



ONE COUNTRY, MANY VOICES
BCA 2012 INDIGENOUS
ENGAGEMENT SURVEY

REPORT



**Business Council
of Australia**

ABOUT THIS PUBLICATION

The Business Council of Australia (BCA) brings together the chief executives of more than 100 of Australia's leading companies. The BCA's vision is for Australia to be the best place in the world to live, learn, work and do business.

The BCA has been talking with people and organisations from different parts of the community. The intention, on all sides, has been simple: to find common ground on goals for achieving national wealth for Australia and to make sure groups of Australians are not left behind as the nation prospers.

Working with others to develop interconnected policy responses, we can transcend limited short-term thinking to envision a future we would wish for the generations to follow.

This is the fourth annual report of the Indigenous engagement efforts of the membership of the BCA. A summary of the report is available at www.bca.com.au.



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**Cover: Yuyuya Nampitjinpa,
Women's Ceremony, 2011**

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Survey aim and scope

Since 2009 the Business Council of Australia has surveyed its member companies on the contribution they are making to improve the economic capacity and social wellbeing of Indigenous Australians.

The 2012 survey questionnaire was distributed to 117 companies. The results were calculated and reviewed for this report. With the exception of some selected quotes, reproduced with permission, individual survey responses remain confidential.

Throughout the report, the term 'Indigenous' is used to describe Aboriginal and Torres Strait Islander peoples.

Key findings

- » There was a record response rate of 81 per cent of BCA member companies compared to 74 per cent in 2011
- » Seventy-six per cent of respondents have Indigenous engagement activities
- » Of the 23 per cent of companies that do not have Indigenous activities, the majority (69 per cent) cited lack of resources as the main barrier, while 25 per cent cited lack of expertise
- » Almost two thirds of companies that did not have strategies have an interest in learning more about how to get started from other BCA member companies
- » Almost a third of respondents reported having more than 50 Indigenous employees. Seventeen companies employ more than 250 Indigenous people and eight employ more than 500
- » There was an increase of more than 2,000 Indigenous employees and more than 700 Indigenous trainees over the last 12 months
- » BCA member companies provided more than 48,500 hours of unpaid work in Indigenous engagement activities
- » Indigenous engagement activities are undertaken across most industry sectors
- » Most companies with Indigenous engagement activities provided Indigenous employment and traineeship opportunities and undertook cultural awareness activities
- » The expectations of customers and staff are the most important drivers of Indigenous engagement activities
- » Intangible as well as commercial benefits of Indigenous engagement are also important to companies, in particular its ability to improve corporate culture and staff morale

Comparison with 2009, 2010 and 2011 results

	2009	2010	2011	2012
Response rate	33% (35 companies)	40% (46 companies)	74% (88 companies)	81% (95 companies)
Indigenous engagement strategies	28 companies	40 companies	71 companies	72 companies
Indigenous employment strategies	21 companies	29 companies	43 companies	44 companies
Reconciliation Action Plans	9 companies	14 companies	22 companies	29 companies
Increase in number of Indigenous employees employed over the preceding 12 months		Over 600 (includes trainees)	Over 870*	Over 2,000*
Increase in number of new Indigenous trainees employed over the preceding 12 months		Included above	Over 560*	Over 700*
Main barriers (% of companies without engagement activities citing barriers)			Not in line with business objectives (53%) Limited resources (41%)	Limited resources – time and money (69%) Not in line with business objectives (6%)
Main types of engagement activities	Education and employment	Education and employment	Employment and traineeships	Employment activities and cultural awareness
Seek to identify Indigenous employees	28 companies	24 companies	42 companies	43 companies
Companies that encourage business partners to develop Indigenous initiatives		26 companies	40 companies	40 companies
Dedicated employee overseeing Indigenous engagement activities	26 companies	30 companies	47 companies	42 companies
Participation in the BCA's Business-Indigenous Network ⁺	30 companies	30 companies	32 companies	50 companies

* Where respondents identified only an employment range instead of a specific number, a conservative estimate was made using the minimum number in each range.

⁺ The BCA's Business-Indigenous Network of member companies meets at least four times a year to share experiences of their Indigenous engagement activities.

