on the Torres Strait Islands, at Macarthur Square shopping centre in Campbelltown, NSW, and at Sale in Victoria.

Coles Myer: sharing training resources

Coles Myer have generated a retail training partnership with the Arnhem Land Progress Association (ALPA), a cooperative that operates more than a dozen retail stores in the Northern Territory with over two hundred employees. This cooperative has operated for around thirty years and puts dividends back into building up community infrastructure. ALPA is the largest employer of Aboriginal people in the country.

The agreement for the initiative was signed in April 2000, after about a year’s planning. The intention of the initiative is philanthropic.

‘We are not seeking commercial or social payback to Coles Myer from the initiative – it is a philanthropic commitment.’

The goal is to share retail and training resources and exchange staff between remote grocery stores in Arnhem Land and Coles stores. The program is to help ALPA improve retail training by encouraging participation in the Deakin University and Coles Myer retail training program and through staff exchanges.

The initiative sits well with Coles’s training strategy that uses Deakin University to elevate the standard of training for its own employees and reduce casualisation in their workforce. The Deakin courses range from certificates 1 and 2 level through to MBA level. The initiative with ALPA is an open-ended commitment by Coles Myer, involving relatively minor resource outlay because it is “simply opening up their training infrastructure to another group”.

<table>
<thead>
<tr>
<th>CASE STUDY 4.6 COLES MYER: RETAIL TRAINING PARTNERSHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>• A Philanthropic Commitment</td>
</tr>
<tr>
<td>• Coles Myer retail training infrastructure available to remote grocery co-operative</td>
</tr>
<tr>
<td>• Partner is agent/employer of Indigenous trainees</td>
</tr>
</tbody>
</table>

Three different groups were considered as partners and ALPA was selected because they “were well organised but under resourced; not reliant on government nor too political”. Coles thought their own training infrastructure could add value to ALPAs operation. The parties see the partnership as an approach that ‘gets away from providing handouts’. Coles particularly chose a partner who had the capability to pursue business development through human resource training.
Establishing the initiative took a good deal of negotiation. A key question was, ‘what can we do that adds value and is not paternalistic?’ In particular, they did not want the complexity of dealing with government in applying for subsidies and other support.

The Chief Operating Officer of Coles Food and Liquor Group is a visible supporter and sponsor of the initiative. He is a member of the Northern Territory Chief Minister’s Aboriginal Development Forum that was established mid-2000 with Galarrwuy Yunupingu as the co-chair.

Coles Myer wish to maintain some distance from government in this training initiative. The company is, however, a signatory to the Federal Government’s Corporate leaders for Indigenous employment initiative for encouraging Aboriginal employment.

Anaconda Nickel – the fishing rod, not the fish

Anaconda Nickel has built strong links with Indigenous communities in the North East Goldfields region of Western Australia. The primary vehicle for this has been the establishment of the John Forrest Vocational Training Education Centre (VTEC). Established in 1999, the Centre presents a unique vocational focus in Indigenous education and enterprise development, building sustainable local Indigenous enterprises and guaranteeing every successful graduate employment in the mining industry.

Following sometimes divisive attempts to work within native title negotiating structures, Anaconda decided to engage directly in consultations with local Indigenous communities. They found that economic independence, sustainable enterprise and training with guaranteed employment were key issues. Adopting what Anaconda termed its “fishing rod not the fish” principle, the John Forrest VTEC was conceived.

The John Forrest VTEC was developed with the assistance of State and Federal Government, training and employment providers such as Goldfields Joblink and Curtin University and industry partners including James Hardie Industries, Eurest Australia, Preston Resources Limited, Homestake Mining Company and BYAC Contracting. Programs range from 12 to 24 weeks.

The John Forrest VTEC provides training to assist the school to work transition, support local enterprise development and provide vocational employment. Thus far the Centre has assisted over 100 Indigenous trainees into full-time employment with Anaconda, local Indigenous enterprise and other enterprises in the goldfields region.

The training is nationally accredited and conditions are designed to simulate the working conditions of a mine site – students working to an industry roster and living with the mine operations team. The VTEC covers the costs of a co-ordinator and mentor, accommodation, travel to and from work and all costs of training.
The program tackles one of the major deficiencies of Indigenous training programs – breaking the cycle of the difficulties in gaining employment without direct on-the-job experience. In its first year of operations, John Forrest VTEC successfully trained 36 graduates, many securing full-time employment with companies other than Anaconda in the WA Goldfields region.

With over 110 Indigenous people in full-time employment, including 60 in newly created local Indigenous enterprises, the project has so far generated more than $7 million in local economic activity. John Forrest VTEC also provides new enterprise partners with assistance in recruitment and funding for trained and experienced Indigenous and non-Indigenous mentors.

Hamersley Iron: relevant skills and jobs

Hamersley Iron initially encountered indifference in local communities towards their efforts to increase Indigenous participation in training. However, over a period of time, as their training programs actually delivered some jobs to local people, they started to earn credibility. They have progressed from the point where they had to actively solicit applicants to where they now have sixty to seventy applicants for every position.
The company essentially changed the training that had been traditionally available to Indigenous people. They altered what was previously restricted to professional training and “looked for where there was real work in the company”. Their original view that they would not lower standards but would provide a lot of additional support and assistance has been vindicated.

“We told everyone that we are not going to lower the hurdle; provide employment for employment’s sake or training for training’s sake; or simply play the numbers game.”

Hamersley Iron offers a number of training programs. The Staff Operator Work Skills Training Program trains people to operate heavy machinery and provides them with the skill base needed for employment in its operations and other industries. Those selected for traineeships are engaged as Hamersley employees on eighteen-month contracts. This program commenced in August 1992, and has been highly successful. Ninety-five per cent of graduates have found work within Hamersley or elsewhere.

The program, which operates like a small contracting business, has twelve operators and three supervisors. All vacancies are advertised, selection is merit-based and there is strong demand for traineeship positions.

Managing personal finances and family support matters are increasingly seen as important to maximise the success of a training and employment program. A mentoring program provides assistance to the families who move with the employee into inland locations. The mentors come from the Aboriginal community – from those who have made the adjustment themselves.

In 1998, the company won the main industry award at the reconciliation convention which is judged by Indigenous people – testimony to how far their programs had developed.

A number of the participants had been through training programs conducted elsewhere and they therefore had some points of comparison to judge the features they valued (Case Study 4.9). High on the list of positive features of a worthwhile training program is the quality and commitment of the instructor. Belonging to the company – being treated as an equal and being expected to perform well – were also very important features of a good program.

The key success ingredients from the participants’ points of view were:

- the company’s all round support for the community;
- “the company’s ability to back up what it says it will do”; and
- the understanding by participants that success, in the end, is “really up to the individual”.

**CASE STUDY 4.9 HAMERSLEY IRON: TRAINING PARTICIPANTS’ VIEWS**

- Participants have had previous labour market experiences and many have families to support. They know they have to travel in the job and believe they are prepared for the responsibilities that employment will bring.
- On the whole, they feel very positive about the program as they are “part of the company” and believe that the company is making a serious effort for them to succeed; “our instructors bend over backwards for us to succeed”.
- There are no guarantees of a job after the training period but “if we show commitment we have a good chance”.
- The participants particularly value a range of features: they value the support they gain from working in a team, the encouragement from the company, access to accommodation, the sense of a future and people to talk with about planning for the future. These features are not seen as common across similar programs operating elsewhere.

Source: Consultations Hamersley Iron
Hamersley Iron also conducts an Apprenticeship Training Program. The core focus is high-level skills training for Aboriginal apprentices. The previous system operated by the company was found to be deficient in that there was,

‘a high drop out in the last years of an apprenticeship and, as well, the overall safety performance was suffering – and this was the case for all apprentices. We simply weren't putting in the time at the front end for their skill development.’

The apprentice training was being outsourced in the conventional way to a Group Training Company and TAFE and, combined with ongoing structural changes in the workplace, there was a weakening of the focus on all young apprentices. “The Aboriginal apprentices were particularly negatively affected”.

Hamersley has now “taken back” apprentice training for Aboriginal young people. It is carefully tailored to the purposes of the company and the needs of the young people.

‘The changes mean they are sufficiently skilled to be valued when they get to the workshop therefore the tradesmen can invest more time in them because they get a return. These kids have now created some good friendships and we see them hanging around together on the weekends.’

There were twelve Aboriginal apprentices in 2000 – with an additional six non-Aboriginal apprentices. Two to three will complete an engineering certificate and the other nine will go into second and third year apprenticeship. “We will take another ten to twelve next year.”

There are projected skill shortages in the Pilbara and these are the trades the company is focusing on. Planning for the program is based on the prospect of growth in the region. Whereas in the past these vacancies would have been filled by skilled tradesmen travelling from cities to the Pilbara, the hope now is that vacancies will be met by trained people in the region.

Managing the relationship with governments and the training institutions for all programs was a difficult process.

‘Originally, we had to go it alone because training institutions then didn’t regard what we wanted to do as real training. We had to develop our own programs. We looked at what was happening around Australia – people were doing courses but there were no jobs at the end of it. We set criteria and they are still there to-day. There were no subsidies - we have only just started that. Governments wanted to control the training.’

The change in the attitude of government has been crucial. The earlier position was one where conditions of government assistance resulted in tight constraints on what a company could do and therefore a company was significantly inhibited from responding to the needs of the participants. Along with allowing greater flexibility, government now recognises that industry actually provides the key outcome from training – a job.

‘Government now concedes that training for its own sake does not necessarily lead to a jobs outcome.’
WMC Resources: training for the long term

In the past WMC Resources and many other companies have had difficulty attracting and retaining Aboriginal employees. Reasons include:

- an inability or unwillingness to recognise their cultural needs;
- lack of suitably trained candidates;
- a perception that the company opposed Native Title and would not be supportive of Indigenous employees; and
- reduced opportunities for direct employment as employment moved to contractors.

With the Department of Employment Workplace Relations and Small Business, (DEWRSB), WMC commissioned an Indigenous Business and Employment Strategy to identify opportunities for local Aboriginal people at their Western Australian operations. Information was gathered from late 1998, and they were surprised by the opportunities identified in a region with traditionally very low Aboriginal participation in mining.

In announcing WMC’s subsequent Indigenous Employment Initiative in August 2000, the WMC Resources Managing Director said, ‘…we now have a seamless opportunity to do whatever is needed with the best talent. Whether it is technical, technical assistance or any other skills (we can provide) a good, steady, long-term opportunity. (This will lead to) respect and encouragement for both sides and encourage a long-term employment relationship – that’s what we’re looking for.’

WMC set a target of finding employment for one hundred Aboriginal people in two years. Jobs would be either directly with WMC or with contractors to the company. The training would be aimed at skills for employment in the mining industry. WMC acknowledges that meeting such a target would be a challenge. In June 2000 there were only twenty Indigenous people working at the company’s operations. By December 2000 this had grown to 90, with further training planned for early 2001. The company employs around 3,600 in WA. Indigenous people make up 3.2 per cent of the population of around 1.8 million. In many regional areas the proportion of Indigenous people in the population is even greater. WMC believes that they should be employing at least one hundred and fifteen Indigenous people to match the State population’s composition.

The Indigenous employment initiative is a $1 million joint commitment by WMC and DEWRSB. It aims to prepare potential employees for work and to fund salary support payments for employers. As part of the initiative WMC renovated the Leinster Downs pastoral property in the northern goldfields of Western Australia. This facility and another in the southern goldfields provide the bases for training Indigenous people.

Initially, the opportunities for greater Aboriginal participation are with contractors. WMC has committed to working with both contractors and Indigenous people to encourage that participation. Since mid-1997, WMC has required major contractors in Australia to implement a Local Community and Indigenous Peoples Plan that incorporates Indigenous employment, training and business opportunities. The plan then becomes a contract for those providing services to WMC committing them to Indigenous training and employment.
Results to date are improving with a high proportion of those in training programs graduating and gaining employment with WMC contractors. For example, from two training programs conducted in December 2000 with a total of twenty-six participants, twenty-three graduated of whom 18 obtained, and remain in, full time employment.

**Eurest Australia: tangible business benefits**

Eurest Australia, the largest food service organisation in Australia, has a business that focuses on catering and services in remote areas. Using innovative training approaches they have successfully incorporated the employment and training of Indigenous people into this business. Moreover, their employment strategy has provided a local skilled labour pool, reducing costs associated with fly-in-fly-out employees and created a competitive edge for their business. When competing for contracts in remote areas, contracting companies frequently seek to boost Indigenous employment in an area by selecting contractors who can deliver an employment strategy that includes Indigenous people.

In early 2001 this initiative was expanded from its base in remote support services business into Eurest’s urban market sectors which include retail, leisure, health, education, business, industry and defence.

The Industry Training and Employment Initiative is three years old. The origins were in the contract won by Eurest’s remote catering business established as a joint venture between P&O (now Eurest) and Gumala Enterprises, a business development by Aboriginal people in the Pilbara. Gumala operates three joint venture arrangements originally established to provide services for Hamersley Iron’s new iron ore plant at Yandicoogina. Eurest Gumala was successful in tendering for both the construction and production village management contracts.

A core goal of the new joint venture for catering was to train and employ members of the local community. This was initiated as a cooperative effort between Hamersley Iron, the Department of Employment, Workplace Relations and Small Business (DEWRSB), and the Western Australia Department of Training.

Eurest was new to training Indigenous people. The first round of training presented many challenges and “all parties were on a steep learning curve”. The funding arrangements, where government matched funds from the joint venture partners, were also unnecessarily complex. The quality of the ‘person on the ground’ in managing and liaising with all the parties became a vital role in keeping the early project on track.

The company also had to learn how to work effectively with a joint venture partner who was firmly tied to community interests. Joint venture partners also had to learn about sub contracting in the catering industry. At Board level, as well as on site, cross-cultural understanding became an important ingredient for business success. The Eurest Gumala joint venture’s turnover has grown by 300% in the last three years and it now has contracts throughout the Pilbara including the Robe Development Project, currently Western Australia’s largest resources construction project.

The first training program was ten weeks in length and included a two week placement in a mining construction camp environment where the majority of graduates would gain employment. They used the community to support the initiative with leading people from Gumala and Hamersley Iron providing input and agencies such as the police and the Health Department providing support.
The first program started with sixteen participants. Twelve stayed for most of the course and ten completed the program. All ten gained employment. Seventy people attended a graduation ceremony. Around half of the participants stayed in employment for twelve months and some are still working three years on. The main reason individuals had for leaving the job concerned family and related issues and pressures.

Eurest attempted similar programs in another location but they were not as successful so the structure of the program changed in 1999 to a national program with more flexible funding support. Government funding is now more closely tied to employment outcomes and retention of participants. Over one hundred and forty people have subsequently been employed nationally through the program.

The benefits for Eurest are substantial:

‘There are tangible benefits for the business. The training and employment strategy has, without doubt, provided Eurest with a solid competitive advantage in competing for contracts in remote areas.’

Many tender documents now explicitly refer to the need to include an Indigenous employment strategy. The solid record of success and experience provides companies with the assurance that Eurest can deliver on its objectives.

The employment of local people as opposed to flying people into remote sites is also a significant cost saving to the company. Drawing on a trained and competent labour pool is achievable in some regions and is highly effective for the company. Casual work also suits many people.

Eurest is now well known for its success in training and employing Indigenous people. The company's reputation in the industry is enhanced and clients in government and in industry regard the company highly. The strategy has also boosted Eurest's preferred employment profile as employees have a very positive perception of the project and the company's commitment to the indigenous community.

Eurest has learned a number of important lessons in their considerable effort to deliver effective programs.

Firstly, there are issues concerned with program design and human resource management. There are significant differences in how training is now organised from the initial days of the programs. Training is a mix of pre-employment training or structured workplace training. The most successful arrangements include:

- having small groups – around three participants at a time;
- being able to custom fit the training to the participants' capabilities and interests;
- providing early opportunity for direct workplace experience over a week;

### CASE STUDY 4.10 EUREST: BENEFITS OF INDIGENOUS EMPLOYMENT

| The benefits for the business from the Indigenous Employment Initiative are the main drivers. The program enables Eurest to: |
| Win contracts: Eurest can compete effectively with competitors for remote area contracts; contracting companies know Eurest has a successful record. |
| Make cost savings: using local employees, often who prefer casual employment, saves Eurest the considerable additional costs of transporting skilled labour to remote sites. |
| Enhance its reputation: As the company operates in remote areas it is very important that it is seen as contributing to the local area. Governments as well as communities and business have a high regard for the effectiveness of the Eurest programs. Employees also see the program as a positive company initiative, building on the company's preferred employer objectives. |

Source: Consultations.
• providing the opportunity for people to continue training after employment; and
• providing flexible employment opportunities through joining a casual relief pool.

Recognising the ongoing need for flexibility, the company is considering how to include arrangements for job sharing.

Secondly, the role of the community is important. Eurest found they were more successful if they communicated fully with communities about the goals and expectations of the program and the company. Past relationships with government and employers inevitably have an impact on the degree of community trust in any new initiative and it is sensible to understand past negative experiences and confront the difficult issues.

Thirdly, an important component was to provide personal assistance for participants. In particular, the program requires a highly effective project officer in the particular locality to assist with the day-to-day issues that arise. Many factors arise that inhibit individuals from participating in the program and local and day to day assistance is a vital part of the infrastructure needed for success.

Finally, conducting cross-cultural training has been found to be an important part of success. Most Indigenous communities now have a business that provides a cross cultural service and Eurest calls on those companies to assist them.

Achieving success in Eurest has been a difficult process but they now have the understanding, relationships and infrastructure to carry the initiatives forward (Case Study 4.11). There is always, though, a process of renewal that is required and support from top management – a visible champion – is a key ingredient.

CASE STUDY 4.11 EUREST: CRITICAL PROJECT SUCCESS FACTORS

- The ‘right’ project officer.
- Well established community links.
- Always look for ‘improvement options’ - need to keep alert.
- Use company expertise.
- Support in Eurest from top management: ‘a visible champion is needed’.
- Establishing how to work proactively with government – avoid at all cost losing flexibility to adapt and improve.

Source: Consultations

CASE STUDY 4.12 AUSTRALIA WIDE CONSULTANCIES: INDIGENOUS TRAINING AND EMPLOYMENT

- Negotiating (and sometimes creating) positions with employers for Indigenous employees;
- Engaging corporations in the selection process;
- Providing the necessary pre-employment training;
- Acting as mentor for the successful applicants; and
- Liaising between employer, employee and government.

Source: Consultations

Australia Wide Consultancies Pty Ltd: ‘selling’ the idea of employing Indigenous peoples

In its role as an employment agency, Australia Wide Consultancies Pty Ltd (AWC) essentially acts as an intermediary between employers, Indigenous people, and government – and aims to maximise the employment objectives and outcomes for all parties.
AWC's motive for improving employment opportunities for Indigenous people is driven by the owners’ philosophies and values. The owners have had strong relationships with Indigenous people throughout their lives and are committed to helping them to participate equally in society, particularly in employment and training.

As very few companies actively seek Indigenous employees, AWC approaches companies and industry associations and sells them the concept of 'employing Indigenous people'. This has, however, often proven to be a difficult task. Several barriers recur:

- the attitude of some employers toward Indigenous people (which is sometimes founded on past experience and at other times on stereotypical perceptions) is not conducive to creating employment opportunities;
- the poor understanding of cultural differences between Indigenous and non-Indigenous people (such as the central focus of family to Indigenous people) needs to be acknowledged by both parties; and
- the Indigenous client group often needs to be educated on work culture and ethical issues – including informing them of their employers' expectations.

AWC's innovative approach is designed to help overcome these barriers. AWC first determines the skill set required and then provides the relevant training – "companies get skilled workers at no cost to them". Companies are encouraged to assist in the selection process – this helps to improve employment retention rates as both parties get to “test the water during the training before they commit either way”. Also, the mentoring program, offered for twenty six weeks under contract but often lasting longer on a 'needs basis', among other things, facilitates communication between employer and employee. This has proved to be an effective way to retain employees.

A recent initiative is AWC's contract with Coles Supermarkets to assist with the training and employment of Indigenous customer service officers in its stores in both South Australia and the Northern Territory throughout next year, commencing in January 2001. The agreement has been developed in line with the Commonwealth Structured Training for Employment Project (STEP).

The benefits to Coles, or other employers, from using an intermediary such as AWC to recruit Indigenous people using the STEP project are many. Employers can avoid all the associated administration; they do not have to get involved in liaising with government - which involves providing reports, paper work and the development of a program strategy; and small employers who are unable to commit to employing the required number of Indigenous people can access the STEP program through an intermediary.

Over the past six months Indigenous people have been prepared for and placed in a range of industries including agriculture, construction, horticulture and landscaping, general engineering and metal fabrication, warehousing and retail. Out of a total of sixty people (from both urban and regional areas) 48 were employed and approximately 36 were still employed five months after commencement.

Success factors have included avoiding specialised Indigenous training courses – AWC believes it is important to include Indigenous clients in mainstream courses with individual assistance and mentoring along the way. "Retention results are better for Indigenous employees who are treated as equals from day one".
Also, AWC’s experience is that wage subsidies are often an incentive for small companies to employ Indigenous people, but not such an attraction for larger companies. The more important factors for large companies are good, reliable workers.

‘Companies in general are suspicious about wage subsidies. They wonder why wage subsidies are being offered and often assume that it is because they are perhaps not reliable productive workers.’

BHPBilliton Iron Ore: aboriginal relationship program

BHPBilliton Iron Ore established its Aboriginal Affairs Department in 1992 to ensure the company developed and maintained positive relations with Indigenous peoples and communities in the Pilbara. The department is located in Port Hedland and Newman townships, and continues to have a strong focus on protecting Aboriginal cultural heritage and assisting in the community’s economic and social development.

Their program includes an undertaking to increase Aboriginal employment in both BHPBilliton Iron Ore’s operations and the wider community, to 12 per cent Aboriginal employment by 2010. With current levels of Indigenous employment of around 3 per cent, BHPBilliton recognises this is a significant task. BHPBilliton CEO signed the Industry Leaders Commitment to Indigenous Employment and in April 2001, President Iron Ore and HBI also signed a memorandum of understanding with the Commonwealth Department of Employment, Workplace Relations and Small Business.

The program focuses on integrated activities in education, training and employment to increase Aboriginal employment in the Pilbara operations. New activities include work experience placement, clerical and apprenticeship intakes and workplace mentoring of Aboriginal staff.

An Indigenous traineeship scheme commenced in 2001, with eight new administrative and trade apprenticeship positions available at Newman, Hedland and Perth. Support for Aboriginal trainees and employees is provided by a specialist trainer as a mentor. They also actively encourage the major contractors to develop Indigenous employment and training programs.

Further initiatives that support the employment commitment include: communicating the importance of Aboriginal relationships underpinned by a values statement from the CEO and a cross-cultural training program that has been extended to all members of the workforce in Newman and Port Hedland. The company also provides communities with improved electronic communication through access to BHPBilliton’s e-village program.

The Gwydir Valley Cotton Growers’ Association: employment and community self esteem

The Gwydir Valley Cotton Growers Association (GVCA) Aboriginal Employment Strategy scheme was initiated in response to recommendations arising from the 1992 Royal Commission into Aboriginal Deaths in Custody. As a result of the findings from the Royal Commission seven Aboriginal Employment Promotion Committees were established throughout New South Wales, one being located in Moree.
The Aboriginal Employment Promotion Committees subsequently met for two years but failed to establish a dedicated Aboriginal employment strategy. It became clear that unlike other towns with a major corporate presence, Moree could not easily follow other models operating in regional areas. The cotton-growing members of the committee then decided that the best way to proceed was to design and industry specific strategy, rather than a business specific employment strategy.

‘The decision to put in place and sponsor an Aboriginal Employment Strategy occurred partly in response to the deteriorating race relations between the Aboriginal and non-Aboriginal people in the community and out of economic necessity to stem the departure of skilled and experienced people who no longer wanted to stay in a town which was spinning out of control at that time.’

Cotton grower

The Australian Bureau of Statistics estimates Moree's total population at just over 10,500 people. Of this number, approximately 2,700 Aboriginal people live in Moree which means that they comprise 25 per cent of the total population.

‘In the Moree district the agricultural economy and particularly the cotton industry, are major employers. With the highest Aboriginal population in rural NSW this programme can have positive far reaching consequences. With GVCGA representing a high percentage of cotton employers I feel confident that the implementation of this strategy will be very rewarding.’

Alice Scott, former Chairperson of the Gwydir Valley Cotton Growers' Association.

The original aim of the joint government and industry project was to generate strategies to provide permanent employment opportunities with the Gwydir valley cotton industry. Flowing from this would be an exchange of cultural understanding and the industry would become more accessible to Indigenous peoples, particularly those in the area.

**CASE STUDY 4.13 GWYDIR VALLEY COTTON GROWERS: STRATEGY OBJECTIVES**

The specific objectives for the Strategy were:

- To achieve equitable representation of Aboriginal and Torres Strait Islander people in the Gwydir Valley Cotton Industry.
  - To provide permanent employment opportunities for Aboriginal and Torres Strait Islander people within the Gwydir Valley Cotton Industry.
  - To increase access for Aboriginal and Torres Strait Islander people to the Gwydir Valley Cotton Industry through improved representation of those people working in the Cotton industry.
  - To develop a means of making the Gwydir Valley Cotton Industry more relevant to Aboriginal and Torres Strait Islander people.
  - To promote two-way learning and cross cultural awareness between Aboriginal and Torres Strait Islander people and non-Indigenous people with the cotton industry regarding their lifestyle and culture.
  - To achieve equity of employment of 2 per cent of Aboriginal and Torres Strait Islander personnel in the Gwydir Valley Cotton Industry to reflect their representation within the whole Australian population (or a higher percentage if required to reflect the ratio of Aboriginal and Torres Strait Islander people within the community served by Gwydir Valley Cotton Industry).
  - To consult with Aboriginal and Torres Strait Islander representative bodies and communities in respect to sub-paragraphs (a) to (f) above.

Source: GVCGA documentation
The strategy is run out of an office located in the main street of Moree. Currently the strategy is run by four local Indigenous people. Features of the strategy’s organisational structure include:

- Indigenous orientation and management;
- strong team work and focused leadership;
- flat management structure;
- financial security; and
- a sound business plan.

The strategy maintains internal rules aimed at ensuring workplace harmony and successful achievement of the strategy’s objectives (Case Study 4.14).

**CASE STUDY 4.14 GWYDIR VALLEY COTTON GROWERS: EMPLOYMENT STRATEGY RULES**

- Adopt positive approach and stay focused on Mission Statement.
- We don’t get involved in debate about past wrongs.
- We don’t talk about our fellow team members.
- We don’t tell people to change, we create ways by which people will change.
- We work with the middle third of Aboriginal people, the bottom third will move up in time as they see the benefits (otherwise you will lose employer confidence).

Source: Consultations

**CASE STUDY 4.15 GWYDIR VALLEY COTTON GROWERS: MOREE MENTOR SERVICE MODEL**

<table>
<thead>
<tr>
<th>PARTICIPANT FOCUS</th>
<th>EMPLOYER FOCUS</th>
<th>COMMUNITY FOCUS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-Employment Activities</strong></td>
<td><strong>Pre-Employment Activities</strong></td>
<td><strong>Indigenous Community</strong></td>
</tr>
<tr>
<td>Screening and identification of work skills, experience and aspirations</td>
<td>Assistance to screen applicants</td>
<td>Delivering information sessions in schools about the strategy</td>
</tr>
<tr>
<td>Assistance to prepare a resume and with job interview techniques</td>
<td>Identification of issues in the workplace which may affect placement outcomes</td>
<td>Being an advocate for local issues which are important to the community</td>
</tr>
<tr>
<td>Matching skills, experience and aspirations with a suitable vacancy</td>
<td>Liasing with Job Network Providers</td>
<td>Being a positive role model and providing supporting for activities for all groups</td>
</tr>
<tr>
<td>Assistance to travel to and prepare for an interview with an employer</td>
<td>Confirming timelines for filling vacancies</td>
<td>Sponsoring and organising activities for young people</td>
</tr>
<tr>
<td>Introduction to employer and advocate explaining why they should be taken on</td>
<td>Organising and delivering cultural awareness training as needed</td>
<td>Organising work experience placements, traineeships, etc</td>
</tr>
<tr>
<td>Organising a training course or work experience placement, if needed</td>
<td><strong>Placement Follow-up &amp; Support</strong></td>
<td>Promoting Reconciliation within the Indigenous community</td>
</tr>
<tr>
<td><strong>Placement Follow-up &amp; Support</strong></td>
<td></td>
<td><strong>Non-Indigenous Community</strong></td>
</tr>
<tr>
<td>Transport to and from workplace, if needed</td>
<td>Regular site visits and discussion with the Employer about how things are going</td>
<td>Active promotion about what the issues are for Indigenous people in Moree</td>
</tr>
<tr>
<td>Assistance to purchase suitable clothing and work related items if needed</td>
<td>Assistance to organise training for the participant if additional skills are needed</td>
<td>Attending meetings with community leaders and businesses to discuss issues</td>
</tr>
<tr>
<td>Continuous follow-up to ensure that the participant is settling in with the job</td>
<td>Continuous follow-up to ensure that the participant has settled into the position</td>
<td>Delivering cultural awareness training sessions to various groups</td>
</tr>
<tr>
<td>Advocate for participant if there are problems in the workplace</td>
<td>Advocate for the Employer if there are problems in the workplace</td>
<td>Promoting the benefits of tapping into local Aboriginal people as a workforce</td>
</tr>
<tr>
<td>Providing other assistance needed to ensure that the placement is a success</td>
<td>Providing other assistance is needed to ensure that the placement is a success</td>
<td>Promoting the virtues of Reconciliation and the positive effect it can have</td>
</tr>
</tbody>
</table>

Source: GVCGA documentation
The staff running the strategy have identified three different phases with the local Indigenous community.

- **Phase 1: Don't Want to Know About You** – which involved being ignored and thought of as another “white feel-good outfit”;
- **Phase 2: Nepotism Again** – wherein staff were perceived as only getting jobs for the relatives of people who were running the program; and
- **Phase 3: Total Acceptance** – which occurred when the staff, Gwydir Valley Cotton Growers’ Association and the General Manager of the Moree Plains Shire Council got behind and supported the Moree Boomerangs Football Club in their endeavours to regain entry into the Group Football Competition. Although the bid failed it was said that “This really proved to the Aboriginal Community that the town was behind them.”

According to the data collected, a total of one hundred and ninety-seven people are recorded as having received some form of assistance under the strategy. Since the strategy commenced in 1997, three hundred and seventeen placements have occurred with 53 per cent in the cotton industry and 47 per cent in other industries, which makes allowance for the seasonal nature of some rural employment.

<table>
<thead>
<tr>
<th>Period</th>
<th>Cotton</th>
<th>Other</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-97</td>
<td>13</td>
<td>3</td>
<td>16</td>
</tr>
<tr>
<td>1997-98</td>
<td>46</td>
<td>7</td>
<td>53</td>
</tr>
<tr>
<td>1998-99</td>
<td>49</td>
<td>64</td>
<td>113</td>
</tr>
<tr>
<td>1999-00</td>
<td>55</td>
<td>73</td>
<td>128</td>
</tr>
<tr>
<td>2000-01</td>
<td>6</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Totals</td>
<td>242</td>
<td>75</td>
<td>317</td>
</tr>
</tbody>
</table>

Source: Aboriginal Employment Strategy

An analysis of the data indicates that 37.8 per cent of placements were made to skilled positions; 46.4 per cent were in semi-skilled positions; and 15.8 per cent of all placements were to unskilled positions.

One of the most important outcomes has been the raising of self-esteem in the community as a whole. A local cotton grower made the comment that:

‘Some people now ring the Strategy rather than Joblink as they have a more reliable selection process. Business is about managing resources effectively rather than letting standards slip. The strategy’s mentoring service provides an effective dispute resolution function not only for me but also for participants.’

Local cotton grower

When the strategy commenced, there was some cynicism about what it was actually going to do for Aboriginal people. One comment made was,

‘Is this really for us or is it really for the white people in Moree?’

A number of Indigenous people now express the view that the strategy has been:

‘The best thing to happen in this town for a long time.’
‘Without this strategy we would still be going nowhere fast.’
‘It provided hope when there was no hope.’
These sentiments make it clear that the strategy has had a very positive impact on the lives of Aboriginal people living in Moree. A key ingredient has been the continuous support and assistance being given to participants. This approach has engendered respect from local Aboriginal people who now regularly drop into the strategy office to chat with staff about work opportunities and life in general.

Another key success factor is the role played by ‘determined individuals with a vision’ – it is apparent that the vision and tenaciousness of individuals involved with the strategy has played a significant part in the initial establishment and successful implementation of the strategy.

Industry partnership has also been a vital aspect, as has the capacity to adopt a ‘holistic approach’ to programs. Strategy staff understood that they needed to do more than just provide job matching services to gain the trust and respect of local Indigenous people and employers and have, for example, led community support for the local Aboriginal football team.

The enthusiastic and committed staff have been a cornerstone to the strategy’s success. The staff are Indigenous people who come from Moree and are well known in their community.

The challenges they have faced include ‘local politics’, institutional barriers and cultural issues.

### CASE STUDY 4.17 GWYDIR VALLEY COTTON GROWERS: CHALLENGES

| Lack of community confidence |
| Local Indigenous politics |
| Finding the right personnel |
| Lack of communication between agencies |
| The ‘walkabout’ issues |
| Cultural awareness/understanding |
| Family problems/environmental issues |
| Indigenous awareness and understanding of business needs |

Source: consultations

Bourke Cotton Growers – Aboriginal Employment Strategy
(Bourke, Western NSW)

Following the successful model for the Gwydir Valley cotton growers, a group in Bourke, New South Wales also embarked on a strategy to train Indigenous Australians for full time employment in irrigation industries.

The program has been running for a year and aims to train and place twelve Indigenous people per year. In 2001, fourteen people undertook the course.

The program was initiated due to the difficulties the local industry was having finding trained staff. There was also the feeling that the Indigenous population had been shut out of the benefits flowing from the irrigation industry, despite the fact that such a large proportion of the local population is Indigenous.

Bourke Cotton Growers believe the initiative has been a real success so far.

‘People who haven’t had jobs in their whole lives are now being employed – that has to be good for the individuals, business and the community.’
Importantly, this program aims to fulfil a real business need for well trained employees who are keen to stay in the district. As in Moree, the program is being run by a cooperative of small to medium business that share in supporting the infrastructure.

Museum Victoria – recruitment for diversity
The employment and professional development strategy of Museum Victoria (Case Study 4.18) has the objective of attracting Aboriginal and Torres Strait Islander peoples to a range of roles at the Museum. Staff have traditionally worked in Aboriginal programs, collections, and Bunjilaka. While the Museum continues to attract Indigenous Australians to these specialised roles, it is also well placed to provide employment and training opportunities in other areas.

The Museum employed around eight Aboriginal staff who predominantly worked in indigenous programs and collections. Aboriginal and Torres Strait Islander people made up 1.7 per cent of the Museum’s workforce and occupied middle to senior level positions. In implementing this strategy, Museum Victoria targeted an increase in the number of staff to 20 or 4 per cent of the workforce.

Increasing knowledge and understanding of Aboriginal culture amongst all Museum Victoria staff is also a key feature of this strategy. Greater cultural awareness will enhance the employment experience off all staff at the Museum, both non-indigenous and Aboriginal and Torres Strait Islander staff. Cultural awareness and understanding is crucial to the success of the employment strategy and underpins the Museum’s ability to deliver its various initiatives and programs related to Aboriginal issues.

The specific objectives of this strategy are to:
• employ Aboriginal people in a variety of roles across the Museum;
• enhance the employment experience of Aboriginal and Torres Strait Islander people working at the Museum through a range of professional development strategies;
• encourage suitably qualified Aboriginal and Torres Strait Islander applicants to apply for positions at the Museum, particularly in jobs that require a comprehensive knowledge of culture and society.

### CASE STUDY: 4.18 MUSEUM VICTORIA: EMPLOYMENT AND TRAINING STRATEGIES

<table>
<thead>
<tr>
<th>Goal: Provide opportunities for Aboriginal people and Torres Strait Islanders to work in a variety of roles across the Museum.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Employ Aboriginal and Torres Strait Islander people in customer service positions at Melbourne Museum.</td>
</tr>
<tr>
<td>2 Provide traineeship opportunities for young Aboriginal and Torres Strait Islander people through the State Government Youth Employment Initiative.</td>
</tr>
<tr>
<td>3 Provide professional development opportunities.</td>
</tr>
<tr>
<td>4 Encourage suitably qualified Aboriginal and Torres Strait Islander people to apply for positions that require knowledge of Aboriginal culture and society.</td>
</tr>
<tr>
<td>5 Develop employment/study partnerships with the education sector to attract Aboriginal and Torres Strait Islander people to specialised roles at the Museum.</td>
</tr>
<tr>
<td>6 Establish an appropriate recruitment process for positions requiring knowledge of Aboriginal culture and society (identified positions).</td>
</tr>
<tr>
<td>7 Encourage cultural awareness between Aboriginal and Torres Strait Islander people and non-Aboriginal employees.</td>
</tr>
<tr>
<td>8 Develop a program of cultural activities to enhance knowledge of Aboriginal culture and indigenous issues.</td>
</tr>
</tbody>
</table>
The centrepiece was an employment strategy for 13 customer service officers. It has been successful and is now established in the organisation. A starting point was consulting with existing Indigenous staff to better understand the experience of Indigenous employees. The organisation wanted to design a strategy that not only increased the numbers but provided a quality experience. The strategy ‘says a lot more than achieving a target for its own sake.’

There are a number of lessons that arise from experience in this employment strategy. Similar to many other organisations, there was great uncertainty about the starting points for recruitment such as understanding the market and knowing how far to discriminate positively without invoking stereotypic assumptions about capability. There is a fear about “saying the wrong thing” or “offending someone because we don’t know the right way to communicate.”

The first challenge was a communication problem. Recruitment strategies often need to take different forms to attract the interest and commitment of Indigenous people. Different avenues were used to communicate with potential employees – posters, consultation with intermediaries such as Aboriginal co-operatives, radio and Indigenous units in education institutions. The challenge was to describe the jobs in a concrete way, and to be accessible to answer questions, “not dumbing down the detail but just saying it as it is.” The process took far longer than anticipated, “word of mouth helped and the applications trickled in.”

The second challenge was to design an assessment process that was both culturally appropriate but as rigorous as that applied to all other employees. They conducted regional interviews for an initial screening but then channelled applicants into the mainstream recruitment process that included psychological testing for suitability as a customer service representative. This was both controversial and a new experience for most people. There were mixed results with some applicants in the top 10 per cent and “on the whole the applicants were competitive in their own right.”

Thirdly, the organisation had to learn to cope with staff turnover, even from those who were very capable applicants. Some left quite early due to family pressures and not fully understanding the lifestyle implications of employment in the metropolitan area.

The fourth challenge was embedding cultural awareness in the organisation – “not shoving it down peoples throats but taking it slowly. It is a multi layered process that takes time”. Cultural awareness was treated as a personal issue where premises are questioned and stereotypes examined. The effort is to bring the needs and experiences of Indigenous people to the foreground but not in a way that segregates them. “It’s not about us doing them a favour; it’s about us needing and finding them.”

A key success factor has been recruitment in sufficient numbers for the employees to have culturally relevant reference points and a forum in which they have the confidence to articulate their needs. The ongoing requirement is to build relevant career paths in the organisation to take full advantage of the capability of the employees.
Qantas Aboriginal and Torres Strait Islander Employment and Training Program

Qantas has an Aboriginal and Torres Strait Islander employment and training program. Introduced in 1988, it aims to have an overall representation of Aboriginal and Torres Strait Islander people across all occupations and levels to reflect the broader community, its customers and its commitment to Equal Employment Opportunity legislative and reporting requirements.

Qantas has encouraged employment of Aboriginal and Torres Strait Islander people in areas such as Cabin Crew, Telephone Sales, Engineering and Maintenance, Flight Catering, Flight Operations and Airport Customer Service (Case Study 4.19)

Qantas conducted a National Indigenous Flight Attendant campaign in late 1999. Included in this campaign was a series of seminars advertised in media such as the Koori Mail, which enabled Qantas to reach applicants in cities such as Darwin and Cairns, for whom it may have been difficult to travel to Sydney and Melbourne.

Qantas employs a full-time Diversity Co-ordinator who is responsible for the airline's Aboriginal and Torres Strait Islander Program Unit.

This role includes offering assistance to indigenous employees (approximately 1 to 2 per cent of the workforce) of Qantas with regard to career and training development, and monitoring and developing employment strategies, whilst ensuring the program is effectively integrated into the airline’s divisions, subsidiaries, region and ports.

Kells Law Firm – offering regional employment

Kells is an example of a small business engaging with the Indigenous community. It is a law firm with three offices in the Illawarra region and one in Sydney with a total of 81 staff, of which 25 are lawyers.

Under the Corporate Leaders for Indigenous Employment Project (see Appendix C), Kells undertook a commitment to Indigenous employment. The firm has a strong law clerk program and an arrangement with Wollongong University whereby law students are able to structure their university study requirements to attend lectures and work as a clerk with Kells.

Kells became the first small to medium sized enterprise in New South Wales to offer a cadetship through the National Indigenous Cadetship Program. Their objectives for the cadetship program are that by the end of the program the cadet will be a productive member of the team and that the cadet is a well-grounded lawyer who would like to stay with the firm.

The firm sees the program as win/win for both cadet and business. The cadet gains valuable experience, skills and confidence while the firm gains a potential full-time employee who is well skilled and familiar with the culture and operations of the firm.

CASE STUDY 4.19 QANTAS: PROGRAM ACHIEVEMENTS

The program has seen the graduation of a significant number of apprentices as Licensed Aircraft Maintenance Engineers - one of whom was awarded the Aboriginal Apprentice of the Year Award 1995; two apprentice chefs, who received special citations of Aboriginal Apprentice of the Year Award in 1996 an Excellence Award. The cabin crew department in 1995, outside government funding, recruited 15 Indigenous people as flight attendants on short haul (domestic) sectors and a further 9 Indigenous people as flight attendants in 2000.

Source: Company documentation
Perspectives of Indigenous participants

Participants' experiences in training and employment programs in the remote rural area of the Pilbara in Western Australia, in Bourke, in regional New South Wales, and in Redfern in metropolitan Sydney reveal some of the complexities as well as the opportunities available to achieve more successful outcomes.

Positive attributes, seen particularly in the Pilbara in the programs by Hamersley Iron were:

• The existence of mentoring schemes,
  "Mentors are really important for our young people. They are based on trust and friendship and the person needs to have an understanding of the cultural issues that may affect young Aboriginal people in programs or training."

• A recruiting process that attempted to encompass the needs of the “whole community”
  "Recruiting involves a council of elders who oversee the recruitment process and advise on who would be most suitable for what tasks and training."

• Company commitment that means activities are well resourced
  "For programs/courses to be successful they need to be resourced to the maximum level. We are fortunate that programs resources enable us to carry out the tasks to the maximum level and we see the results in the courses, the retention of trainees and in seeing them into full time jobs."

In Redfern the experiences were not so positive.

• Participants feel that mainstream businesses does not believe that Aboriginal people can handle roles that require responsibility and management.
  "They think we can't handle the more complex stuff."

• Many cited instances of completing training only to be laid off. A number saw that Aboriginal traineeships "are just providing cheap labour for many businesses".
  "Training shouldn't end with people looking for work on their own."

The general feeling in Redfern was that government sponsored programs encouraged "tokenism" and "not being competitive in the mainstream". Many thought that direct partnerships with private business rather than through government, might deliver better outcomes. Participants forcefully argued that people want to work, want to be trained and want to be competitive in the mainstream job market.

In Bourke, the experiences were different again. Indigenous Australians comprise around a quarter of the population, with half under twenty years of age. The level of unemployment is high as is the level of crime.

Participants in the Bourke Cotton Growers scheme (modelled on the Gwydir cotton growers scheme) highlighted a number of positive aspects:

• First, the work conditions and responsibilities given to employees while trainees. One participant working in the nursery of one of the cotton farms was preparing to take over the management of the nursery during a leave of absence of the manager.
Second, the training provided as part of the traineeship. This would provide a launch pad into further employment. Three of the trainees had already moved into permanent full-time employment.

Third, the support provided by the program co-ordinator. This support was both diverse and far-reaching. For one worker it involved providing a loan guarantee for the purchase of a new car, while for another it involved securing accommodation for the worker and his family on the farm and even assisting with the construction of a chook pen.

‘I like it out here rather than in town. The kids have got a lot of room to play ... My little one has a minibike and he scoots around the area and in the future I would like to get a pony for the kids.’

The positive nature of participants’ comments reflected a sense that they were being looked after and that the program had met a variety of their needs. As well, training was not being restricted to the skills necessary to the job at hand, but to the broader provision of life skills in home and finance management.

Some challenges were made to the cotton growers scheme. It was felt that the industry employed relatively low numbers of Indigenous people given the very large numbers of people looking for work in the community and the presence of some very large companies. The cotton growers, as do many other industry driven programs, also tend to pick the best workers available whereas those who may not be as skilled or motivated miss out.

The experiences of Gundabooka, a Community Employment Development Program (CDEP), provided another view of employment and training issues in this location (although this is more a business development scheme). On the one hand, there were some positive comments. These were mainly in terms of the positive experiences with some private sector businesses. In these cases the relationship was clear in that a service was required and contracted and Gundabooka successfully provided it (to Resitech and the Bourke Abattoir).

‘Our building team is doing great things. They are out there every day, they are supported by qualified tradespeople and are showing they can do the job and they are getting contracts based on this.’

On the other hand, there were a number of examples cited of businesses and government choosing to bypass the Gundabooka offering in the given industry area. Experiences in this regard were:

• a scepticism that Gundabooka could provide an appropriate product or service;
• a fear that Gundabooka with its subsidised employment could undercut other providers in specific areas;
• a tendency for both government and industry to see Gundabooka as a labour training organisation and labour provider rather than industry player.

Exhibit 4.1 below summarises the key positive and negative elements apparent in participants’ assessment of training and employment schemes conducted by non-Indigenous business.
Concluding comments: Training and Employment Strategies

Corporations benefit in a variety of ways from strategies that focus on creating and retaining diverse workforces, while building relationships with Indigenous communities.

While companies operating in regional areas often cite ‘the creation of reliable local labour markets’ as a key benefit of their employment and training programs, companies in metropolitan locations usually refer to the positive impacts on corporate culture and staff morale:

‘The key benefit to our company from running Indigenous programs is the satisfaction gained by employees.’

Business Service Sector, The Allen Consulting Group Survey

‘One benefit to our company from community involvement is employee development and diversity.’

Retail Sector, The Allen Consulting Group Survey

However, not all companies seek to gain tangible benefits from such activities, beyond what they would gain from any productive employee.

‘We directly train and employ several Indigenous people ... we are committed to providing them with equal opportunities and don’t seek any benefits from this.’

Service Sector, The Allen Consulting Group, Stakeholder Consultation

Developing and delivering sustainable training and employment programs is a difficult task. There are however, several critical factors that consistently appear in well-coordinated corporate programs:

• CEO support – Strong and enduring support from the CEO is critical to ensuring that Indigenous employment remains central to the corporate strategy.

• Role models and mentors for students – there is a need to create champions in the workforce so that young people have role models and people to learn from; this is particularly important in regional communities.

• Mainstream Indigenous training – it is important to include Indigenous clients in with mainstream groups accompanied by individual assistance and mentoring along the way. Retention results are better for Indigenous employees who are treated as equals from day one.

• Staff selection – careful selection of the applicants to undertake pre-employment training ensures that employment outcomes are optimised for both parties and spending on recruitment and training is efficient in the long run.

EXHIBIT 4.1 PARTICIPANTS’ ASSESSMENT OF TRAINING AND EMPLOYMENT SCHEMES

<table>
<thead>
<tr>
<th>Positive attributes included:</th>
<th>Negative aspects included:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• training for real jobs</td>
<td>• scepticism about Indigenous skills and capability</td>
</tr>
<tr>
<td>• mentoring commitment</td>
<td>• tokenism</td>
</tr>
<tr>
<td>• recruitment process based in community</td>
<td>• not trained to be competitive in the mainstream</td>
</tr>
<tr>
<td>• dedicated resources</td>
<td>• only small numbers assisted</td>
</tr>
<tr>
<td>• good work conditions</td>
<td>• distrust of subsidised schemes</td>
</tr>
<tr>
<td>• personal assistance provided</td>
<td></td>
</tr>
</tbody>
</table>

Source: Cultural Perspectives focus group results.
A pool of trained Indigenous staff – developing a pool of trained Indigenous staff enables companies to draw on staff as required but at the same time creates flexibility in staff rostering that caters for Indigenous cultural needs.

Expectations of management – it is important to communicate corporate policies and expectations to employees (and often the community more broadly) early in the employment process to ensure that employees know what to expect and what will and won't be accepted.

Use of intermediary employment agencies – employment agencies that specialise in training and placing Indigenous people are able to provide essential support and expertise that facilitates the development of sustainable employment programs. They are particularly valuable for liaising with Indigenous communities and government.

EXHIBIT 4.2 CRITICAL SUCCESS FACTORS: EDUCATION AND EMPLOYMENT STRATEGIES

- CEO support
- Role models and mentors for students
- Mainstream Indigenous training
- Staff selection
- A pool of trained Indigenous staff
- Expectations management
- Use of intermediary employment agencies

Source: The Allen Consulting Group
CHAPTER 5

Business Development

SNAPSHOT

• An emphasis on Indigenous community business collaboration in building Indigenous enterprise is emerging and delivering business, employment and community development outcomes for Indigenous communities.

• While few underestimate the difficulties involved in the development of new Indigenous business, joint venture initiatives or trading contracts, there is a recognition that the development of a viable community economic base is essential to self-reliance.

• Small and rural businesses play an important role through mentoring, business practice, sharing knowledge and developing small-scale projects. They are usually unable to support the large-scale partnership initiatives and long-term supply contracts that characterise the involvement of large business, but this does not diminish their impact.

• Australian business is undertaking innovative approaches to business development that cover the spectrum from Indigenous business incubators to joint venture partnerships and the negotiation of long term supply contracts.

• While initiatives embody innovative and successful approaches they represent the efforts of a very small sector of Australian business and are often attributed to the extraordinary efforts by a handful of Indigenous community and business sector individuals and organisations.

• The role played by intermediaries such as Indigenous Business Australia in the process of business development is multi-faceted and important to the realisation of mutual benefits in the collaboration process.

• There is significant scope for greater partnership and involvement but a lack of shared information, long-term commitment from Australian business to build partnerships, and a lack of corporate governance and business administration skills in Indigenous communities.
Introduction

A consensus is emerging among indigenous communities, government and business that economic development in communities represents one of the most sustainable strategies for addressing Indigenous community disadvantage. While few underestimate the difficulty of developing a viable community economic base, the involvement of non-Indigenous business in addressing current barriers and fostering new opportunities is considered a central ingredient for success.

An increasing emphasis on joint ventures between Indigenous and non-Indigenous business is evident in Australia. Ventures are often supported by Indigenous intermediaries such as Indigenous Business Australia (formerly the Aboriginal and Torres Strait Islander Commercial Development Corporation). Joint venture or partnership arrangements have the dual benefit of fostering Indigenous business development and transferring private sector management, administration and related business skills to Indigenous people.

There are also significant opportunities for Indigenous communities arising from the way Australian business operates. Already, a number of businesses are using supply contracts to encourage Indigenous employment or forging major supply agreements directly with Indigenous business.

Small business plays an important and often understated role in local Indigenous business development through mentoring, adjusting their own business practice, knowledge sharing and small-scale project development. The greater presence of private business in or around most Indigenous communities also presents perhaps the greatest opportunity for Indigenous business and self-employment growth. Contrary to the practice in international jurisdictions, however, this has not been well supported in Australia.

The following chapter outlines the business opportunities pursued or supported by Indigenous businesses in Australia and the role of the non-Indigenous private sector in the encouragement and success of these ventures. It also highlights the many difficulties inherent in business-Indigenous community partnerships and the role of third party participants - Federal, State and Local Government, Indigenous organisations and intermediaries and philanthropic foundations - in meeting these challenges.

The progress achieved to date in Indigenous business development is significant but too often depends on the extraordinary individual efforts of Indigenous and non-Indigenous individuals and organisations. The task for Australian business is to take up the challenge laid down by the pioneers in Indigenous economic development and to bring these concepts to the mainstream of Australian commercial life.

Targeting Indigenous Business Development

‘We have worked with them [Indigenous Business Australia] over the years and we share the conviction that soundly based economic development is the way forward for Aboriginal people.’

Chief Executive, MIM Holdings
A small but growing section of the Indigenous and business communities view Indigenous business development or self-employment as a primary outcome for community development programs. While the approaches to Indigenous enterprise development differ across industries, regions and communities, many programs contain one or both of input support – skills transfer, training, business infrastructure and mentoring support – and demand encouragement – long term supply or service contracts or Indigenous community preference in contracting opportunities.

Indigenous business support and development has also generated significant benefits for corporate supporters including increased staff awareness of Indigenous issues, such as business development, culture, heritage and reconciliation.

‘The Business sector can inject new ideas and a new set of skills within a co-operative partnership. At the same time, companies can gain access to new business opportunities, which in some cases, could be supported by re-directed government funding assistance.’

ACTU-Lend Lease Foundation

The Body Shop – Indigenous community economic development

The Body Shop is one organisation that typifies the belief in the promise of Indigenous business development. Drawn directly from consultation with Indigenous people, The Body Shop programs recognise that many Indigenous communities see small business ownership as a key to future independence.

The Body Shop has undertaken a broad range of initiatives in recognition of the marginalised nature of Indigenous groups in Australian society. Activities include building Indigenous business skills, supporting Indigenous economic development and support for reconciliation, including support for the newly formed Reconciliation Australia in promoting National Reconciliation Week (see Case Study 5.1).

**CASE STUDY 5.1 THE BODY SHOP: FOSTERING INDIGENOUS ECONOMIC DEVELOPMENT**

*Consistent with its core values, The Body Shop focuses on the following initiatives for Indigenous people.*

**The Enterprise Development Workshop for Young Indigenous People** – A regular event aimed to assist young people in developing and maintaining their own businesses within their communities. Young participants learn about business practices, networks and government programs. The workshop is a joint partnership between the Body Shop, Commonwealth Youth Project, DETYA and ATSIC.

**First Australians Business** – A national pilot program supported by the Body Shop, ATSIC and DETYA. The program provides support for Indigenous community economic development through mentoring with achievers in business and commerce. The project aims to support the growth of small Indigenous business, promote positive images of fledgling businesses and involve corporate Australia in Indigenous business.

**Hope Vale Tea Tree Plantation** – A community trade initiative developed with the Hope Vale and Port Stewart Aboriginal communities. The Body Shop purchases tea tree oil for use in its soap products.

**Cape York Indigenous Business Institute** – The development of an Indigenous Business Institute in the Cape York Peninsula to provide a place to bring together and explore new business structures and strategies using the best of mainstream and Indigenous community knowledge. Due for completion in 2001.

**Conservation and Heritage Outstation** – The creation of an outstation for an extended Indigenous family to assist in returning to their traditional land. The outstation supports management of existing conservation areas of high Indigenous cultural value and promotes healthy living, cultural renewal and self-reliance.

*Source: Company documentation*
The development of these approaches has been a sometimes difficult road for The Body Shop with initial Indigenous community mistrust and complex inter-community relations. A lack of understanding of business structures and imperatives and a pervading ‘welfare’ mentality fostered by what they see as often inappropriate and inflexible government assistance have been largely overcome. Through Indigenous community self-sufficiency, The Body Shop has increased both staff and general community awareness of Indigenous issues.

Incorporating a similar approach to the Body Shop’s Community Trade Program, several Australian businesses are using purchasing or distribution contracts to provide Indigenous communities with an opportunity to develop viable businesses that reap both commercial and social benefits. Examples of such initiatives are Australia Post’s promotion and sale of Indigenous community products through its Post Shop network, Cotton Australia’s purchase of speciality papers through the Indigenous owned Euraba Paper Mill and Coles Myer’s Native Foods Initiative.

Coles Myer: cultivating suppliers

Coles Myer’s idea to raise Australians’ awareness of native foods arose from their retail training partnership with the Arnhem Land Progress Association (ALPA). The idea gathered impetus in the context of the Aboriginal Development Forum chaired by Galarrwuy Yunupingu and ACT Chief Minister Denis Burke. One of the Forum’s objectives is “to provide Aboriginal people with the opportunity to develop their own communities commercially and socially”.

Coles made a commitment to this Forum to encourage its suppliers to establish links with Aboriginal communities who supply native ingredients and to help distribute and promote awareness of Australian native produce. These links are being established and the initiative “should help create greater awareness of the unique and magnificent flavours of Australia’s indigenous foods” (such as lemon myrtle, macadamias, native mint, mountain pepper, wild chillies, wild thyme). The products will be sold through Coles Supermarkets, under the banner Coles Taste Australia.

With the project in its infancy, it still faces a number of challenges including ensuring sustainable supply of products – particularly where wild harvesting is involved. Discussions with growers, manufacturers and the CSIRO pointed to the possibility of sustainable commercial harvesting and cultivation if manufacturers were to secure long-term supply. To ensure that Aboriginal groups would have a share in this, Coles suggested diverting a portion of sale proceeds to a fund to be used by Aboriginal communities to improve harvesting and cultivation practices.

CASE STUDY 5.2 COLES MYER: NATIVE FOODS INITIATIVE

Supporting the business development of suppliers, Coles and three of its suppliers; Robins Australian Foods, Australian Native Produce Industries and Taylor’s Foods, agreed to contribute a portion of their product profit margins towards the fund, known as the Coles Indigenous Food Fund. Coles will contribute 25 cents per product and the manufacturers will contribute varying amounts. In the first year it is expected to raise $100,000. Coles is establishing the fund with an initial $20,000 donation.

Once established, Aboriginal communities seeking to improve their supply arrangements with Coles’ suppliers will be able to make applications to an Advisory Committee for grants. The advisory committee will consist of representatives from Coles, suppliers, Aboriginal groups and the CSIRO.

Source: Coles Myer documentation
Qantas: supporting Indigenous community art

As part of its Aboriginal and Torres Strait Islander Initiatives, Qantas has supported and encouraged Aboriginal art and design groups through the Qantas art collection and has been a major sponsor of Yiribana since 1994.

Qantas also contracted the Balarinji design studio to paint two Boeing 747 aircraft.

**CASE STUDY 5.3 QANTAS: PARTNERSHIPS IN THE ARTS**

Qantas worked with Aboriginal Dr John Moriarty’s Balarinji design studio to paint two Boeing 747 aircraft. In 1994 Qantas unveiled a Boeing 747-400, Wunala Dreaming, painted in an Aboriginal design depicting the story of journeys by spirit ancestors in the form of kangaroos, across the Australian landscape. In November 1995, the airline “launched” Nalanji Dreaming, a Boeing 747-300 painted in an Aboriginal theme, this time depicting the rainforest and reef. Balarinji’s team of Aboriginal and non-Aboriginal artists developed distinctive contemporary imagery using Northern and Central Australian style motifs to create two of the world’s largest – and most mobile – pieces of modern art.

Source: Qantas documentation

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**Partnership and Joint Venture Approaches**

Where greater commercial sophistication and capital requirements are needed, such as in the case of major commercial supply contracts, Indigenous business is increasingly creating joint venture or partner agreements with private business. The benefits from such agreements are extensive and allow for the transfer of skills and expertise. The rigours of partnerships or joint ventures require close attention to matters such as corporate governance and sharing commercial risk with a more commercially experienced and well-resourced business partner.

These joint venture relationships have been most popular in the resources sector and in support of major regional and remote mining operations.

**M.I.M. Holdings Limited and Queensland Bulk Haulage**

The development of the joint venture company, Queensland Bulk Haulage Pty Limited, between McIver Holdings Pty Ltd, the Aboriginal and Torres Strait Islander Commercial Development Corporation (Now Indigenous Business Australia) and the Koutha Aboriginal Corporation has created a viable, part Indigenous owned business operating out of Cloncurry in the State’s north-west, with a capacity to develop new contracting businesses which can train and employ members of local Indigenous communities.
The project demonstrates the importance of a broad and long term view in the development of Indigenous business partnerships and a commitment to ensuring broader Indigenous community benefits. See Figure 5.1 for key drivers to the joint venture’s success.

CASE STUDY 5.4 MIM AND KOUTHA – INDIGENOUS BUSINESS IN GROWTH

The 51 per cent owned Ernest Henry copper and gold mine located around 38-km north-east of Cloncurry in north-west Queensland, has been a major catalyst for infrastructure and business development in the remote region.

The creation of Queensland Bulk Haulage (QBH) a joint venture between the ATSI Commercial Development Corporation, (now Indigenous Business Australia) the Koutha Aboriginal Development Corporation and McIver Holdings has produced a viable Indigenous part owned business.

Indigenous groups in the north-west Queensland region came together during Ernest Henry’s development phase to seek commercial and employment opportunities with the Mine. The Koutha Aboriginal Development Corporation was formed, receiving initial funding and advice from Ernest Henry Mining, the Queensland Government and ATSC.

Koutha formed a joint venture with the Aboriginal and Torres Strait Islander Commercial Development Corporation (CDC) and Queensland-based McIver Holdings and negotiated successfully for the contract to truck the Ernest Henry mine’s concentrate. Starting in 1997, some 1,000 tonnes a day is now being trucked 160 km to Mount Isa where it is smelted in MIM’s copper smelter. About 30% of QBH’s workforce are from the local Indigenous community.

As well as joint venturing in QBH, Koutha has Queensland Government approval to operate a group training scheme which aims to place Aboriginal people in training positions with mining companies and other enterprises in the region, including the Ernest Henry mine.

Koutha has now been awarded a grounds maintenance contract by MIM to maintain greenbelt and landscape areas of the company’s Mount Isa properties. Operation of this contract is based on the successful employment development scheme developed at MIM’s McArthur River Mine. Indigenous Mount Isa residents from disadvantaged backgrounds have obtained permanent full time jobs under the contract. The jobs include training components to progressively increase the employee’s skills that are recognised by increased work responsibility and remuneration.

Source: Allen Consulting Group Consultations

CASE STUDY 5.5 MIM AND QUEENSLAND BULK HAULAGE – DRIVING SUCCESS

| Community -          | The establishment of the Koutha Aboriginal Development Corporation from 12 different Indigenous community groups provided the basis for a sustainable community vehicle to participate in economic development. |
| Leadership -        | Strong local leadership ensured the commitment and focus of the various stakeholders to achieve economic advancement for the local Aboriginal community. |
| Focus -             | An agreement was made to commercial standards of business development and to quarantine the commercial agreements from contentious native title issues. |
| Joint Venture -     | The tender process specified a joint venture approach with the Koutha Aboriginal Development Corporation. Queensland Bulk Haulage – bought together the Corporation, the ATSI Commercial Development Corporation and Transport expertise from McIver Holdings to build an economically robust joint venture with a balance of commercial and technical expertise and local Indigenous community involvement. |
| Skills Transfer -   | The QBH joint venture has facilitated skills transfer from McIver Transport to members of the local Indigenous community and has provided the Indigenous community with an opportunity to build a track record in the management of a medium sized enterprise as a foundation for further growth. |

Source: Allen Consulting Group Consultations
The project built on MIM’s involvement with business development with the Borroloola Indigenous community near its McArthur River Project in the Northern Territory. The McArthur River Project provided several important lessons for the development of joint ventures involving Indigenous communities. The challenges overcome in the development of the QBH joint venture included:

- the need to bring together several Indigenous organisations in a relatively short period of time to establish a single community organisation to participate in the joint venture; and,

- structuring of a joint venture agreement that addressed the aspirations and concerns of the each of the joint venturers and the other stakeholders.

Contracting to MIM’s operations also provides a realistic pathway for disadvantaged unemployed Indigenous people to sustainable employment. MIM’s grounds maintenance contract with Koutha creates real jobs with training, rather than trainee position per se, to offer people greater encouragement to develop a skills base and work experience record. Contracting to an Indigenous community organisation with a capacity to provide social and cultural support also helps overcoming the lack of basic infrastructure to support regular employment – including housing, transport, financial support or basic necessities – which can also present a major barrier in the transition to full-time employment.

Echoing themes raised in a 1999 report on Indigenous training needs, the absence of Indigenous community small business skills, particularly those relating to corporate governance, presents fundamental difficulties in the developing and sustaining of projects such as the Queensland Bulk Haulage joint venture. The report, Enterprising Culture, identified the need for training in small business management to improve the success of businesses that have Indigenous involvement. The report highlighted two models for successful business in remote Indigenous communities: small family owned enterprises; and joint ventures with major organisations that provide technical management expertise.

‘Whereas we are making some progress in establishing businesses and sustainable employment, I believe we are failing in Australia to develop management skills for Indigenous people.’

Enterprising Culture

MIM also sees the difficulties faced by members of Indigenous communities in gaining access to corporate governance training, as one of the main obstacles to sustainable indigenous business development. Training in the areas of strategic planning, succession planning and interpreting financial reports are particularly important.

Hamersley Iron and Gumala Enterprises

A different, but equally successful approach to joint venture development is typified by the business development program conducted by Hamersley Iron in its WA operations.

Begun in March 1993, the program has resulted in a number of successful businesses owned and operated by Aboriginal people in recycling, seed collection, weed spraying, drill hole plug manufacturing, cross cultural training, earthworks, catering and pastoral operations. Three enterprises in particular illustrate the scope and diversity of the business opportunities made possible by the Hamersley program.

- Ieramugadu gardening services
- Wanu Wanu and Ngurra Wangkamagayi cross-cultural business.
- Gumala Enterprises Pty Ltd.

CASE STUDY 5.6 HAMERSLEY IRON AND GUMALA ENTERPRISES: BUILDING NEW VENTURES

Gumala Enterprises Pty Ltd (GEPL) is the business arm of the Gumala Aboriginal Corporation. It operates three joint venture businesses, which provided services during the construction of Hamersley's Yandicoogina mine 1997–1998.

The establishment of the company was a result of the Yandicoogina Land Use Agreement signed between Hamersley and the Gumala Aboriginal Corporation.

Through its establishment, Gumala Enterprises represented an unprecedented level of co-operation between private business, state and federal government and Aboriginal groups. Three Gumala businesses were created under Gumala Enterprises.

- Gumala/Wreckair was an equipment hire company designed to service Yandicoogina's construction activity; this company has since been folded into Gumala Contracting.
- Gumala Contracting (an initial joint venture with Hamersley) is now a successful independent earthmoving company. The business has won significant contracts with Hamersley, the local Shire and other Government agency companies.
- Eurest Gumala provides facilities management and catering services and has won contracts with Yandicoogina, Paraburdoo and Tom Price. The ongoing businesses are being professional managed, perform competitively, efficiently and profitably.

Source: Company documentation

The development of Gumala enterprises demonstrates the importance of non-Indigenous commercial support in the early stages of Indigenous business development. Gumala Contracting (Earth Moving) operates in a demanding commercial environment where margins are very tight. Over the initial two to four years of operation, challenges to corporate governance, such as broader community participation in the control of assets, and the acquisition of commercial contract management skills were met with assistance from Hamersley. Gumala is now reaping the rewards from a tighter approach to management and improving the commercial return from private business ventures.

While the origin of the bigger business development initiatives (such as Gumala) was the land access agreement, many other smaller initiatives have come from the communities, or from a small family group looking for support for an idea. However, the company does not actively promote its involvement in establishing Aboriginal businesses believing its promotion could stimulate artificial demand.

Hamersley's experience is also an illustration of the importance of private sector involvement in business development. Of many Aboriginal businesses initiated in the Government's New Enterprise Incentive Scheme (NEIS) in the region in the early nineties, reputedly none is still operating. Hamersley has learnt that business ideas must come from the people themselves and then a process is set in train that helps build a business plan on a good idea.
'A good example is a small mustering business where the owner keeps knocking on our door for advice and support – we give him assistance for items such as fuel and hay and he pays it back in a year. He fully demonstrates the qualities needed to run a business - doing the research, developing the contacts showing commitment.'

Manager, Hamersley Iron

Aurora Resorts and Hotels – partnership in culture

Aurora's Resorts and Hotels' joint venture with the Aboriginal Arts and Cultural Centre grew out of research that demonstrated a desire by visitors to the Northern Territory to experience Aboriginal culture when visiting the region. Aurora decided that showcasing Aboriginal culture in a positive way was a good business objective for the company and of direct benefit to the community – as many visitors to the resort held poor perceptions of the local Indigenous population.

CASE STUDY 5.7 AURORA RESORTS AND HOTELS: RED CENTRE DREAMING DINNER AND SHOW

The Red Centre Dreaming Dinner and Show represents a partnership between Aurora Resorts and Hotels (Aurora) and the Aboriginal Arts and Cultural Centre (AACC). The partnership reflects a shared vision to create a commercially viable cultural experience for the many tourists to the central Australian region.

The co-location of the operations provides a quality tourism product combining traditional and contemporary Aboriginal performances with the convenience of resort accommodation, meals and facilities.

The companies were a perfect synergy for this operation:

- AACC specialised in a range of cultural presentations and performances, but required a venue for these activities.
- ARH provided the venue in an area at the rear of the red centre resort for a set fee per visitor. It also shared the funding for capital for the infrastructure development.

The program operates as a joint venture with flexible commitments and responsibilities to ensure a sustainable and developing partnership. In support of the partnership, Aurora Resorts has also committed to growing Indigenous employment, aiming for one hundred per cent Indigenous employment (up from over ten per cent or two hundred at present).

The development of the joint venture has required significant patience with a long-term investment framework in place. The creation of workplace champions to mentor young people in the community, careful staff selection processes and extensive cross-cultural awareness training is intended to ensure successful and sustainable outcomes. Aurora has also invested in establishing a pool of trained Indigenous staff in the community to draw upon as required while creating flexibility in staff rostering to cater for family and community requirements.
Anaconda – Training for Business Success

While Anaconda’s unique approach through the John Forrest VTEC has been profiled earlier, training and Indigenous enterprise incubation within the training centre have also proved a very successful way to establish Indigenous business enterprise. Anaconda has assisted in the establishment of two local Indigenous enterprises, BYAC contractors (labour hire, water carting, etc) and Bidarn Pty Ltd (site cleaning). Together these firms generate over $7 million per annum in contracts from the Anaconda mine and importantly, distribute those benefits through the local Indigenous communities in the WA Goldfields region.

Business with Indigenous Communities

There is significant scope for many Australian businesses to use external supplier contracts as a means of attracting greater Indigenous employment and economic development for Indigenous businesses. Initiatives such as The Body Shop’s long term supply contracts with The Hope Valley Tea Tree Plantation and Australia Post’s supplier agreement with the Euraba Paper Mill present examples of Indigenous community enterprises contracting with non-Indigenous businesses.

Small and rural business also plays an increasingly influential, though far less visible, role in direct trade with Indigenous communities. Through the direct purchase of goods, for example from new Indigenous commercial fishing companies, to retail services for cultural and craft industries, local tourism and cultural ventures, small business involvement is essential to build Indigenous communities’ economic base.

Telstra – Remote Indigenous Community Service Contracts

Telstra’s remote Indigenous community service initiative seeks to train individuals to install, repair and maintain their own telecommunications services. It represents a long-term commitment by Telstra to develop services, skills and self-employment opportunities in the telecommunications industry in remote Indigenous communities.

CASE STUDY 5.8 TELSTRA – REMOTE INDIGENOUS COMMUNITY CONTRACTS

Telstra began negotiation with Indigenous communities in Australia’s Top End in 1998 for the provision of labour, minor works and equipment storage. There are approximately 27 Indigenous communities participating in this initiative with the aim of developing related telecommunication skills. Discussion are being held with DEWRSB and key stakeholders to ensure that skill development in participating communities is nationally accredited. Current works include the provision of labour, minor capital works and equipment storage. Indigenous community trainees are provided with nationally accredited training in basic or ‘first-in’ maintenance to provide contract support in remote Indigenous communities. There are now approximately 27 Aboriginal and Islander communities participating in the project with the aim of developing participants’ skills through DEWRSB sponsored traineeship to cover more advanced maintenance and installations work.

Telstra has also incorporated the maintenance of Remote Area Cabinet public telephones into the program. These special cabinets were developed in consultation with remote Indigenous communities and provide larger, safer and more accessible public telephone services.

Source: Company Documentation/Consultations
Remote community contracts offer the potential for employment and skills development and contribute to the economic base of the community. For Telstra the program represents a growing commercial relationship and improved services to remote Indigenous communities.

**WMC – business development**

While WMC’s approach to Indigenous community development has been mentioned earlier in this report, it has also undertaken a cooperative initiative with its third party suppliers. Contractors are required to identify opportunities for local and Indigenous businesses, including joint venture, sub-contracts, employment and training programs. The aim is to identify opportunities based on capability, commercial viability and competitiveness. Since implementing the plan, Indigenous businesses have won contracts worth over $24 million.

**Indigenous Banking and Financial Services**

Another major area of business development for Indigenous communities is occurring in the area of financial services for Indigenous Australians. Overseas models, particularly the First Nations Bank and the Bank of Montreal Aboriginal Banking Services in Canada, have shown that Indigenous communities can benefit substantially through culturally appropriate financial services, based in communities, which recognise the opportunities in Indigenous business development. The business of the banks also benefits. For the Bank of Montreal, the value of the indigenous commercial loan business has grown from around $10 million in the early 1990s to around $1 billion in 2000 with a further $1 billion held in trust for First Nation communities.30

In Australia, however, traditional banking services have presented a number of challenges to Indigenous Australians. These include the collective nature of much Indigenous community wealth-holding, identification requirements, electronic and branch access, capital availability, loan assessment frameworks and the lack of a culture of saving and investment in many Indigenous communities. New initiatives, such as the partnership between Endeavour Advantage Credit Union and First Nations Advantage Credit Union and early support by major banks such as WESTPAC, are serving to redress some of these disadvantages.

A financial services roundtable coordinated by the Lumbu Foundation in March 2001 identified the growth potential of Indigenous-related retail banking, the benefits of greater investment and better informed investors in Indigenous society and the rise in ethical screened investment portfolios and social venture capital. The roundtable also identified the following key actions for Indigenous financial services development.

- Improve understanding between the financial sector and Indigenous people.
- Enhance the ‘financial literacy’ of Indigenous Australians.
- Foster linkages that lead to greater business activity between the two sectors.

First Nations Advantage Credit Union

‘The most significant credit union project of any credit union development program that is being conducted in the world today.’

President of the World Council of Credit Unions on First Nations Advantage Credit Union

**CASE STUDY 5.10 FIRST NATIONS ADVANTAGE CREDIT UNION: PARTNERSHIP FOR INDIGENOUS ADVANTAGE**

Launched in May 1999, First Nations Advantage Credit Union (First Nations) aims to create a national Credit Union, owned and operated by Indigenous people. With seed capital provided by the Aboriginal and Torres Strait Islander Commission, CreditCare and substantial and long-term financial and in-kind support from Endeavour Advantage Credit Union. First Nations Advantage Credit Union is open to all Australians. While originally operating as a division of Advantage Credit Union, First Nations is intended to become an independent credit union once agreed financial and membership milestones are reached.

First Nations was created to assist Indigenous Australians to take better control of their financial and economic futures. Aside from ownership and employment benefits, First Nations also offers a number of culturally appropriate financial services specifically tailored to the needs of Indigenous communities. One example is clan accounts – specially designed to help clans cope with unexpected family needs. It also aims to improve the financial understanding, well-being and independence of Indigenous people.

The support from Australia’s largest Credit Union, Endeavour Advantage, stems from the Credit Unions core values, in particular its commitment to social responsibility and co-operation. Initially, First Nations is operating as a division of Endeavour Advantage Credit Union – an effective incubation period for the developing organisation. Endeavour Advantage has given First Nations access to expertise and a national banking network.

First Nations remains in its initial phase of operations – with systems, support, advice and expertise provided by Endeavour Advantage. Operating thresholds, including member growth, assets, reserves and profitability have been set to ensure that First Nations enters its second stage of development – as an independent Indigenous Australian credit union – as a viable and sustainable entity.

Source: Consultations

Early consultation with Indigenous communities regarding financial and banking services found disillusionment with banks and strong support for an Aboriginal-owned credit union. While industry demographics will ensure that First Nations will take time to achieve independence, Endeavour Advantage Credit Union has committed significant financial, management and staff resources, infrastructure support and access to systems as a long-term investment to realise this goal.
Drawing heavily on the lessons and experiences of the First Nations Bank in Canada, First Nations Advantage Credit Union (First Nations) has exploited unique aspects of the credit union model – mutual organisation, member ownership, no external distribution of funds, one member one vote – which suit traditional Indigenous individuals and communities better than commercial banking models.

From the outset, the establishment of First Nations has been a complex learning process, for both the partner credit union and its Indigenous communities and employees. Early experience and research has demonstrated that the strong Indigenous character of First Nations has presented a Catch-22 in the Indigenous community. Those seeing First Nations as an Indigenous institution believe it will be culturally sensitive but may be poorly run and open to political influence. Those who see First Nations as non-Indigenous perceive it will be well run but providing little benefit to Indigenous people. This confusion in “drivers” of Indigenous membership and support have presented the major challenge to First Nations management.

Perhaps one of the greatest and most fundamental learning is one commonly associated with many Indigenous owned or controlled businesses – the conflict between commercial and social or community goals. For First Nations to achieve its key objective of independence, it must create a profitable and substantial commercial entity. However, it must do so with in its charter of social and community development goals.

The very low levels of financial experience and awareness in some Indigenous communities, and in many cases an historic distrust of major institutions, has also been a difficulty. First Nations has continuously reviewed the complexity of industry changes focusing on electronic and internet services as they have exacerbated impacts on Indigenous communities. Many of the service innovations developed in First Nations can, however, also be incorporated into Endeavour Advantage Credit Union’s core operations.

Paradoxically for such an innovative initiative in Indigenous services, promotion of First Nations activities, particularly outside the Indigenous community, has been difficult although essential for business success.

Nevertheless, the business is building substantial reserves and a growing customer base. The Credit Union employs Indigenous Australians and provides them with training to become credit union staff, managers and directors. As at March 2001, the fledgling organisation employs five Aboriginal staff, with Endeavour Advantage now also employing three staff in its core operations.

First Nations is facilitating financial independence for many Indigenous Australians against a background of an often low emphasis on saving reinforced by generational welfare dependency and limited opportunity to own property. Members of First Nations are able to deal with Indigenous staff and access services tailored to respect Indigenous culture and understand some of the unique constraints on Indigenous people.

‘Our Partnership with Advantage has given us immediate access to a national banking network and expertise that would have taken us years to establish alone. We applaud the support and enthusiasm Advantage has given First Nations under its social responsibility program. Whilst Advantage will not receive any financial return for their involvement, we look forward to a mutually rewarding partnership for years to come.’

Paul Briggs, Chairman, First Nations Advantage Credit Union.
Westpac: sharing skills

Westpac Banking Corporation is developing better understanding between Indigenous Australians and the mainstream banking system through employment, business development and community involvement initiatives. All activities are overseen by a Steering Committee with a specific focus on Indigenous issues.

In close partnership with the Indigenous Communities of Cape York, (the Indigenous Enterprise Partnership and the Balkanu Cape York Development Corporation) WESTPAC has designed and developed a three year secondee program, supporting two initiatives: the Family Income Management Scheme and Micro Business Facilitation Scheme. The initiatives aim to assist communities in improved individual and group financial management, including the development of group buying co-operatives, budgeting and financial planning.

Aside from assisting in the development of community financial independence, the WESTPAC secondees assist the bank to understand the needs of the communities and Indigenous enterprises and the unique challenges they face. This is also true for a joint initiative in East Arnhem that involves skill transfer between WESTPAC and the Laynaphuy Homelands Association and through involvement with the First Australian's Business initiative.

Westpac is also assisting in a pilot project with Tangentyere Council and the Department of Family and Community Services. The pilot program employs four Indigenous staff and aims to provide a platform to foster family financial management through specific community approaches to the distribution of welfare funds.

Reconciliation Australia: economic self sufficiency

Reconciliation Australia has nominated ‘economic self-sufficiency’ as a core activity in its Strategic Plan 2001–2003. It recognises that the ability of people to manage their incomes, pay third parties, purchase goods and services and maintain a level of economic and financial independence requires ‘informed access to appropriate banking and financial services’. Building on the positive initiatives in parts of the financial services sector and the Indigenous credit unions, Reconciliation Australia will form partnerships to develop innovative and systematic approaches to overcome barriers to the provision of financial services to indigenous Australians. This will include initiatives to use existing assets, tackle poor financial literacy, and develop innovative approaches to securing access to loans and joint venture funds.

Intermediaries: Channels for Engaging with Indigenous Business

A number of private sector organisations are assisting Indigenous business development in the role of intermediary, project sponsor or incubator. Private business and business associations are in a unique position to assume a major role in Indigenous business development. Whether through the promotion of industry policies, the coordination of business programs or through in-kind support to Indigenous communities and businesses, business groups are seeking new methods to engage directly with Indigenous people.
Hall Chadwick – Indigenous Business Services

The approach taken by Hall Chadwick and its cooperation with the Indigenous community of south-east Queensland presents a unique combination of private sector management skills and Indigenous business enterprise experience.

Following an approach by representatives of Indigenous Communities of South East Queensland, Hall Chadwick entered into a not-for-profit joint venture forming LEADIndigenous – promoting Leadership, Education, Assistance and Direction (hence the acronym LEAD) – and a professional consulting division, Hall Chadwick Indigenous Services.

The Body Shop and the Cape York Indigenous Business Institute

The partnership between the Body Shop and the Balkanu Cape York Development Corporation is an example of what is possible from cooperation between an Indigenous representative group and the private sector.

The establishment of the Indigenous Business Institute (IBI) will develop and provide culturally appropriate business skills, training and mentoring that will assist in the development of sustainable Indigenous business enterprises in the region. Whilst the initial focus of the IBI will be Cape York, The Body Shop and Balkanu share a vision of providing services to Indigenous people throughout Australia and in the Asia Pacific region.

Conceptually, the IBI has the potential to make a real difference to the well being of the Indigenous peoples of the region, and the concept can be applied much more widely. Initial financial supporters include The Body Shop, The Sylvia and Charles Viertel Charitable Trust, the Myer Foundation, the ATSIC Regional Council, and the Queensland Department of State Development.

‘The People of the [Cape York] Peninsula must decide to take the opportunity for change or continue as things are. If we want to return to the principles of the old culture where people are respected, where there is law, health, happiness and safety in our environment, then we are the ones who must take control and exercise our rights and our responsibilities.’

Balkanu CapeYork Development Corporation
The Western Australia Chamber of Minerals and Energy: a network to support Indigenous business

‘The changes in the initiatives conducted by companies are not just that they are now more innovative but they are essentially about building long-term relationships, putting the contact between business and these communities on an entirely different footing.’

Western Australia Chamber of Minerals and Energy

A strong part of the approach of The Western Australian Chamber is building relationships and assisting communities to promote Indigenous business development. The Chamber acknowledges that the record of success nationally is poor with the vast majority of companies failing for a variety of reasons. The Chamber has found that even companies that have been operating for over ten years still experience an unnecessary boom and bust cycle. Also, there are risks for a company sponsoring a new enterprise. If the enterprise does not progress well and it is believed resources were wasted, there are potential challenges from shareholders.

As part of assisting member companies in their initiatives with Aboriginal communities, an innovative mechanism being developed by the Chamber with Aboriginal communities is the establishment of a mining industry and Aboriginal business network. The goal is to establish a mutually beneficial network between mining industry and Aboriginal businesses to facilitate business contact, promote business opportunities and support enterprise, employment and training initiatives.

The Chamber acknowledges:

‘that the quality of staff being employed in Aboriginal relations areas in companies is outstanding, particularly in comparison with the past.’

Drawing on this expertise, the Chamber is investigating building a network of support to counter some of the main reasons that Indigenous business enterprises might be failing. Some early thinking about key success factors includes how to avoid a new enterprise being commercially tied too closely to the mining company – where that company is the sole customer and assumes a paternalistic role. Another factor in success might be locational. There are strong reasons to encourage commercial activity beyond the mine site, where the new enterprise is visible to others and is seen as independent. The new enterprises also need to feel sufficiently confident to call on a network for management or product advice – in other words, to know when they would benefit from help.

Developing a framework for the network includes understanding the demand for a network. This means identifying those activities that would ‘add real value’ to both the Aboriginal business community and the mining industry and seeing where this would fit in relation to any similar programs by government or other organisations. The business model for the network would then be established in consultation with the Aboriginal enterprises, the mining industry and other services, including government.
Australian Chamber of Commerce and Industry: promoting small business development

In addition to its extensive Indigenous employment program, the Australian Chamber of Commerce and Industry (ACCI) undertakes promotion of small business opportunities through its Indigenous Employment, Education, Training and Small Business Development Program, see Case Study 5.12 below.

Minerals Council of Australia: working toward mutual benefits

At a peak industry level, The Minerals Council of Australia plays a role in encouraging and supporting its members to work productively with local Indigenous communities. On behalf of its member companies – who are collectively responsible for more than 85% on Australia’s minerals production – the Council focuses on achieving mutual benefits for the minerals industry and Australia’s Indigenous peoples.

The Council has played an important and active role in a number of initiatives targeted at Indigenous community development. This includes working closely with the Council for Aboriginal Reconciliation on the development of the draft document of reconciliation and, in particular, on the national strategy for economic independence.

Other business associations play a role to some degree in providing information and access to Indigenous businesses seeking partners in development and may also co-ordinate targeted Indigenous assistance programs, such as the Australian Pharmaceuticals Manufacturing Association and the Australian Medical Association’s joint initiative on Aboriginal health described earlier in the report.
Indigenous Intermediaries

One of the major constraints encountered throughout the preparation of this study was the lack of shared information on Australian Indigenous economic status, programs and cooperation. This in contrast to central coordination, research and policy formulation carried out by dedicated government organisations in New Zealand (Te Puni Kokiri - Ministry of Maori Development), Canada (Aboriginal Business Canada - an arm of Industry Canada) and the United States (a number of organisations including the Minority Business Development Agency and the network of Native American Indigenous Development Centres).

There is, however, an increasingly influential role for Indigenous intermediaries in the facilitation of networks, sharing of knowledge, access to joint venture capital and commercial activity, and negotiation of behalf of Indigenous business, peoples and communities. While the structure, objectives, modus operandi and ownership of these intermediary groups all vary widely, there are common themes to their roles and common challenges. Groups fulfilling these roles are diverse and range from national peak organisations such as Indigenous Business Australia, The National Indigenous Development Alliance and ATSIC regional organisations, to regional or community initiatives such as the Cape York Business Partnerships, Indigenous community corporations and Land Councils, and grassroots collectives such as Perth-based Black in Business.

Indigenous Business Australia (Formerly the Aboriginal and Torres Strait Islander Commercial Development Corporation)

'It is clear that most Indigenous people do not want a welfare-based future and many are looking for ways to build for the future through investments and participation in mainstream commercial opportunities.'

Joseph Elu, Chairman Indigenous Business Australia

Indigenous Business Australia (IBA) plays a central role in the facilitation and development of Indigenous business opportunities. Achieving its core purpose of enhancing Indigenous self-management and self-sufficiency and advancing the commercial interests of Aboriginal and Torres Strait Islander peoples often forces the group to weigh up Indigenous benefit versus commercial return.

Primarily involved in investment, IBA also carries out a range of secondary, though no less essential, functions in Indigenous business facilitation, including cultural intermediation, corporate governance, guidance and investment, mentoring, championing, co-ordination and information sharing.
This difficulty in balancing sustainable business outcomes and commercial rates of return with its broader social objectives and charter is not unique to IBA but is a common theme throughout Indigenous economic intermediaries.

The IBA is unique in its long-term perspective on Indigenous economic development in Australia. Established in 1990 it has identified a list of key requirements to greater Indigenous economic development. These include:

- **Transparency** – a lack of experience and nervousness in relations between Indigenous peoples and business often leads to guarded and difficult partnerships and perceptions of hidden agendas in negotiation.
- **Early involvement** – too often Indigenous intermediaries are bought in very late in the negotiation process, when many aspects have been decided or taken off the negotiating table.
- **An individual that will drive the process** – the existence of a single individual to champion the partnership, often in the face of significant obstacles, is essential. This is particularly important in Indigenous communities where leaders often have to demonstrate both community mindedness and command the respect of the community group.
- **Awareness of resource imbalance and a willingness to address the imbalance** – there is an imbalance in the resources available to the community compared to those available to business in conducting negotiations. Generally representatives from business have the backing of the business’s resources but community representatives have little or no resource backing (i.e., it is voluntary work).
- **A realistic timeframe** – especially when the idea/project being offered by business is a new concept for the community. The more traditional the community the longer it will take to work through the concept.
- **Early involvement of a business representative** – discussions work best when a representative from the business side is involved from the start and people from the community have the opportunity to build rapport and a relationship over a longer period of time.

**CASE STUDY 5.13 INDIGENOUS BUSINESS AUSTRALIA*: VISION AND PURPOSE**

Indigenous Business Australia (IBA) is an independent Federal statutory corporation responsible for promoting economic opportunities for Australia’s Indigenous people. Its clients are Indigenous communities, corporations and peoples and non-Indigenous business partners and investors.

IBA was established through an initial government grant but receives no recurrent government funding and operates in a commercial capacity, investing in businesses, joint ventures and major projects for the benefit of Indigenous peoples.

**Vision**

Our vision is of a strong Aboriginal and Torres Strait Islander business presence actively participating in mainstream economic activities within the Australian business community as a means of achieving greater economic self-sufficiency and well-being for our peoples.

**Purpose**

The corporation will stimulate the economic advancement of Aboriginal and Torres Strait Islander peoples through investing in sound commercial ventures and encouraging and supporting Indigenous participation.

Investments undertaken by the corporation are diverse and include retail and services, waste management, transport, culture and tourism, mine services, aquaculture and horticulture and commercial property.

* Formerly the Aboriginal and Torres Strait Islander Commission Commercial Development Corporation

** Aboriginal and Torres Strait Islander Commission Commercial Development Corporation Service Charter

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*Formerly the Aboriginal and Torres Strait Islander Commission Commercial Development Corporation*

*Aboriginal and Torres Strait Islander Commission Commercial Development Corporation Service Charter*
- Cultural understanding – business must demonstrate an understanding of the people they are working with (and for many businesses some research prior to engaging in negotiations is essential). Many businesses generalise and do not demonstrate an understanding of the particular traditions and community philosophy of the Indigenous group they are seeking to engage with.

- Understanding of the roles of Indigenous organisations – there is a lack of understanding of the roles performed by different Indigenous organisations such as ATSIC and IBA.

- Addressing problems prior to starting a joint venture – in many cases it is best to address problems in the community (such as social issues or political friction) prior to attempting to establish a business partnership.

Among the reasons for IBA involvement is an increasing international expectation of greater Indigenous involvement in Australian business. Visitors to the Gagadju crocodile hotel in Kakadu, for example, (ownership 30 per cent the traditional owners, 70 per cent IBA) have been disappointed by the lack of Indigenous people working in the hotel. A hospitality course is now being run at the hotel to ensure that a greater proportion of staff are Indigenous. Seventeen of the nineteen graduates from the course are now in full time employment in tourism ventures.

Another example of international expectations driving Indigenous collaboration is the Fox Leigh coal mine (of which the IBA has 16.4 per cent equity). Japanese investors in the mine believed it was important for their international reputation to have the involvement of an Indigenous partner in the mine’s development.

A number of other organisations have varying roles in the facilitation of both economic and Indigenous community development. They include the National Indigenous Development Alliance and the Lumbu Indigenous Community Foundation. The LUMBU Indigenous Community Foundation is the first Indigenous controlled national charitable foundation established in Australia. It is an independent, not-for-profit, non-government organisation, (see Case Study 5.14).

**CASE STUDY 5.14 LUMBU INDIGENOUS COMMUNITY FOUNDATION:**

The objectives of Lumbu Community Foundation are:

- to promote healthy vibrant and prosperous Indigenous Communities;
- to promote and encourage Indigenous ownership and control of assets in a manner that enhances Indigenous culture and values;
- to build partnerships that create and support models of sustainable, culturally appropriate Indigenous development; and
- to celebrate and invest in Indigenous young people, especially initiatives that foster Indigenous leadership.

Source: Foundation Documentation

‘Being Indigenous-controlled, the Foundation is uniquely placed to forge partnerships with non-government and philanthropy organisations and corporate Australia.’

Dr Mick Dodson, Chairman, Lumbu Indigenous Community Foundation
The National Indigenous Development Alliance (NIDA) is an Aboriginal and Torres Strait Islander owned and controlled public company. Its purpose is to:

- conduct research and analysis;
- develop business opportunities for Indigenous Australians;
- investigate and promote collective/bulk purchasing agreements;
- conduct joint venture activities in its own right; and
- distribute profits through the Aboriginal Economic Development Trust for the benefit of Indigenous Australians.

An early initiative is NIDA Insurance Services, developed in conjunction with a major international insurance intermediary, to deliver tailored insurance services and management to Indigenous Australians in relation to commercial and business activities in Australia.

Finally, the Perth-based Black in Business is attempting to bring together Indigenous businesspeople and self-employed people to share business advice, hear from business experts and discuss ways to grow community involvement in the market economy. Black in Business is also currently seeking support for the preparation of a national register of Indigenous business.

Concluding Comments: Partnerships for Business Development

While there are many successful business partnerships in operation several significant challenges that complicate further development have been identified:

- low literacy and numeracy skills;
- a shortage of business skills in the Indigenous community;
- a poor understanding of market and profit systems;
- complex community and family structure; and
- a lack of continuity of professionals in communities.  

Committed corporations and indigenous communities are obviously overcoming these challenges but in doing so they have noticed common issues that need to be addressed and considered. These include:

- Long term, commitment – it is important to be patient when developing partnerships to ensure that all problems are dealt with properly and will be successful and sustainable. There is also generally a long lag time between starting joint ventures and generating profits.
- A committed Indigenous leader – successful projects require a committed Indigenous leader who has the best interest of the community at heart and commands the respect of the community.
- A committed non-Indigenous leader – successful projects often have an individual who is committed to making the partnership work. Strong local leadership ensures that a balance is struck between effective corporate governance and contracting and broader community benefits.

Flamsteed, K., 2000 p5, Enterprising Culture. Report commissioned by Open Learning Australia and the Aboriginal and Torres Strait Islander Peoples’ Training Advisory Council (ATSPTAC).
• Awareness of resource imbalance and a willingness to address the imbalance – there is an imbalance in the resources available to the community to conduct negotiations with business. Generally representatives from business have the backing of the business's resources but community representatives have little or no resource backing – they do not draw a salary and they do not have a secretariat or office support. The lack of support provided to the community can slow the progress of negotiations. Business can assist the speed and effectiveness of negotiations by recognising and addressing the imbalance through a range of measures including funding someone to act as the secretariat for the community.

• A realistic timeframe – especially when the idea or project being offered by business is a new concept for the community. The more traditional the community the longer it will take to work through the concept.

• Early involvement of a business representative – discussions work best when a representative from the business side is involved from the start and people from the community have the opportunity to build rapport and a relationship over a longer period of time.

• A positive attitude – business must come to the table with a positive attitude and seek a meaningful relationship.

• Cultural understanding – business must demonstrate an understanding of the people they are working with and take the trouble to make their own culture clear.

• Understanding of the roles of Indigenous organisations – understanding the roles and assistance available from different Indigenous organisations such as ATSIC and Indigenous Business Australia can be crucial.

• Addressing problems prior to starting a joint venture – in many cases it is best to address problems in the community (such as social issues or political friction) prior to attempting to establish a business partnership.

• Flexible agreements that are able to evolve over time – this ensures that both parties are able to renegotiate their commitments and responsibilities under changing circumstances to create a sustainable partnership.

• Mentoring and skill transferring – successful partnerships take mentoring processes and skill transferring seriously.

• Employing the right people – employing Indigenous people who understand the Indigenous communities and entrepreneurship and business from an Indigenous perspective.

• Taking advantage of the skills and expertise of the private sector and the accompanying discipline imposed by the commercial markets; minimising administrative and other costs by using private sector infrastructure and administration.

### EXHIBIT 5.1 CRITICAL SUCCESS FACTORS: PARTNERSHIPS

| Long Term - social responsibility commitment | Cultural understanding |
| A committed Indigenous leader | Understanding of the roles of Indigenous organisations |
| A committed non-Indigenous leader | Addressing underlying social problems prior to starting a joint venture |
| Awareness of resource imbalance and a willingness to address the imbalance | Flexible agreements that are able to evolve over time |
| A realistic timeframe | Mentoring and skill transferring |
| Early involvement of a business representative | Employing the right people |
| A positive attitude | |

Source: The Allen Consulting Group
CHAPTER 6

Social Programs and Community Development

SNAPSHOT

- Business social programs present a complementary approach to the economic improvement of communities.
- The area often presents a difficult challenge for Australian business. Many seek to redress the aspects of disadvantage experienced in Indigenous communities but are wary of paternalistic or culturally inappropriate interventions.
- The majority of social and community programs feature a three-way partnership, characterised by business financial expertise and volunteer employee support; Indigenous community involvement in delivery; administration and management; and funding and enterprise support from government.
- Social programs and community development fall broadly under the following heads of activity:
  - People Development – education scholarships, youth and community leadership programs, mentoring and skills network development, and heritage and culture sharing.
  - Community Infrastructure – co-operative projects using Indigenous-owned land or resources. Examples of this are community housing construction programs for Indigenous communities, regional development of economic sustainability and contracting of services to Indigenous delivery.
  - Health, Culture and Sport – for example, community programs to train and attract medical staff; support of collaborative bodies such as the National Aboriginal Sports Corporation; and support for culture and the arts.
  - Environment – including land remediation and support for communities that operate parcels of community owned land.
- For Aboriginal communities to benefit fully from business support, Indigenous communities need a base of good health, transport, access to finance and other elements of social and economic infrastructure. These socio-economic issues need to be addressed for employment programs to succeed.
- Small business development also assists in building community infrastructure through the development of basic community necessities - general stores, bakeries, etc – which continue to be absent in many Indigenous communities.
- Leading programs now transfer governance, control and a sustainable economic resource base to the Indigenous community or representative group, often with appropriate skills development.
Introduction

Business social programs present a complementary approach to the improvement of the economic standing of Aboriginal and Torres Strait Islander communities. While many programs remain firmly underpinned by fostering real employment outcomes, social programs and community development initiatives are broadening the sustainability of programs and partnerships.

The area is often challenging for Australian business. Many companies seek to redress aspects of disadvantage experienced in Indigenous communities but are wary of paternalistic or culturally inappropriate interventions. The central role of government, and sometimes the community, in addressing inequity is an important element for companies to take into account. They are often fearful of stepping into a complex arena of social disadvantage and community need. Business is aware that it often does not have the capability nor the community or shareholder mandate to tackle such problems.

Australian business, large, medium and small, has, however, applied the capabilities it does possess – business management and administration, project development and management, training and skills development, capital raising and the skills and energy of its employees – to community needs. Many businesses have also used specific capabilities related to their core business (construction, retail, earth moving, transport, etc) in support of community initiatives.

Social programs and community development fall broadly under the following areas of activity:

- **People Development** – education scholarships, youth and community leadership programs, mentoring and skills network development, and heritage and culture sharing.
- **Community Infrastructure** – co-operative projects using Indigenous-owned land or resources. Examples of this are community housing construction programs for Indigenous communities involving Indigenous trainees/apprentices, joint development of community infrastructure solutions, regional development of economic sustainability and contracting of major social or infrastructure services to Indigenous delivery.
- **Health, Culture and Sport** – for example, community programs to train and attract medical staff; support of collaborative bodies such as the National Aboriginal Sports Corporation; and support for culture and the arts including funding for touring and promotion.
- **Environment** – including land remediation and support for communities that operate parcels of community owned land.

Many of these programs feature a three-way partnership, characterised by business financial expertise and volunteer employee support, Indigenous community involvement in delivery and management, and funding and enterprise support by government.

The trend to Indigenous management of programs is leading to far more successful and appropriate outcomes. Sustainability of programs has become a central focus. Leading programs now transfer governance, control and a sustainable economic resource base to an Indigenous community or representative group.
People Development

Investment in people development involves a broad spectrum of the Indigenous community but predominantly focuses on programs delivering education and leadership skills to the community’s youth. For example, to build “whole of community” and generational development, Rio Tinto supports numerous Indigenous education initiatives, through the Rio Tinto Aboriginal Foundation (RTAF) - see Case Study below.

CASE STUDY 6.1 RIO TINTO ABORIGINAL FOUNDATION: EDUCATION INITIATIVES

Kormilda College - Darwin
A large number of Indigenous students from remote communities attend this culturally diverse secondary school. The RTAF has supported the delivery of its innovation education program since 1996.

Wentworth Public School/Sunraysia NSW Government School Project
The RTAF is providing financial and in-kind support for the development of a program for Aboriginal students aged between 9 to 15 years of age to increase their retention in local schools and break the community cycle for non-attendance at school of older Aboriginal youth.

Source: Rio Tinto documentation

Australian Indigenous Leadership Centre and Citigroup

‘Indigenous issues and leadership now have a stronger presence within the Australian community, particularly in government and media. Currently, however, there are too few Indigenous leaders, many of whom have responsibilities at community, state and national levels. There is a critical need to provide support for Indigenous leaders at all levels to develop their knowledge, skills and networks to lead communities, organisations and the nation into the 21st century.’

Concept Study into an Australian Indigenous Leadership Development Program, Australian Institute of Aboriginal and Torres Strait Islander Studies, 1998

In responding to a need identified throughout the Indigenous community, the AILC was established in 1999. The recently formed partnership between Citigroup and the AILC will assist the Centre to meet its initial objectives, but most particularly it aims to support improved economic outcomes by helping Indigenous communities to take greater control and direction of their economic future.

Importantly, the leadership program will also assist corporate Australia to engage in business partnerships with community groups and networks. Knowledge sharing and enhanced leadership skills should improve outcomes.

CASE STUDY 6.2 CITIGROUP: THE AUSTRALIAN INDIGENOUS LEADERSHIP CENTRE

The AILC was created to:
- foster the development of leadership ability and skills of Indigenous peoples;
- conduct educational and experiential courses and seminars in leadership and professional development;
- develop materials for education and training in leadership;
- promote Indigenous leadership skills and ability; and
- create forums for Indigenous people to share ideas, experience and skills.

Source: Australian Indigenous Leadership Centre
The partnership between Citigroup and the Australian Indigenous Leadership Centre will fund the delivery of certificate and diploma level Indigenous leadership development programs to 125 Indigenous men and women from across Australia. The partnership involves an initial three-year commitment, involving a $1 million grant and support from Citigroup’s businesses Citibank and Salomon Smith Barney and in-kind support from Qantas. Citigroup staff will also play a major role in the development of relationships with Indigenous Australians through participation in delivery of courses and as mentors to course participants.

‘Recent decades have seen a huge increase in the demands placed on Indigenous leaders. While many Indigenous leaders have successfully managed these new challenges, all those involved will benefit from the initiative.’

Dr Mick Dodson, AILC Chairman

At the Indigenous enterprise level, The Body Shop in partnership with the Commonwealth Youth Project, DETYA and ATSIC operates an enterprise development workshop for young Indigenous people. The workshop is a regular event that aims to assist young people in developing and maintaining their own businesses within their communities. Young participants learn about business practices, networks and government programs.

The ACTU-Lend Lease Foundation program also maintains a strong commitment to Indigenous youth, running an Indigenous youth leadership program; a residential business and technology learning/development centre; an Indigenous group training network; and a TAFE without walls – to deliver training in remote Indigenous communities.

Using a different model for education support, Hamersley awards annual scholarships to Aboriginal students who undertake tertiary studies in areas related to future employment within the mining sector.

Programs such as these that target youth can provide long-term benefits to an Indigenous community. Young people who leave a community for education or employment often return to the community at a later date bringing new skills and experiences. They also often become mentors for other members of the community. Furthermore, many continue to contribute financially to a community even when they no longer live there.

People development is not restricted to those who seek formal education paths. A project run by the ACTU-Lend Lease Foundation aims to help juvenile offenders to learn skills and provides assistance in their post-release transition to society and employment.

Community Development

‘Most communities need corporate know-how in infrastructure project management, enterprise management and community building strategies far more than they need corporate money.’

ACTU-Lend Lease Foundation
Infrastructure and housing in many Indigenous communities is substandard or inadequate. Many businesses recognise the importance of community access to facilities and that lack of appropriate infrastructure can adversely affect community wellbeing, pride and employment opportunities. Hamersley Iron and ACTU-Lend Lease both operate programs that facilitate improved living conditions. Hamersley provides a range of resources and in-kind assistance to enable communities to develop their infrastructure. This can include provision of earth moving equipment and operators to develop community facilities and assistance with negotiations with government on issues such as the excision of pastoral land for community development.

The Maclean Housing Project

The approach undertaken by the ACTU-Lend Lease Foundation is illustrated by the Maclean Housing Project (Case Study 6.3), which focuses on the provision of housing through apprenticeships and skills building. Since the completion of the project, The Australian National Training Authority has contracted the Foundation to produce a consolidated guide on the various approaches to involving Aboriginal apprentices in projects that integrate work and learning, while building houses for their own communities on a commercial basis.

CASE STUDY 6.3 THE ACTU-LEND LEASE FOUNDATION: THE MACLEAN HOUSING PROJECT

The Maclean Housing Project is one of the earliest initiatives of the ACTU-Lend Lease Foundation - through a partnership between the Community’s Nungera Co-operative, The New South Wales Labour Council, The ACTU-Lend Lease Foundation, TAFE, Central Coast Group Training and State and Federal Governments.

Apprentices were provided with and supported through on-the-job training while building houses for their own communities. The project employed 22 Aboriginal and Torres Strait Islander people and built 16 homes. One of the apprentices involved in the project made the following comment:

‘I feel really great seeing what I’ve done. Seeing members of the community feel good about their new homes. It’s lovely to see your people moving to a home you helped build.’

Lesley King


The approach taken by the Maclean project emphasises some of the key factors in the success of community-building initiatives:

- **Community-based** – benefits accrue directly to the community. The effects are immediate, as community labour and effort generate community ownership of joint solutions.
- **Partnership** – broad participation by private sector, government and Indigenous community partners, each bringing their own expertise and resources.
- **Business-driven model** – by targeting small projects and achieving real and lasting success, business has a role in promoting new pragmatic approaches to Indigenous community development. The ACTU-Lend Lease model has, for instance, been picked up by the NSW and Queensland governments for use in other Indigenous communities.
Non-institutional training – by training all Indigenous apprentices on the job, with a teacher placed in the community, the success rate for participants – in completing their apprenticeships, in developing numeracy and literacy skills and finding ongoing employment in the building industry – has been very high. By providing intensive, on-site instruction, the program was able to cut down the duration of the apprenticeship by almost 12 months.

Community infrastructure – by involving communities in developing their own infrastructure, solutions fit in with community values, engender pride in joint work and, in many cases, have allowed families who were previously living separately because of inadequate housing to live together as a family unit.

Cape York Business Partnerships

‘The Cape York Partnerships is a concept based on the traditional value of reciprocity. It is about the people of Cape York regaining control over their lives by breaking the cycle of welfare dependency.’

Balkanu Development Corporation

One of the most comprehensive approaches to regional community and infrastructure development is that undertaken by the communities of Cape York in North Queensland. The Cape York region is one of the least accessible parts of Australia and lacks much of the basic physical and social infrastructure needed to support its dispersed population of around 18,000. With an estimated majority Indigenous population, the region has one of the lowest per capita incomes and highest dependency rates on welfare and public services in Australia.

Under the Cape York Business Partnerships (CYBP) Framework, Indigenous communities have come together with the other major stakeholders in the region – the State and Federal Governments, health and community services, business and Indigenous and non-Indigenous representative groups.

The CYBP establishes a mechanism to provide for improved partnership arrangements between the Queensland Government, business leaders and Indigenous communities in the Cape York Peninsula. The process is led by representatives of the Indigenous peoples of the region, including the Cape York Land Council, Apunipima Cape York Health Council, Balkanu Cape York Development Corporation Pty Ltd and Cape York Corporation Pty Ltd as Trustee for the Cape York Aboriginal Charitable Trust. The agreement presents a coordinated and concerted approach to achieve self-reliance and independence through business and services development in the region.

Through greater self-management and involvement in planning for access to government services and investment in infrastructure, the CYBP seeks to build a sustainable economy for the region.

‘What we started in Cape York can be used as a template around regional and rural Australia. Indeed, it can be used in urban Australia to give people some power back on the ground to make decisions – and it is win/win across the board.’

Jim Petrich, Former CEO of the Cape York Peninsula Development Association

As part of the CYBP, the State Government (through the Department of State Development) has funded a study on the Cape York Regional Economic Development Strategy (Case Study 6.4).
While the initiative and supporting strategies are still in their infancy, they repre-
sent the first concerted and coordinated effort on behalf of the people of Cape York to
engender broad social and economic improvement. At the first Cape York Business
Summit held in August 2000, fifteen separate commitments were made in support of
initiatives such as the Indigenous Business Institute planned for Cairns (see Chapter
5); the handover of a working 6000 head pastoral property to traditional owners for use
as an agricultural training college for Indigenous youth; and other training, education
and business joint venture proposals. The summit also looked to other community
development opportunities, such as the Queensland Government’s commitments on
fishing licence review, digital network development, and a review of the inflexibility of
regional infrastructure planning.

There are also two major agreements in the Cape York region between mining
operators Pasminco and Comalco and their respective local communities, which pre-
sent a watershed in broad economic, social and environmental agreement.

Pasminco – Aboriginal Community Development

Pasminco’s Gulf Communities Agreement was negotiated between Pasminco Century
Mine, the Queensland Government and three Indigenous groups within the North
West Cape – the Waanyi, Minginda and Galththaarn and Kutaj peoples.

The Agreement comprises detailed commitments to education, employment and
training, business development, cultural and environmental protection, transfer of
pastoral properties and compensation.

Source: Cape York Regional Economic Development Strategy, Cape York Business Summit – Background Paper No.3
The agreement provides opportunities for both direct and indirect employment, education, training and development, and fosters new Indigenous business development. It also builds toward valued partnerships between the government, the Century mine and Indigenous communities after the long and difficult negotiations involved in establishing the mine. These relationships are now an avenue to strengthen and sustain long term social and economic benefits for the region.

Comalco and the Communities of Western Cape York
While Comalco has been operating its Bauxite mine in WEIPA for over 25 years, the negotiation of the Western Cape Communities Agreement between 15 traditional owners, four Western Cape Councils, The Cape York Land Council and the Queensland State Government represents a new and comprehensive framework for Indigenous community involvement, based on mutual recognition and support. It establishes a new basis for the 62 years remaining on the mining lease.

The agreement, negotiated as an Indigenous Land Use Agreement under the Federal Native Title Act, encapsulates the values of the Comalco/Rio Tinto Indigenous policy and represents recognition and long-term support for communities surrounding Comalco’s WEIPA operations in the Western Cape of Far North Queensland. It provides certainty for the community and the company on support, enterprise, training and programs.

CASE STUDY 6.5 PASMINCO LTD: CENTURY MINE AGREEMENT FOR DEVELOPMENT

The Agreement established a number of committees representing the communities and native title eligible bodies all with a majority Indigenous representation. They include:

- The Gulf Aboriginal Development Corporation - based in Mt Isa, this group represents the interests of the traditional owners during the life of the agreement and manages the direct compensation payments negotiated under the agreement.
- The Century Environment Committee - monitors, evaluates and advises on the environmental impact of the Century mine. The group also manages a full-time local Aboriginal Liaison Officer who works with site environmental teams.
- Century Employment and Training Committee - monitors the delivery of a range of commitments under the agreement including: the education, employment and training plan, the establishment of regional infrastructure and communications and the Mine’s $1.5 million annual expenditure on local Indigenous education, employment and training initiatives.
- Aboriginal Development Benefits Trust - manages contributions from the century mine over the 20 years of the agreement with a focus on sustainability and growth and the provision of business development loans.
- Other activities - The agreement also requires the appointment of community liaison officers from each Indigenous community, a community relations officer and a Gulf Communities Agreement Superintendent.

Source: Century Mine Agreement
Over its period of mining in the region, Comalco has shifted its focus from donations to active engagement, helping to establish the Napranum Aboriginal Corporation and support the development of economically independent businesses, solely managed and directed by the local Indigenous people. One example of that approach is a block-making joint venture with the Napranum Aboriginal Corporation, which supplies blocks for housing and other uses to the Weipa region, and beyond.

Other examples of community-based development initiatives involving broad support from corporate partners include Woodside’s Ngarluma Yindjbarndi Foundation and approaches by Rio Tinto and Hamersley Iron.

Woodside – building new foundations

The centrepiece of Woodside’s initiatives into the future is the Ngarluma Yindjbarndi Foundation Limited. The Foundation was registered as a company in April 2000 following the Agreement with the North West Shelf venture partners. It has a management board of four Ngarluma directors, four Yindjbarndi directors and three directors appointed by Woodside.

The Foundation has established fully equipped offices in Roebourne, with a CEO. Currently, it has 375 registered members from the Ngarluma and Yindjbarndi communities.

The aim of the Foundation is to provide long-term, sustainable support to the local Aboriginal communities for education, training, employment, business assistance, investment and health and in the areas of culture and heritage. The operating capital for the Foundation is provided through the Agreement with the venture partners but the Foundation will seek support from government and industry to meet its broader long-term goals. The Key principles which guided the planning for the organisation are summarised in Case Study 6.7 below.

CASE STUDY 6.6 COMALCO: WESTERN CAPE AGREEMENT

The agreement, negotiated as an Indigenous Land Use Agreement under the Federal Native Title Act, encapsulates the values of the Comalco/Rio Tinto Indigenous policy and presents recognition and long term support for communities surrounding Comalco’s WEIPA operations in the Western Cape of Far North Queensland. It provides certainty for the community and the company on community support, cultural and heritage protocols enterprise, employment, training and cross cultural programs.

The agreement covers:

- Annual payments of $4 million per year (Comalco and State Government contributions) to a Trust managed by traditional owners and community representatives.
- Employment and training and youth educational programs.
- Community development projects, support for Indigenous business enterprise and establishment of outstations on suitable areas of the mining lease.
- Cultural heritage recognition and awareness.

Additional support and current projects include:

**Sudley Cattle Station**

The Sudley cattle Station, operating since 1982, functions as a partnership between the people of Iunthan (the traditional land owners) and Comalco (the lease holder). The station runs approximately 6,000 head of cattle which sell to domestic and export customers.

**Napranum Aboriginal Corporation**

Comalco has provided over $4 million in the last decade to the Napranum Aboriginal Corporation, assisting in the development of economically independent businesses, managed and directed by the local Indigenous people.

Source: Consultation/company documentation
Underpinning the Foundation’s future was the belief that the Aboriginal community must be “able to develop the direction they want it to take”. The company assisted in providing training on responsibilities under corporate law and “saw an amazing change in the confidence and support from the whole community”. Also, there is already a lot of local experience with existing initiatives and the company held to their belief “that communities know themselves what is working and what is not” and are well able to judge which programs are effective and deliver positive outcomes.

There are many challenges in this way of proceeding. As the Woodside Energy Managing Director stated:

‘On the one hand the Foundation provides a major opportunity for you the Ngaluma and Yindjibarndi people to control your own destiny, to manage your own affairs and to gain a solid stake in the regional economy. On the other hand it represents a major challenge to successfully manage these affairs and to work together as a whole community in doing so.’

Managing Director, Woodside Energy

The change from previous initiatives is that the focus is on the long-term needs of the whole community. The benefits that flowed from many previous initiatives in the area supported by business were mostly confined to the individuals employed by the company. The company and the community see the Foundation as an opportunity to spread benefits more widely, particularly to young people.

They also know the plan is ambitious and represents a steep change in how business collaboration has been structured:

‘We have had five years of hard work, we have learned a lot but we are only just at the starting line. There is an urgent need to get this right; the community does not have the luxury of time.’

Senior Manager Woodside Energy

Offering employment opportunities, for example, while constructive and a company commitment, had limitations as a means of assistance. Capital intensive oil and gas businesses are not major employers and have a comparatively small number of technical positions rather than a range of diverse jobs. Further, positions are contracting in number as companies restructure in the face of global competition. The Foundation therefore required broader and innovative thinking on how the company could be of greatest assistance for community sustainability.
Funding was agreed for a forty-year period. The amount allocated was initially kept confidential to those closely involved in the planning so as to avoid sending messages about cash handouts or raising expectations. The Foundation wanted to avoid a situation where it was being called on for assistance before the operational arrangements were bedded down. It is envisaged that the Foundation will also employ funds from external bodies to meet its aims. Indeed, there is a hope that any new developers in the region will join their efforts to concentrate resources for the community. An important goal is to establish a structure that can be consistent in how it allocates support.

The focus of the Foundation is a blend of social and economic themes and initiatives that build on past learning. For example, getting Aboriginal-run businesses off the ground is one thing but long-term success requires building a solid customer base that can easily access the potential contractor or service. “Indigenous businesses are not necessarily listed in the Yellow Pages”. Also, while many training and employment initiatives are now yielding good results, improving the long-term capacity of companies to employ more Aboriginal people requires continued efforts in educating the non-Aboriginal workplace and community. “Cross cultural training is now seen as a crucial component in success but we are not yet up to speed.”

Other lessons learned revolve around the understanding that a company in the first place has to get the decision-making processes right, although they are very complex. Consulting and negotiating on the establishment of the Foundation also shifted the business focus from the more immediate land access issue to a focus on community sustainability in return for land access.

Rio Tinto: community development to build relationships

Rio Tinto companies such as Hamersley Iron and Comalco provide a range of resources and in-kind assistance to enable communities to develop their infrastructure and improve their ability to manage their workplace and social responsibilities. The scope of this assistance ranges from the provision of assistance for enterprise development, to developing community facilities and conducting training courses on such matters as management and community governance.

While the earlier emphasis was to support business development activities that were close to their commercial needs, in the end this was seen as unnecessarily restrictive. The broader objective has become one of building more robust communities and sound relationships by helping communities to develop economic independence and to address their cultural and social needs.

CASE STUDY 6.8  RIO TINTO: WHOLE OF COMMUNITY CONCEPT

The ‘whole of community’ concept encapsulates the elements of:

- All of Australia’s inclusion in the process of reconciliation and Indigenous development.
- Development of Indigenous opportunity from earliest childhood through all generations.
- Recognising that regional development and sustainable employment preparation must include community capacity building on a broad front, between generations and between communities.

Source: Consultations
The Rio Tinto Aboriginal Foundation operates independently from the company. It distributes $1.4 million a year to local communities and community organisations and is administered by a Board of seven trustees who examine proposals and allocate funding. Proposals are initiated by Indigenous communities, organisations or individuals.

The programs have focused on:

- Health, such as a program in conjunction with the Department of Health – Office of Aboriginal and Torres Strait Islander Health – and the Australian Kidney Foundation to develop a public education program addressing the high level of diabetes and renal failure among Indigenous people.
- Sport and healthy lifestyle, such as the Kickstart Program.
- Education, such as Kormilda College in Darwin, described earlier in this report.

Other support by Australian business for Indigenous community development covers an equally broad spectrum from sponsorship and grants, to support for local enterprise, facilities and education through to staff involvement and in-kind support. (See Exhibit 6.1.)

### EXHIBIT 6.1 EXAMPLES OF INDIGENOUS COMMUNITY SUPPORT

- IBM’s partnership with Victoria University and the Federal Government to provide teachers and technology to rural and remote schools.
- JP Morgan Australia’s support for the Warluwurlang Aboriginal Arts Association and the Yuardwunu community in support of its "oral history project".
- Australian Business Ltd’s support for an Indigenous export development project assisting established Indigenous enterprises to identify export opportunities for their products.
- ANZ staff foundation support of Ngaimpe Aboriginal Corporation (NSW).
- Extensive pro bono legal support from many Australian law firms.
- Merck, Sharpe and Dohme’s sponsorship of an Indigenous PhD. program at the Queensland Institute of medical research at the University of Queensland.

*Source: The Allen Consulting Group*

### BHPBilliton: town planning in Newman Western Australia

Long-term planning is needed for Newman, the town built by BHPBilliton Iron Ore in the late 1960s. In 1981 the company handed over municipal responsibility to the local Shire Council. Newman’s population is declining as a result of workplace reforms by companies in the area, and the town is shifting its focus to become a service and local government centre for the region, an area that includes several Aboriginal communities in the Western Desert.

One of the ways of managing this transition, involved a formal cross-cultural training program to allow both employees and members of the community to learn more about the history and cultures of local Indigenous groups and explore cross-cultural issues. Courses developed in partnership with Curtin University’s Centre for Aboriginal Studies and held in Newman during 2000 involved members of the Martu and Nyiyiparli language groups. These courses continue until all employees and interested community members have attended.
Health, Culture and Sport

Health, Culture and Sport also play a major role in community development and social support and in many cases present a vehicle through which to advance broader Indigenous community development objectives. While not at the core of most businesses’ competencies and capacities, business has found a role to play in supporting programs, providing financial and in-kind support and promoting health, culture and sport initiatives.

Health

Access to appropriate health services varies widely among Australian Indigenous communities, with many in remote areas suffering poor nutrition, substandard housing and sanitation and little access to health services. Private foundation support (such as the Fred Hollows Foundation) and government spending dominate this area with only a very small incidence of direct business involvement. Where initiatives have emerged from the private sector they have typically targeted equipment, infrastructure (such as the Royal Flying Doctor Service) and some health promotion activities. Partnerships, such as the APMA/AMA initiative below may present a practical means for Australian industry to collectively support improved Indigenous health services.

APMA and AMA Indigenous Health Initiative

A joint approach by the Australian Pharmaceutical Manufacturers Association and the Australian Medical Association has provided targeted assistance to develop Aboriginal health research, infrastructure and services. (Also referred to in Case Study 3.13.) Funded by the APMA and its member companies, the Aboriginal Health Initiative has sponsored practical projects, developed in partnership with Aboriginal health workers and other expert groups.

CASE STUDY 6.9 APMA/AMA: INDIGENOUS HEALTH INITIATIVE, POOLED FUND SUPPORT

More than 30 projects have been funded to date, including:

- A diabetes awareness and education program, focusing on early detection and treatment of the disease. The videos and charts were distributed to every Aboriginal Medical Service in Australia. With diabetes affecting up to half of the Aboriginal population in remote areas, health workers welcomed the materials as important teaching aids for preventing and managing the disease.
- Blood-glucose measuring monitors, donated to a Cape York Aboriginal community to help diabetes sufferers manage their condition.
- An anti-smoking poster featuring three well-known Aboriginal AFL players has been one of the most popular projects to date. More than 12,000 Kick The Habit posters have been distributed to Aboriginal children across Australia.
- Asthma equipment for a Tasmanian Aboriginal community.
- A vital signs monitor, donated to a remote Aboriginal community in Queensland which has a high incidence of child injury, malnutrition and abuse.
- A medical practitioners’ guide to Aboriginal health, distributed to more than 5,000 doctors and healthcare workers in Western Australia.
- A nutritional education program for youth living near Alice Springs.

Source: APMA and AMA
Few business-initiated programs focus on health, this area being largely left to government programs and services. Rio Tinto is an exception to the norm providing a health program in conjunction with the Department of Health – (Office of Aboriginal and Torres Strait Islander Health) and the Australian Kidney Foundation, to address the high level of diabetes and renal failure among Indigenous people.

Culture
Conversely, cultural and cross-cultural programs are well supported by many companies such as Normandy, Hamersley, Qantas and the Gwydir Valley Cotton Growers’ Association. These programs focus on both the promotion of Indigenous cultural pursuits and increased cross-cultural understanding between Indigenous and non-Indigenous people. Support for the promotion of Aboriginal culture includes funding for dance group tours and art exhibitions. Models for cross cultural understanding focus predominantly on work place training and seminars.

As Normandy stated, “we take very seriously the role of educating and informing the Australian public about indigenous culture”. They see this as a “vital conditioning factor” for the position of Indigenous people in Australian society. One of their initiatives is a $1 million sponsorship of the Australian Cultures Gallery at the South Australian Museum to support one of the most representative collections of classical Aboriginal culture.

As in a number of companies, Normandy’s employees are required to undertake cross-cultural awareness training which comprises innovative courses conducted by indigenous facilitators. The Hamersley approach (Case Study 6.10 below) focuses on the support of cross-cultural training businesses. The Gwydir Valley Cotton Growers’ Association on the other hand encourages local businesses and their staffs to take cross-cultural seminars delivered by staff from the Aboriginal Employment Strategy. Both approaches are designed specifically to nurture mutual understanding and respect and to raise Indigenous understanding of business.

CASE STUDY 6.10 HAMERSLEY IRON: PROMOTING CROSS CULTURAL UNDERSTANDING

Two cross-cultural training businesses, Ngurra Wankamagayi and Wanu Wanu, owned by the Aboriginal communities of Roebourne and Tom Price, offer Hamersley employees courses in which Aboriginal culture and heritage are demonstrated and discussed.

The cross-cultural activities involve field excursions with Aboriginal Elders and provide knowledge and understanding in a culturally appropriate way. Other companies and organisations are sending their staff to these courses and efforts are being made to tap into the cultural tourism market.

To further two-way cultural awareness, Hamersley would also like Aboriginal people to gain a better understanding of its company culture.

Source: Hamersley Iron

In Hamersley, cultural awareness activities are becoming increasingly important to the success of training and employment initiatives. In the early 90s all employees participated in a cultural awareness course conducted by someone from outside the Aboriginal community. Now the company believes that this is more effectively conducted by local Aboriginal groups. Two Aboriginal companies have been formed to train Hamersley employees in Aboriginal cultural matters. Other initiatives directed at improving the success of the initiatives include Aboriginal employees spending time ‘shadowing’ a supervisor in the workplace and a leadership-training package that involves executive management meeting with Aboriginal elders to understand their styles of leadership.
Sport

Along with cultural activities, sport takes centre stage in many Indigenous communities and is a source of great pride and community cohesiveness. Some business activities maintain a degree of support for Indigenous sporting teams and the development of young Indigenous athletes. For example, the Gwydir Valley Cotton Growers’ Association Aboriginal Employment Strategy supports the local Aboriginal football team, the Boomerangs. The Strategy recently decided to support the Boomerangs as part of a way to gain more acceptance from the Indigenous community and to demonstrate the Strategy’s commitment to the Indigenous community and its activities.

The ACTU-Lend Lease Foundation also supports Indigenous sport through a partnership with the National Aboriginal Sports Corporation Australia (NASCA) – see Case Study 6.11 below. Because of the popularity of sport, especially among the young Indigenous population, the work of the NASCA is a very effective platform to deliver broader messages about education, lifestyle and nutrition.

**CASE STUDY 6.11 THE NATIONAL ABORIGINAL SPORTS CORPORATION AUSTRALIA (NASCA)**

Established by David Liddiard a high profile rugby League player in 1995 as a not-for-profit organisation to promote Indigenous sporting excellence, the National Aboriginal Sports Corporation of Australia (NASCA) formed a partnership with the ACTU-Lend lease foundation and has diversified from its focus on sport to become a springboard for greater achievement in education, employment and career development. Programs operate nationally in rugby, golf and netball combining skills identification and training workshops, sports scholarships and school visits by leading Indigenous and non-Indigenous sports people. NASCA has consistently sought partnership with government, national sports bodies and the private sector which include Westpac, The Westfield Foundation, The Australian National Training Authority, The NSW and QLD Government, Aussie Home Loans, Netball Australia, The ARL, Professional Golf Association, Qantas, Carlton and United Breweries, The Red Cross, the Heart Foundation and Rotary.

Source: ACTU-Lend Lease

**Australian Football League: combating discrimination**

In 1995, the AFL formalised its anti-racial discrimination stance by introducing a racial and religious vilification rule. Following this the AFL’s development body, the Australian Football Foundation, undertook a review of football development in northern Australia with an emphasis on programs in Aboriginal communities.

The AFL with assistance from Rio Tinto, established the Northern Australian Football Development Foundation. The foundation’s program was named Rio Tinto AFL Kickstart (Case Study 6.12).

**CASE STUDY 6.12 AUSTRALIAN FOOTBALL LEAGUE: KICKSTART**

‘The Rio Tinto AFL Kickstart program emanates from the AFL’s racial and religious vilification rule introduced in 1995. It is also an extension of the AFL’s commitment to indigenous Australians, particularly those in remote northern Australian communities.

Many fine Aboriginal players have participated and continue to play AFL in the AFL and State league competitions.

We are delighted that one of Australia’s leading companies, Rio Tinto has joined with us to create vastly increased opportunities for more young indigenous people to realise their potential.’

CEO AFL

Source: Rio Tinto AFL Kickstart
Rio Tinto AFL Kickstart offers positive life skills to young people in remote Aboriginal communities through football and the opportunity of a career path into the AFL. It also enables the AFL to capture the untapped potential of gifted Aboriginal sportspeople who may otherwise be lost to the game and the Australian public.

CASE STUDY 6.13 AUSTRALIAN FOOTBALL LEAGUE: OBJECTIVE OF KICKSTART

The key objectives are to:

- Coordinate development programs in the Northern territory, North Queensland and North Western Australia.
- Increase participation in Australian Football by Aboriginal and Torres Strait Islander athletes.
- Expand football in schools throughout the northern regions.
- Provide an Intensive Training Centre in Darwin for promising young players using the facilities of the Northern Territory Institute of Sport and Kornilda College.

Source: Rio Tinto AFL Kickstart

BHPBilliton: children’s sport and health

In the remote Jigalong community, 165 kilometres from Port Hedland, BHPBilliton has funded the Royal Lifesaving Society Australia to enhance community health by providing a program of physical aquatic activity. Funding has been used to conduct a Swimming Pool Safety Assessment and to produce a short video called "Watch out for the kids!" Both pools are open six days a week and daily attendance is noted to facilitate the new “No School, No Pool” policy, or more positively “School, means Pool”. This is paying dividends at both communities, with school attendance at Jigalong rising from 26 per cent to 82 per cent since the pool opened.

Another benefit of the program is the anticipated improvement in community health. A report by the TVW Telethon Institute for Child Health Research has shown that Aboriginal children living in remote communities tend to have poor personal hygiene. Following the installation of swimming pools, health workers have noticed a reduction in the overall incidence of infections, particularly of skin, ears and eyes. Health surveys were conducted at Jigalong and Yandeyarra before the pool opened, and comparison surveys will be done later in 2001.

Philanthropic and Sponsorship Support

By far the most common support for Indigenous communities from corporate Australia is still philanthropic and sponsorship support for education, community, arts, culture, sport and heritage. Examples are widespread and cross the spectrum of educational scholarships, donations to community and cultural organisations, support for events and initiatives such as Corroboree 2000, Indigenous employment commitments and on-going patronage of Indigenous arts and culture.
Recently, there has been a greater emphasis on direct and in-kind corporate support to philanthropic and sponsorship initiatives. IBM’s partnership with Victoria University for the introduction of Information Technology to remote schools or Citigroup’s commitment of staff and facilities to support its sponsorship of the Australian Indigenous Leadership Centre are examples. The new non-profit body established by the Council for Aboriginal Reconciliation and Reconciliation Australia has already received valuable in kind support from businesses such as Russell Kennedy Solicitors, National Mail and marketing, ATT and Associates, Hyatt Hotel Canberra and the Body Shop.

Other major contributors include the extensive, national support provided by general community foundations and support organisations such as The Myer Foundation, The Smith Family, The Brotherhood of St Laurence and the Fred Hollows Foundation. Extensive pro-bono legal advice undertaken by Australian legal firms for Indigenous organisations, Indigenous legal advice centres and individual support such as test case litigation and native title claims, are also important contributions.

Heritage and Environment
Programs encompassing environmental considerations range from land remediation activities through to support for communities that operate parcels of community owned land. For example, Pasminco in conjunction with Indigenous groups, through the Gulf Communities Agreement, has initiated the Century Environment Committee, which monitors, evaluates and advises on the environmental impact of the Century mine. The group also manages a full-time local Aboriginal Liaison Officer who works with site environmental teams. Hamersley has a similar approach to involving Indigenous people in heritage protection as explained in Case Study 6.14 below.

Alternatively, The Body Shop funds a conservation and heritage outstation which assists extended Indigenous families to return to traditional land. The outstation supports the management of existing conservation areas of high Indigenous cultural value and promotes healthy living, cultural renewal and self-reliance.

CASE STUDY 6.14 HAMERSLEY IRON: INDIGENOUS HERITAGE PROGRAM

The Hamersley Iron Heritage Program is designed to ensure that exploration and development work in the Pilbara region causes minimal disturbance to Aboriginal sites: both ethnographic and archaeological.

Prior to beginning any exploration or development Hamersley conducts ethnographic and archaeological surveys with Elders and members of the related Aboriginal group, in order to identify, record and map all sites in the area.

Hamersley’s policy is to avoid disturbance of Aboriginal sites during exploration, and to avoid sites wherever practicable during development work. Where sites are to be disturbed, extensive recording, archaeological excavation and salvage work is conducted in collaboration with Aboriginal groups.

Hamersley also actively supports Aboriginal people in the maintenance of their traditional culture. Assistance is provided on request in areas such as: the maintenance of law ground and burial sites; transport for Elders to conduct traditional activities; the recording and mapping of traditional stories, place names and heritage sites; and the management of sites.

The main lessons drawn from these initiatives is that success requires a long period to develop trust in a region and without this initiatives will fail. Trust in large part arises from the quality of the initiative but it also is related to the commitment of the staff involved. Role of staff is crucial - ‘having great programs with poor people simply doesn’t work’.

Source: Hamersley Iron
Features of Social and Community Program Delivery

The majority of social and community programs feature a three-way partnership, characterised by business financial expertise, volunteer employee support, Indigenous community involvement in delivery, administration and management and funding and enterprise support from government.

Further, the trend to Indigenous management and ownership of programs is leading to far more successful targeting and appropriateness of outcomes. Sustainability and longevity of programs has also become a central focus. Leading programs now transfer governance, control and a sustainable economic resource base to the Indigenous community or representative group, often with appropriate skills development.

Rationale for Social Programs and Community Development

For Aboriginal communities to benefit fully from business support for employment and skills development, many business (including Rio Tinto, The Gwydir Valley Cotton Growers' Association and Woodside) have recognised that communities need a base of good health, transport, access to finance and other elements of social and economic infrastructure. Robust communities also require “rich transactional things beyond money-like arts, culture and sport”.

Experience from the Moree Aboriginal Employment Strategy and MIM’s employment program has demonstrated that it is often essential for these broader socio-economic issues to be addressed for employment programs to succeed. For example, it is difficult for anyone to perform a job well and reliably if there are health problems or if access to transport is limited. (A common feature in rural communities where public transport does not exist and car ownership is limited.)

Cooperative Regional Development

Regional or community co-operation between Indigenous people, Indigenous and non-Indigenous business and government is emerging as a potential method to break the welfare dependency cycle. Co-operation is variously initiated by the local Indigenous community, by an Indigenous representative organisation or by private business. Such cooperative arrangements are proving a successful means to attract investment, combine economic and skills development and promote employment creation and community infrastructure projects.

While Australia is yet to develop assisted economic zones with accompanying tax concessions and capital raising assistance such as those established in Indigenous communities in North America, initiatives such as the Cape York Business Partnerships Agreement present a new, combined and concerted effort to address regional disadvantage.
Concluding Comments: Community Development

Some companies have recognised that broad community development – that is, encouraging a socially, environmentally and economically healthy community – is not only important for Indigenous Australians’ social and economic enhancement but also for business success and performance. These companies are mostly very experienced in conducting initiatives and have adopted this approach through trial and error. They feel confident in handing responsibility to the community for ultimately driving the initiative. They recognise that communities need a base level of health, transport, and financial services if corporate training and employment programs are to deliver their maximum benefit.

‘Although a company's main responsibility is to its shareholders, it operates within a community. If a community prospers, so does a company and vice versa.’

CEO from Services Sector

The few companies adopting this community-wide approach are doing so in a three-way partnership, which involves government, community and business. There is no doubt that, managed successfully, this comprehensive approach provides substantial mutual benefits.

CHAPTER 7
Achieving Mutual Benefits

SNAPSHOT

• Training, employment and the creation of business opportunities are the areas of most activity in corporate collaboration with Indigenous Australians. These relationships are generally based on shared benefits. Other areas of disadvantage, such as housing, health and social justice, have received little direct business support to date.

• Over the past decade, there has been a significant shift in the way leading companies are engaging with Indigenous peoples and communities. Key characteristics of these second generation activities are: they are based on well conducted community needs assessment; systems and structures are developed to integrate the activity with core business decisions; and benefits tend to flow both ways. There is also a trend to support Indigenous management and ownership of programs, which is resulting in better and more appropriate outcomes. Sustainability of programs is also becoming a central focus – companies and communities want the activities to have lasting positive impact.

• Collaborating with Indigenous communities is a costly exercise but the benefits generally outweigh the costs. Corporate benefits include:
  - access to new markets;
  - positive internal effects on corporate cultures and values;
  - access to reliable local labour markets;
  - improving or ensuring a ‘licence to operate’; and
  - enhancement of corporate reputation and image.

• The common critical success factors – based on experience of leading companies – provide a useful checklist for implementing Indigenous relations programs. However, there are still some major barriers that need to be addressed to further develop this activity.

• The major lessons learned include: not being afraid to make a start; build from a base of collaboration; get “runs on the board” early; build critical mass; don’t “go it alone” but try to get involvement from suppliers and customers.
Introduction

‘The challenge is in finding strategies that work for people who are acculturated in Aboriginal society and want to enjoy both their aboriginal way of life – such as kinship and religion – and equity in the Australian economy.’


High quality relationships are generally based on shared benefits. In recognition of potential mutual benefits, there appears to have been a shift over the past decade in the way leading companies are engaging with Indigenous peoples and communities. Past or first generation approaches were characterised by a single theme or focus and tended to be programs that were not systemically linked to core business activities. They were (often unwittingly) developed and managed in a paternalistic ‘we know best’ approach and were likely to follow the conventional approach of government assistance.

Leading companies now take “a very hard headed approach to deciding where and how they take part” and represent a second generation approach to engaging with Indigenous peoples and communities. Key characteristics of second generation activities are that they are based on well researched community needs assessment, systems and structures integrate the activity with core business decisions, results are measured and benefits tend to flow both ways. They aim to support Indigenous management and ownership of programs, which results in better and more appropriate outcomes. Sustainability is also becoming a central focus; companies and communities want the activities to have lasting and positive impact. Aiming for sustainability often involves a carefully designed three-way partnership between government, business and communities.

The new focus has had substantial impacts on education, training, employment and business opportunities for Indigenous people. However other key areas of disadvantage, such as housing, health, and social justice, have received little direct business support to date – except for some isolated pockets of strong engagements.

Best practice collaboration involves:
- community needs assessment
- integration with core business decisions
- Indigenous management and ownership
- three way partnership
- mutual benefits

EXHIBIT 7.1 CHARACTERISTICS OF BUSINESS-INDIGENOUS COLLABORATION

<table>
<thead>
<tr>
<th>First Generation</th>
<th>Second Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land access focus, mining sector alone</td>
<td>Community relations; other sectors as well</td>
</tr>
<tr>
<td>Single themes, single focus</td>
<td>Holistic community focus</td>
</tr>
<tr>
<td>Service provision</td>
<td>Build sustainable communities/infrastructure</td>
</tr>
<tr>
<td>Traditional government involvement;</td>
<td>Arms length relationship, non-interventionist; opportunities for partnerships</td>
</tr>
<tr>
<td>uncoordinated programs across various departments</td>
<td>Joint ventures or autonomous initiatives</td>
</tr>
<tr>
<td>‘Paternalistic’/sponsorship approach</td>
<td>Integrated into company core needs and values, increased staff capability</td>
</tr>
<tr>
<td>Programs external to company</td>
<td>Industry wide networks/strategic use of intermediaries</td>
</tr>
<tr>
<td>Companies act alone</td>
<td></td>
</tr>
</tbody>
</table>

Source: The Allen Consulting Group
The approaches most popular among small, regional and rural enterprises are of necessity very different. The long-term outlooks and benefits favoured by large business are often not practicable, except where negotiated collectively such as in private regional employment initiatives. The benefits accruing to small business and Indigenous communities are most often apparent at an individual, rather than community level. A first generation/second generation paradigm, while instructive, does not explain many of the success factors and practices among this group. A pragmatic bias toward a “whatever it takes” approach characterises smaller scale initiatives. Flexibility in matching local approaches to local needs is the most beneficial feature of small business-Indigenous community initiatives.

The following sections provide an overview of the ‘lessons learned’ and a more detailed analysis of the benefits corporations and Indigenous communities receive by collaborating to address economic, social and environmental issues.

Lessons Learned

An honest appraisal of the lessons learned is a valuable contribution to those about to embark on collaborative initiatives. An important aspect of moving forward is to avoid repeating the mistakes of the past. The section below is more about broad approaches for getting started with the following section drawing on more specific program strategies.

**EXHIBIT 7.2 LESSONS LEARNED**

- Don’t be afraid of making a start: collaboration is a secure beginning
- Go beyond the enthusiasm of the program champions
- Openness and shared outcomes can neutralise political complexities
- Get “runs on the board” early
- Build ‘critical mass’
- Involve suppliers, contractors and customers
- Understand the dimensions – and dilemmas – of government support

Source: The Allen Consulting Group

Don’t be afraid of making a start: collaboration is a secure beginning

Many companies have indicated they are keen to support indigenous Australians but they simply do not know where to start and they are afraid of making mistakes. Successful initiatives have been based on collaboration from the very beginning. This may be directly with Indigenous communities or it may be with the assistance of government or intermediaries acting on behalf of Indigenous Australians. Either way, the starting point has involved collaboration in determining what assistance from business is actually needed – “the community has to want to improve its circumstances and come to the table as equals” – and business needs to know what it expects to achieve.
Go beyond the enthusiasm of the program champions

Many activities start small and arise from the ideas of one or two people in a company who go on to be an activity’s champions. For these activities to mature and endure requires making the transition to a more integrated organisational commitment and embedding the activities into mainstream management. In a large company, this may take the form of Board endorsement, a company policy or a management system. Irrespective of size, the lesson is that all companies need to consider the resource allocation, support staffing, management responsibilities and accountabilities. A successful collaborative activity has clarity around the relationship of the initiative and the participants to the rest of the organisation.

Openness and shared outcomes can neutralise political complexities

Some companies have found political differences among indigenous groups a daunting obstacle. No one has a simple answer except that activities based on openness and collaboration with communities and on the understanding that “ownership” of outcomes is shared is a sound foundation. All initial activities need champions not only in the company but also among the Indigenous people and communities – and this applies in metropolitan locations as well as rural and regional.

Get “runs on the board” early

Most companies have had to learn to be patient and understand that progress in achieving the anticipated outcomes may be slow. After early failures, some have deliberately restructured their activities for small but early successes to develop a better sense of “what works” and provide role models for the way forward. This may involve some hard decisions in choosing participants or activities most likely to succeed but it has built confidence thorough “runs on the board”.

Build ‘critical mass’

Establishing ‘critical mass’ with the number of Indigenous employees or small Indigenous enterprises or customers of a commercial joint venture has been found to be a way for companies to move from an unintentional paternalistic role to one that is more entrepreneurial and developmental. A one-to-one relationship may be a convenient starting point but this can generate considerable pressure on the instigator of the activity and lead to an isolated experience for the participant. Expanding the numbers involved or variety of activities has allowed development to be more organic, realistic and, hence, sustainable. This often requires a more considered commitment at the outset but the dynamic of having more participants leads to a more fruitful experience for all involved.

Involve suppliers, contactors and customers

Indigenous participants tend to be looking to long-term relationships and seeking long-term returns. While companies may not have the capacity to deliver this on their own, some have found they can spread the benefits of their own initiatives through promoting companion initiatives with suppliers, contractors and customers. This can be of assistance in providing career development and commercial expansion opportunities.
Understand the dimensions – and dilemmas – of government support

Business is not taking the role of government assistance for granted but this area contains a number of dilemmas. Many government programs and incentives are available for assisting companies develop collaborative activities. Unfortunately, some companies have found in the early days of an initiative that government guidelines have hindered rather than assisted due to constraints and the lack of flexibility to adapt as circumstances dictate. Companies have either been successful in negotiating changes to the government requirements or they have sidestepped incentives and proceeded alone.

While the activities are then free to develop according to need, there is the added dilemma that the company may be taking on responsibilities otherwise belonging to government. Put another way, some question why Indigenous people have to rely on “welfare” from companies rather than receive the equivalent support from government that is available for other citizens.

Success in navigating around these complexities depends to some extent on the company’s organisational capacity to internally discuss its commitment in this area and to determine its longer-term objectives and hoped for outcomes. Most companies see social and commercial objectives driving their support of indigenous communities, not welfare concerns as such. For some companies, it has meant more for them to be initially successful than to be overly concerned about straying into areas traditionally served by government. For others, they have not had the resources to proceed without the government subsidies they are entitled to.

Identifying Corporate Benefits

Many companies find that, once past the “start up phase”, initiatives between business and Indigenous communities lead to clear business benefits. Some of these are:

- access to new domestic markets – companies entering into joint ventures with Indigenous corporations are experiencing benefits from developing new and diversified operations;
- access to new international markets – global companies report that a solid track record in Indigenous relations can open opportunities in international markets, particularly where host countries are seeking foreign investors capable of providing local benefits;
- positive internal effects on corporate cultures and values – companies employing Indigenous peoples are finding that staff morale improves and the “employer of choice” concept is promoted;
- access to reliable local labour markets – increasing the number of local Indigenous employees (through education and training) has helped companies, particularly those operating in remote regions, to develop stable long term workforces;
- improved stakeholder consultation strategies and techniques – the spillover benefits of building successful relationships with Indigenous communities is a general improvement in stakeholder consultation systems and practices;
- improving and/or ensuring a ‘licence to operate’ – companies, particularly resource companies, are benefiting from reduced operational uncertainties and access to land by building good relationships and gaining a ‘licence to operate’ from Indigenous communities; and

Indigenous Relations Provide Clear Business Benefits

Indigenous Communities & Australian Business
enhancement of corporate reputation and image – corporate reputation is increasingly seen by business as a valuable intangible asset – and not only for companies with a recognizable retail brand. Companies seeking support from the community and government for continued development and support from financial markets know that a good reputation is seen as a proxy for quality management and a sustainable future.

Cost-Benefit Analysis: benefits exceed costs

Collaborating with Indigenous communities is often a costly exercise but many companies believe that the benefits often outweigh the costs. It would appear however, that few companies decide on their involvement in such activities on the basis of a cost-benefit analysis. In fact, only a handful of companies could accurately identify the costs of such activity, as they are often managed from a diverse range of functions across the organisation such as public affairs, environmental management, legal and individual site management.

Exhibit 7.3 provides an indication of the quantum of corporate dollars allocated to Indigenous programs provided by three companies.

**EXHIBIT 7.3 ESTIMATED COST OF CORPORATE INDIGENOUS PROGRAMS**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Indigenous Programs</th>
<th>Dollars per year*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company (A)</td>
<td>All Indigenous programs</td>
<td>$3–4 million</td>
</tr>
<tr>
<td>Company (B)</td>
<td>All Indigenous programs</td>
<td>$2.5–3.0 million</td>
</tr>
<tr>
<td></td>
<td>Education programs</td>
<td>$1.2 million</td>
</tr>
<tr>
<td>Company (C)</td>
<td>Community programs</td>
<td>$300,000</td>
</tr>
</tbody>
</table>

*Note: Excluding in-kind support such as mentoring etc.
Source: The Allen Consulting Group, Stakeholder Consultations

Some resource companies do measure the costs and benefits of Indigenous relations. They essentially examine the cost of poor Indigenous relations which they then use to assess a business case for such activity. Using this methodology, the investment costs of Indigenous relations are ultimately justified if the potential cost arising from project delays, resulting from poor consultation, exceeds the cost of Indigenous relations programs. In addition, effective stakeholder relations can, by facilitating Indigenous input, allow projects to be designed in ways that avoid or reduce negative impacts, potentially lessening future remediation costs.

‘We are quite up front and say that we undertake [Indigenous relations] in light of self-interest and we don't mislead Aboriginal people or others by suggesting that we are doing this because we are just “good guys”.’

Resource Sector, The Allen Consulting Group Survey, Stakeholder Consultation

Alternatively, Indigenous business support is often driven by larger social and moral obligations and may be more a symbol of and practical step towards reconciliation than an activity that has tangible benefits for the financial bottom line.

‘We do not seek any commercial benefits from our company's involvement in Indigenous relations programs.’

Legal Firm, The Allen Consulting Group Survey
A key corporate benefit of our community involvement program is increased awareness of Indigenous culture; we are not doing this for any direct advantage.’

Retail Sector, The Allen Consulting Group Survey

Other companies have a more pragmatic commercial approach and undertake such activity if it has a direct positive impact on their profitability. This pragmatic approach is revealed in a variety of ways, such as targeting Indigenous consumers (for example, Hall Chadwick Case Study 3.11) or using indigenous employees for competitive advantage (for example, Eurest Case Study 4.10). Parts of Canadian business understand these direct commercial benefits and are expanding their activities to capture this market, particularly in locations where the Indigenous population is growing.

Securing Community Benefits: Participants’ Views

For some Indigenous peoples and communities, the support of business has enabled them to achieve greater independence from governments and to improve their capacity to make life choices. To date though, there has been little business support in the housing, health, and justice system areas of disadvantage.

While some corporations have made considerable effort in providing employment, training and business opportunities, the ultimate test of their effectiveness needs to be assessed from the perspective of Indigenous peoples. Assessing benefits flowing to Indigenous communities from business support requires an understanding of both Indigenous and business perspectives, as each tends to have different definitions of successful outcomes.33

There are few data sources on Indigenous Australians’ views of business support. While a number of companies indicated that they periodically survey Indigenous participants (or communities) they were reluctant to disclose the results.

The research conducted by this project into participants’ views in the Pilbara, Bourke and Redfern, Sydney therefore adds valuable information for the wider business community. While a number of the following points have been raised elsewhere in this document, it is worth presenting the findings as a whole.

The research with participants shows that there are a number of components that should be part of any approach by business when involving or supporting Indigenous Australians.

Level of commitment of the industry or the employer. This concerns critical mass. The commitment needs to be widespread and consolidated, as the scope of support will ultimately be the factor that results in individuals being employed, developed and retained.

Program and strategy components, should have objectives that relate to both community and individual outcomes. Many approaches are geared to meeting individual needs but are limited in providing a tangible community wide benefit, particularly in the short term.

The involvement of key Indigenous organisations that have an expertise in employment and business development. This relationship is best developed through the use of these organisations such as labour supply organisations that receive either a fee for service or some form of success commission after benchmark periods of employment.

The provision of real jobs which are undertaken by Indigenous people with real skills. The strong feeling across the interviews was that the future of employment programs had to be built on quality, professionalism and skills so that it moves away from tokenism and into developing a market ready workforce.

The allocation of support resources to ensure that non-vocational skills are developed such as budgeting, financial management, and so on. The success of some schemes is based on the efforts of individual co-ordinators or mentors who source candidates, provide ongoing support and continue to encourage industry to provide opportunities for Indigenous trainees or business.

The development of career enhancement streams so that workers are retained. A strong feeling is that programs need to look well beyond the short term to consider how Indigenous Australians can be supported through career development in the same way as other workers.

The existence of a range of private sector projects and involvement in the one area. The existence of more than one project or strategy assists initiatives to survive – successful approaches become apparent and opportunities flow accordingly.

Private sector involvement with Indigenous communities through joint ventures. Joint ventures ensure profits for the future, long-term support for the community, and on-going support rather than one-offs. The research found that this model, predominant in the Pilbara area, results in a greater sense of integrity, ownership and control for Aboriginal communities.

In working with indigenous communities, companies should always go through local elders first. Many of the participants recounted experiences whereby they have been asked to speak for the whole community, which places too much pressure on one individual and does not take into account differences within communities like Redfern, which is comprised of people from different traditions and tribal ways.

The process is a key to success. On the whole, communities acknowledge the need for “big company support”; the private sector also needs to ask, “What can we do to help?"
An initiative needs ‘champions’ in the community. Although a need may be identified or requested by Indigenous peoples, it still needs visible support and advocacy by the community to ensure long-term sustainability.

Cross-cultural training for both the organisation and the community is required to ensure all parties understand each other. It is particularly important for company staff to gain an appreciation of Indigenous culture and issues. As well, it is important that the Indigenous community understands corporate policies and objectives, as an essential component of managing expectations.

Training and guidance to the community should not be ignored or downplayed. Often this is a sensitive issue because offering management or business training implies that participants may not have the capacity to manage an activity and deliver outcomes.

Policy frameworks should be used to embed Indigenous initiatives into company management systems and operating procedures. Indigenous policy and programs must not be an isolated strategy but sustainable for the company (and community) in the long term.

Corporate capability to sustain Indigenous initiatives depends on the skills and expertise of the staff responsible and accountable for these programs.

<table>
<thead>
<tr>
<th>EXHIBIT 7.4 CRITICAL SUCCESS FACTORS: BUILDING MUTUAL BENEFITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Alignment of the company and the community in a ‘coalescence of interest’.</td>
</tr>
<tr>
<td>• Research based program design.</td>
</tr>
<tr>
<td>• ‘Champions’ in the community.</td>
</tr>
<tr>
<td>• Cross cultural awareness throughout both the organisation and community.</td>
</tr>
<tr>
<td>• Business training and guidance to the community.</td>
</tr>
<tr>
<td>• Policy framework.</td>
</tr>
<tr>
<td>• Corporate capability and expertise to undertake Indigenous programs.</td>
</tr>
</tbody>
</table>

Challenges and obstacles

Although many corporations have developed a significant range of programs with Indigenous communities there remain several common challenges in implementing these successfully. The project has identified a number of implementation problems

**Unclear corporate goals and perspectives.**

- Business fear of perceived paternalism in programs can complicate the clarification of goals and objectives.
- Indigenous businesses face many of the same difficulties in clarifying the relationship between social and commercial goals.
- Lack of understanding of business imperatives by some Indigenous people impedes processes.

**Confusion surrounding each party’s roles and responsibilities.**

- Misunderstandings and apprehensions exist on both sides of negotiations and play a major role in determining perceptions of mutual benefit and trust.
- Poor mutual understanding of constraints, capabilities, program responsibilities and boundaries on all sides can lead to failed or ultimately unsustainable programs.
- A pervading ‘welfare’ mentality in the approaches by many groups to Indigenous development is likely to doom projects.
Lack of cross cultural awareness.
• Corporate management may lack cultural awareness and/or expertise.
• Aboriginal people can not be treated as one group.
• Community ownership of Indigenous business is seen to exacerbate commercial/social tensions.

Structural and institutional barriers.
• The lack of existing community infrastructure - housing, sanitation, schools, economic base and low numeracy/literacy skills - present further barriers.
• Many government programs become isolated and are not well linked to business or business mentors.
• Major obstacles in the development and sustainability of social programs include poor management of the respective roles of government, indigenous community and business.

Exhibit 7.5 Challenges: Building Mutual Benefits

- Unclear corporate goals and perspectives
- Confusion surrounding each party's roles and responsibilities
- Lack of cross cultural awareness
- Structural and institutional barriers

Source: The Allen Consulting Group

A common training and employment problem is that Indigenous people have a lower than average education level. Creating employment opportunities therefore not only requires pre-vocational training but very often requires education in basic literacy and numeracy skills.34
**Some Concluding Comments**

**Small and medium business**

While we attempted to include wide input from small and medium business this was not really achieved. Findings did indicate that small and medium business is understandably taking a different path in its approaches to Indigenous relations. Regional and co-operative initiatives, employment, mentoring and small-scale Indigenous business development are providing a less visible but real contribution to Indigenous communities. While smaller businesses are far less likely to establish formal policies or systemic approaches, their achievements are nonetheless significant. At present, self-employment still plays a minor role among the Indigenous population, and employment therefore largely relies on government and private sector business.

Small and rural businesses are leveraging what they do best – the development of local employment to support Indigenous - business relations. Flow-on improvements in broader community relations, such as those emerging from Moree, Bourke and initiatives in the hospitality sector, are increasingly evident.

There is an important role for industry associations and professional networks in supporting small and medium business in their endeavours with Indigenous people and communities. Many of the lessons learned by those already conducting activities can be taken up by a group of businesses rather than as business acting alone. This is particularly applicable in a geographic sense. Indeed, it is highly likely there are small groups of businesses, particularly in regional locations, conducting activities, through Rotary for example, that were not identified in this review.

**Public policy context**

The relationship between business, Indigenous Australians and governments is a complex one. The recent history of assistance for Indigenous Australians has been inextricably connected with government programs and, indeed, past reviews of this nature have mostly focused on the work of the government sector. The common findings over the past decades have been that poor outcomes have resulted from weak and uncoordinated program delivery and an imbalance in support that has been skewed to services provision at the expense of sustainable infrastructure.

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John Altman has concluded that government program guidelines rarely advise on involvement with business as a commercial proposition in that socio-cultural objectives have not been separated from commercial goals. He also concluded that the target for support has been uneven and not thought through with respect to the level of support for the individual versus the community. The scope of government programs has not been realistic in terms of the level and type of assistance that is required. For example for business development initiatives,

‘policy makers have rarely recognised the fundamental need for business advisory services and the need to constantly mentor Indigenous business during a potentially prolonged establishment phase.’

The accounts by companies in this review frequently refer to the relationship with government programs over the past decade as difficult and often an impediment to what the company and the communities were aiming for – although many of the initiatives have been supported by government subsidies. Although there are now instances of well functioning government and business partnerships, there are also instances of companies who still see government programs as too inflexible and complex for their involvement.

This review did not examine the validity of these claims nor did it examine government programs in their own right. But, it is apparent that the needs of business to be able to conduct programs or activities that it sees as constructive requires less centralized control, and more culturally informed initiatives that have the capability to support the type of holistic initiatives that companies and communities now see as important. Underpinning this is an argument for government to a generate a role as a responsive ‘partner’ in development rather than as ‘purchaser’ of services.

The urban context

The review was unable to find a wide range of initiatives operating in urban locations where the majority of Indigenous Australians live. While employment programs are a logical and welcomed initiative there are also opportunities for community development activities that relate to education, health and justice and social cohesion. This is an area where business may welcome the opportunity to partner with government and Indigenous communities in imaginative and flexible initiatives. While a lot remains to be achieved in regional and rural locations, a focus on the needs of Indigenous people and communities in urban locations should be an important part of the next wave of activity.

A shared goal

Reconciliation is about Indigenous people and a modern democracy – one where the rights of Indigenous people have been appropriately resolved with their consent and with the agreement of the nation.

The creation of a real economy for Indigenous communities is a shared goal for many seeking sustained improvement in the welfare of Indigenous Australians. Small, medium and large Australian businesses are all qualified to assist this process.

Appendix A: Methodology

In total, the study reports on the business-Indigenous collaborative activities of 63 Australian organisations. The study collected data from a variety of sources in order to identify, describe and assess business-Indigenous programs and activities. Drawing on different sources both improves the comprehensiveness of data collection and provides an opportunity to include different perspectives on the programs. The data sources are outlined below.

Literature search and review
The literature review gives a comprehensive picture of the current state of play with regard to business-Indigenous collaboration in Australia and internationally. It also provides an understanding of the social, demographic and economic context in Australia for Indigenous people.

Survey
An important part of the project has been to identify and describe the range of business-Indigenous partnerships. As part of this, The Allen Consulting Group conducted a national survey of companies in February 2001. This was not intended to be a full stocktake of programs but was aimed at including enough businesses to present a range of programs with different scope, maturity, experiences and drivers of activity.

The survey asked businesses to indicate any involvement in Indigenous activities, and, if so, the nature of that involvement and its impact. Descriptions of programs were under the following headings:
- Purpose of the program.
- Program design: target population, services and resources.
- Outcomes, benefits or results achieved.
- Success factors.
- Difficulties.
- Lessons learned.

Other sources of data on current and recent business-Indigenous collaboration were:
- Business organisations, in particular BCA, ACCI and the NFF.
- Government agencies, particularly ATSIC; the Aboriginal and Torres Strait Islander Commercial Development Corporation; Council for Aboriginal Reconciliation; Department of Workplace Relations, Employment and Small Business; and Department of Education, Training and Youth Affairs.
- Business and social sciences research.
- Corporate research, publications and program reviews.

Case Studies
The survey gives a broad view of business-Indigenous programs from the perspective of the companies conducting them. To gain an in-depth understanding of the programs, a number of case studies were also undertaken to illustrate business-Indigenous community partnerships in practice.
The case studies were chosen both for their ability to demonstrate best practice approaches and for their capacity to illustrate the challenges and opportunities inherent in business-Indigenous community partnership development. The case studies are from different areas of Australia, from companies of different size and from different industries, reflecting the diversity and flexibility of approaches taken.

The case studies focus on:

- Benefits achieved for all parties.
- Quality of partnership and collaboration.
- Customer and stakeholder satisfaction.
- Sustainability.
- Cost-benefit analysis.

A list of case studies is at Appendix B.

Indigenous perspectives

An important part of the case studies, which the survey does not allow for, is to gain an appreciation of Indigenous views of business-Indigenous collaboration. To do this, focus group interviews of members of Indigenous communities were conducted to obtain their views and experiences. To conduct the focus groups, The Allen Consulting Group contracted Cultural Perspectives, a research organisation that specialises in Indigenous and non-English speaking research. The group has worked extensively in the private sector and for State and Federal Governments.

Cultural Perspectives conducted a series of focus group and group discussions throughout late May, and early June 2001. The research took place in the Pilbarra, Western Australia, Bourke, NSW and Redfern in metropolitan Sydney. The research was designed to elicit frank and honest views of Indigenous community experience with private training, employment, enterprise development, sponsorship and philanthropic funding programs, preferences for private sector engagement and options for improving approaches and relationships in the future.

Stakeholder consultation

Consultations with stakeholders are an important input to the study, particularly for the case studies. There are three broadly defined groups of stakeholders:

- those involved directly in the establishment and management of business-Indigenous community programs (eg, companies and businesses, industry associations, Indigenous community groups and their representatives, Indigenous business enterprises, service providers, managers and staff);
- those served or affected by programs (eg, Indigenous employees, their families and communities, local businesses and community organisations); and
- those providing support, services and research (i.e., government and social service organisations, universities, research centres and other business and Indigenous organisations).
### CASE STUDY PROFILES

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Profile</th>
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<tbody>
<tr>
<td>Anaconda Nickel</td>
<td>Resources</td>
<td>Anaconda Nickel Limited (Anaconda) was established in 1994 as an Australian nickel and cobalt exploration and development Company. The company has operations throughout the Western Australian goldfields area near Leonora, Laverton, Wiluna, Meekatharra and Kalgoorlie. <a href="http://www.anaconda.com.au">http://www.anaconda.com.au</a></td>
</tr>
<tr>
<td>Aurora Resorts and Hotels</td>
<td>Tourism/Hospitality</td>
<td>Aurora Resorts &amp; Hotels is the third largest accommodation group in the Northern Territory. The Group operates The Territory Inn, Red Centre Resort and Heavitree Gap Outback Resort in Alice Springs, the Coconut Grove Holiday Apartments in Darwin and Kakadu Lodge and Kakadu Resort, both in the Kakadu National Park. <a href="http://www.aurora-resorts.com.au">http://www.aurora-resorts.com.au</a></td>
</tr>
<tr>
<td>Australian Chamber of Commerce and Industry</td>
<td>Industry Association</td>
<td>The Australian Chamber of Commerce and Industry is a peak council of Australian business associations. Its member network has over 350,000 businesses represented through Chambers of Commerce in each State and Territory, and a nationwide network of industry associations. <a href="http://www.acci.asn.au">http://www.acci.asn.au</a></td>
</tr>
<tr>
<td>Australia Post</td>
<td>Transport/retail</td>
<td>Australia Post is the nation's postal service. It was corporatised in 1989 and is now a Government Business Enterprise. It operates commercially while meeting Community Service Obligations with operations throughout Australia's States and Territories. <a href="http://www.australiapost.com.au">http://www.australiapost.com.au</a></td>
</tr>
<tr>
<td>Australia Wide Consultancies Pty Ltd</td>
<td>Business Services</td>
<td>Australia Wide Consultancies Pty Ltd is a private company offering employment related services to communities and industries in South Australia and the Northern Territory. It has a particular focus on Indigenous job seekers.</td>
</tr>
<tr>
<td>Australian Chamber of Commerce and Industry</td>
<td>Industry Association</td>
<td>The Australian Chamber of Commerce and Industry (ACCI) is the peak council of Australian business associations. It’s member network has over 350,000 businesses represented through Chambers of Commerce in each State and Territory, and a nationwide network of industry associations. <a href="http://www.acci.asn.au">http://www.acci.asn.au</a></td>
</tr>
<tr>
<td>Australian Indigenous Leadership Centre</td>
<td>Indigenous development</td>
<td>The Australian Indigenous Leadership Centre (AILC) is a non-profit organisation; an Australian registered company limited by guarantee. It was established in December 1999 under the auspices of the Australian Institute of Aboriginal and Torres Strait Islander Studies. <a href="http://www.aiatsis.gov.au/ailc">http://www.aiatsis.gov.au/ailc</a></td>
</tr>
<tr>
<td>Australian Medical Association</td>
<td>Industry Association</td>
<td>The Australian Medical Association is an independent organisation which represents more than 26,000 Australian doctors. Key concerns of the AMA include ethics, political representation, provision of economic and industrial services to members, the promotion of medical education and research, and the improvement of public health. <a href="http://www.ama.com.au">http://www.ama.com.au</a></td>
</tr>
<tr>
<td>Australian Pharmaceuticals Manufacturing Association</td>
<td>Industry Association</td>
<td>The Australian Pharmaceutical Manufacturers’ Association is the non-profit professional and trade association of Australia’s prescription pharmaceutical industry. Its member companies are engaged in the research, development, manufacture, marketing and export of prescription pharmaceuticals, and the ongoing improvement of medical and scientific knowledge about its products. <a href="http://www.apma.com.au">http://www.apma.com.au</a></td>
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## CASE STUDY PROFILES (continued)

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<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Profile</th>
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| BHP Billiton                    | Resources         | BHP Billiton is a global natural resources company with a regional steel business, engaged in the discovery, development, production and marketing of iron ore, coking and energy coal, copper, aluminium, oil and gas, diamonds, mineral sands, silver, lead, zinc, nickel and a range of other natural resources. Headquartered in Melbourne, BHP Billiton operates in 6 continents.  
http://www.bhpbilliton.com                                  |
| Business Council of Australia   | Industry Association | The Business Council of Australia is an association of chief executives of leading Australian corporations with a combined national work force of more than 1.1 million people. It was established in 1983 to provide a forum for Australian business leadership to contribute directly to public policy debates in order to build a better and more prosperous Australian society.  
http://www.bca.com.au                                         |
| Citigroup                       | Financial Services | Citigroup is a global financial services company. Operating in Australia under the Citibank and Salomon Smith Barney names. The Citigroup Foundation is the philanthropic arm of Citigroup, investing financial resources to improve the quality of life in communities in which Citigroup operates.  
http://www.citigroup.com.au                                    |
| Coles Myer                      | Retail            | Coles Myer is Australia's leading retailer with more than 2,000 stores throughout Australia and New Zealand. Its major businesses include Myer and Grace Bros Department Stores, Coles and Bilo Supermarkets, Target, Kmart and Officeworks.  
http://www.colesmyer.com.au                                    |
| Comalco                         | Resources         | Comalco is a supplier of bauxite, alumina and primary aluminium to Australia, New Zealand and export markets. It is a wholly owned subsidiary of Rio Tinto. It is the world's eighth largest aluminium company.  
http://www.comalco.com.au                                     |
| Darling River Food and Fibre    | Agriculture       | Set up as an initiative of the Bourke and District irrigators, Darling River Food and Fibre is an independent body bringing together and advocating outcomes on behalf of the Bourke and District irrigation industry.                                                              |
| Eurest                          | Food services     | Eurest is a food service and catering company with operations throughout Australia - including catering contracts with many remote mining sites. The company is part of the Compass Group, the world's largest foodservice company.  
http://www.eurest.com.au                                      |
| First Nations Advantage Credit Union | Financial Services | First Nations Advantage Credit Union is an initiative to create an Aboriginal credit union with national access. At present, First Nations Advantage Credit Union remains part of Australia's largest credit union, Endeavour Advantage Credit Union Ltd.  
http://www.firstnations.com.au                                 |
| Gwydir Valley Cotton Growers Association | Agriculture | The Gwydir Valley Cotton Growers Association represents the cottons growers in and around Moree - the largest agricultural producing shire in Australia, producing approximately 30 per cent of the country's cotton. |
| Hall Chadwick                   | Business Services | Hall Chadwick is national network of independent accounting firms operating around Australia. The group employs 29 partners and over 300 staff. Hall Chadwick Australia is a member of AGN International.  
http://www.hallchadwick.com.au                                |
| Hamersley Iron                  | Resources         | Hamersley Iron is headquartered in Perth Western Australia and is a wholly owned subsidiary of Rio Tinto. Hamersley operates six mines and a port facility in the Pilbara, four pastoral stations, a 638 km railway and associated infrastructure corridors.  
http://www.hamersleyiron.com                                  |
Appendix B: Case Study Profiles (continued)

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Profile</th>
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</thead>
<tbody>
<tr>
<td>Indigenous Business Australia</td>
<td>Indigenous development</td>
<td>Indigenous Business Australia (formerly the Aboriginal and Torres Strait Islander Commercial Development Corporation) is a statutory authority established in 1990 to engage in commercial activities to promote and encourage Aboriginal and Torres Strait Islander self-management and economic self-sufficiency. It receives no recurrent government funding. <a href="http://www.cdc.gov.au">http://www.cdc.gov.au</a></td>
</tr>
<tr>
<td>Kells The Lawyers</td>
<td>Legal services</td>
<td>Kell's is a NSW-based law firm comprising 25 lawyers, one licensed conveyancer, nine law clerks (trainee lawyers), eight paralegal staff and close to 40 support personnel. <a href="http://www.kells.com.au">http://www.kells.com.au</a></td>
</tr>
<tr>
<td>Lumbu Indigenous Community</td>
<td>Community foundation</td>
<td>The LUMBU Indigenous Community Foundation is an Indigenous controlled national charitable foundation established in Australia. It is an independent, not-for-profit, non-government organisation established to promote Indigenous well-being, culture, heritage, community and enterprise development.</td>
</tr>
<tr>
<td>Lend Lease</td>
<td>Property/Investment</td>
<td>The Lend Lease Group is a fully integrated global real estate group comprising three primary businesses: Real estate investment and funds management; Project management and construction; and Property development <a href="http://www.lendlease.com.au">http://www.lendlease.com.au</a></td>
</tr>
<tr>
<td>Macquarie Funds Management</td>
<td>Financial Services</td>
<td>Macquarie Funds Management is Macquarie Bank’s funds management arm, managing funds across a range of asset classes for corporations, businesses and individuals. The group has in excess of $20 billion in funds under management and administration. <a href="http://www.macquarie.com.au">http://www.macquarie.com.au</a></td>
</tr>
<tr>
<td>MIM</td>
<td>Resources</td>
<td>MIM is an Australia-based mining and mineral processing company producing coal, lead, zinc, silver and gold in Australia, UK, Germany and Argentina. The group has around 8,000 employees worldwide and in 2000/2001 generated sales revenue of almost $3.4 billion. <a href="http://www.mim.com.au">http://www.mim.com.au</a></td>
</tr>
<tr>
<td>National Indigenous Development</td>
<td>Indigenous development</td>
<td>The National Indigenous Development Alliance Ltd (NIDA) is a non-profit public company formed as a corporate entity for the benefit of Aboriginal and Torres Strait Islander people. NIDA's aims to be the leading Aboriginal and Torres Strait Islander owned and controlled Public Company creating employment, education, training, career development and enterprise opportunities for Aboriginal and Torres Strait Islander people. Industries under consideration include financial services (excl. insurance), communications and consulting. <a href="http://www.nida.net.au">http://www.nida.net.au</a></td>
</tr>
<tr>
<td>Normandy Mining Limited</td>
<td>Resources</td>
<td>Normandy Limited is an Australian-owned mining company predominantly in gold production, exploration and processing. It is Australia’s largest and the world’s seventh largest gold producer, operating in more than 14 countries. <a href="http://www.normandy.com.au">www.normandy.com.au</a></td>
</tr>
<tr>
<td>Pasminco</td>
<td>Resources</td>
<td>Pasminco is the world’s largest integrated lead and zinc producer. The company is international with more than 70 per cent of its revenue generated off shore. The company’s Australian operations are located in South Australia, New South Wales, Tasmania, Queensland and Northern Territory. <a href="http://www.pasminco.com.au">http://www.pasminco.com.au</a></td>
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## CASE STUDY PROFILES (continued)

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<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Profile</th>
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<tbody>
<tr>
<td>Qantas</td>
<td>Transport</td>
<td>Qantas is a major Australia international and Domestic airline operating a fleet of 145 aircraft and providing passenger and freight services to 120 destinations in 35 countries and carries more than 19 million passengers a year. <a href="http://www.qantas.com.au">http://www.qantas.com.au</a></td>
</tr>
<tr>
<td>Rio Tinto</td>
<td>Resources</td>
<td>Rio Tinto is a global resources (exploration, mining and processing) company with operations with around 40 per cent of its assets in Australia. The Australian businesses are located in Western Australia – Hamersley Iron, Dampier Salt and Argyle Diamonds, Queensland – Comalco, Pacific Coal and the Northern Territory, New South Wales and Tasmania. <a href="http://www.riotinto.com">http://www.riotinto.com</a></td>
</tr>
<tr>
<td>Telstra</td>
<td>Telecommunications</td>
<td>Telstra is Australia’s largest telecommunications and technology company providing fixed line and mobile telephony and data network across Australia. <a href="http://telstra.com">http://telstra.com</a></td>
</tr>
<tr>
<td>The Body Shop</td>
<td>Retail</td>
<td>The Body Shop is a global retailer of personal care products. The Body Shop is formally committed to the pursuit of positive social and environmental change. This includes a commitment to human and civil rights, support for fair (as distinct from free) trade, opposition to the exploitation of animals and active participation in local community development. <a href="http://www.thebodyshop.com.au">http://www.thebodyshop.com.au</a></td>
</tr>
<tr>
<td>The Chamber of Minerals and Energy Western Australia</td>
<td>Resources</td>
<td>The Chamber of Minerals and Energy represents the collective interests of companies involved in the minerals and energy industry in Western Australia. Members of the Chamber undertake 90 per cent of minerals exploration and production in the State. <a href="http://www.mineralswa.asn.au">http://www.mineralswa.asn.au</a></td>
</tr>
<tr>
<td>WESTPAC</td>
<td>Financial Services</td>
<td>Westpac Banking Corporation is an international diversified banking and financial services company with almost eight million customers, more than 1,100 branches and agencies and operations in Australia, New Zealand and nine Pacific island nations. <a href="http://www.westpac.com.au">http://www.westpac.com.au</a></td>
</tr>
<tr>
<td>Woodside</td>
<td>Resources</td>
<td>Woodside is a leading Australian resources company and the operator of the North West Shelf Gas Project in joint venture with BP, Chevron, Shell, MIM and BHPBilliton. Woodside has exploration and development interests in other areas, including the Laminaria oil prospect and the Sunrise Gas Project in the Timor Sea. <a href="http://www.woodside.com.au">http://www.woodside.com.au</a></td>
</tr>
<tr>
<td>WMC Resources</td>
<td>Resources</td>
<td>WMC is an Australian based minerals producer with business interests in 19 countries. It is the world’s third largest nickel producer, owns 40 per cent of the world’s largest alumina producer (Alcoa World Alumina and Chemicals). <a href="http://www.wmc.com">http://www.wmc.com</a></td>
</tr>
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Appendix C: Corporate Leaders for Indigenous Employment

The Corporate Leaders for Indigenous Employment program is a joint initiative of The Department of Employment, Workplace Relations and Small Business, The Aboriginal and Torres Strait Islander Commission, Reconciliation Australia, Indigenous Business Australia and the Australian Chamber of Commerce & Industry. Participants have combined to form a new social coalition targeted to improve the employment prospects of Aboriginal and Torres Strait Islander people.

Each participant organisation acknowledges their individual responsibility for developing and implementing measures to provide equal employment opportunities for indigenous Australians in the private sector. Companies decide the extent to which objectives may be met through an active recruitment strategy; educational support; provision of work experience and skills; access to apprenticeships and training, career development, including coaching, mentoring and support networks; improved cross-cultural awareness at the workplace and/or the support of community and joint venture business enterprises.

The Australian Government has recognised that while success depends on the commitment and creativity of industry leaders, it can as required help to facilitate their distinctive approaches. To the extent that a company wishes to receive assistance and flexible funding support for creative approaches to improving employment opportunities for indigenous Australians, the Government is willing to help. Where appropriate that partnership may be formalised in a Memorandum of Understanding.

EXHIBIT C1 CORPORATE LEADERS FOR INDIGENOUS EMPLOYMENT – SIGNATORIES

<table>
<thead>
<tr>
<th>Accor Asia-Pacific</th>
<th>Civil &amp; Civic</th>
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<tr>
<td>AMP Limited</td>
<td>Coles Myer Ltd</td>
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<td>Anaconda Nickel Ltd</td>
<td>Consolidated Meat Group</td>
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<td>Anglican Retirement Villages</td>
<td>Deacons</td>
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<tr>
<td>Ansett Australia</td>
<td>Deloitte Touche Tohmatsu</td>
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<td>Australian Gas Light Company</td>
<td>Drake International</td>
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<td>Australian Power &amp; Water</td>
<td>Duke Energy International</td>
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<td>Barclay Mowlem Construction</td>
<td>Eurest (Australia) Pty Ltd</td>
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<td>Baulderstone Hornibrook</td>
<td>Fairfax Group</td>
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<td>Bindaree Beef</td>
<td>Fletcher Int. Exports P/L</td>
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<td>BHPBilliton</td>
<td>Hall Chadwick (Qld.)</td>
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<td>Burston-Marsteller</td>
<td>Henry Walker Eltin</td>
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<td>McDonalds Australia Ltd</td>
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<td>Nabalco Pty Ltd</td>
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<td>Namoi Cotton Co-operative</td>
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<td>P&amp;O Services</td>
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<td>Profile Ray &amp; Berndtson</td>
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<td>Rio Tinto</td>
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<td>Roche Bros Pty Ltd</td>
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<td>SSL N/wide Facilities Mgt.</td>
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<td>Telstra Corporation</td>
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<td>The Body Shop</td>
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<td>Uniting Church of Aust. (SA)</td>
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<td>Young &amp; Rubicam</td>
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<td>Westpac Banking Corp.</td>
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<td>WMC Resources</td>
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