Lessons from experience

What works

- » Senior leadership support
- » Dedicated resources
- » Don't do too much too soon
- » Partnering with Indigenous organisations
- » Focus initially on building relationships before setting targets
- » A local approach
- » Use internal champions
- » Engage the commitment of employees as their participation and action are the keys to success
- » Learn from others by building networks to share information of what works and what doesn't
- » Aligning engagement activities with the business

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... senior management engagement in all levels and on a permanent basis is critical for success. – Orica Limited

▼
At the heart of our Indigenous strategy is building partnerships with Indigenous organisations as external relationships rather than external resources have supported us in successfully achieving the benefits of engagement. – National Australia Bank Limited

▼
We understand the importance of building community trust. A great example of this is we visited a community four times to complete our recruitment exercise. The end result was we recruited 19 local Indigenous people and 15 are still employed with us. – Transfield Services

▼
Understanding what we want to achieve and how we want to do it on a site-by-site basis is fundamental to our success. Each of our sites operates in very different environments, has different stakeholders, needs and challenges. Each site is responsible for setting its own targets, identifying its own strategies and processes that will suit its needs. This individual approach, underpinned by broader company-wide support of Indigenous engagement, has helped us achieve success in these areas. We continue to adjust our approaches and strategies to meet the needs of the people living by and working at our businesses. – BHP Billiton



Having a clear structure and activities that made sense within the nature of the business we operate. Clear values and alignment of these with the business and skill needs increased the effectiveness of the engagement activities. – Corrs Chambers Westgarth

What we would do differently

- » Be open to doing things differently in the light of experience, or 'lessons learnt'
- » Engage more with Indigenous staff and community members
- » Only use tailored training that is linked to a specific job
- » Have a stronger network of 'workplace heroes' and engagement with senior management
- » Introduce cultural competency training earlier and before Indigenous engagement activities are introduced
- » Leverage the 'goodwill' that Indigenous opportunities provide
- » Better vet the capacity of consultants as many are overstretched
- » Measure success differently



We have changed the way we measure success by shifting the focus from volume to value. In the past, we measured numbers. Now we think about impact. Our focus for employment is on the value of the experience with us, rather than the number of employees we recruit and retain. Success for us is investing in and developing future Indigenous leaders. – Allens

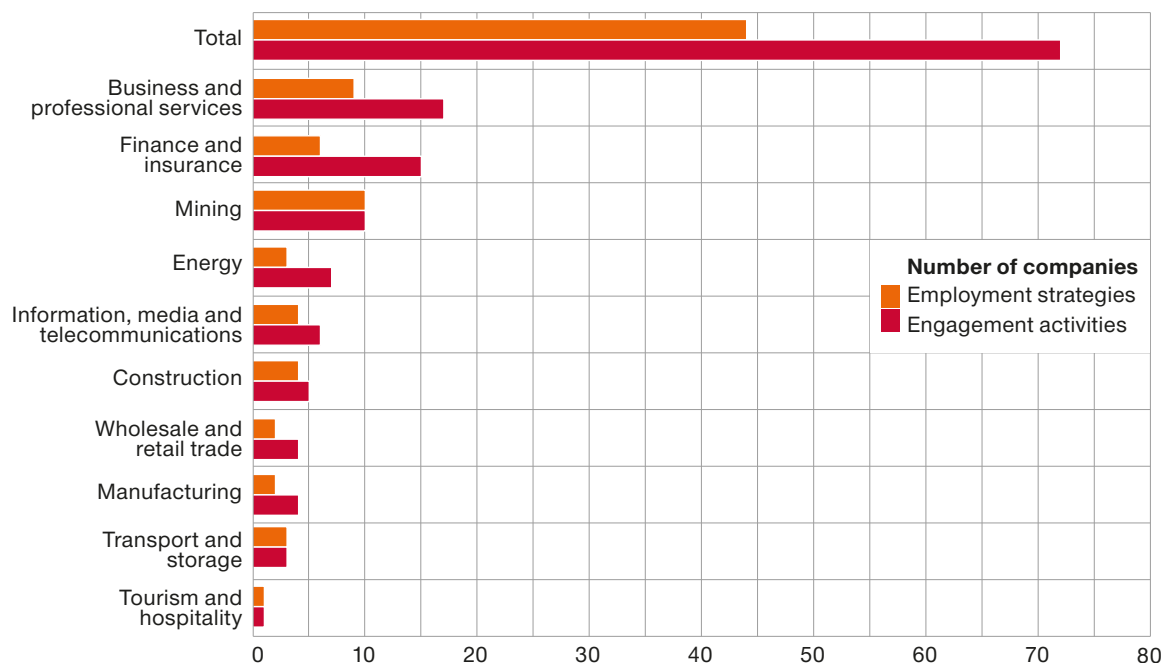
Detailed results

Which companies are engaged?

Indigenous engagement activities are undertaken across most industry sectors. The level of engagement varies by industry. In the mining sector, over 90 per cent of respondents have engagement activities and around 60 per cent in finance and insurance services have Indigenous activities.

Figure 1 shows engagement activities and employment strategies in each industry sector. All mining, transport and tourism companies with engagement activities also have formal employment strategies. In the other sectors, not all companies with engagement activities have an employment strategy.

Figure 1: Indigenous engagement by industry sector

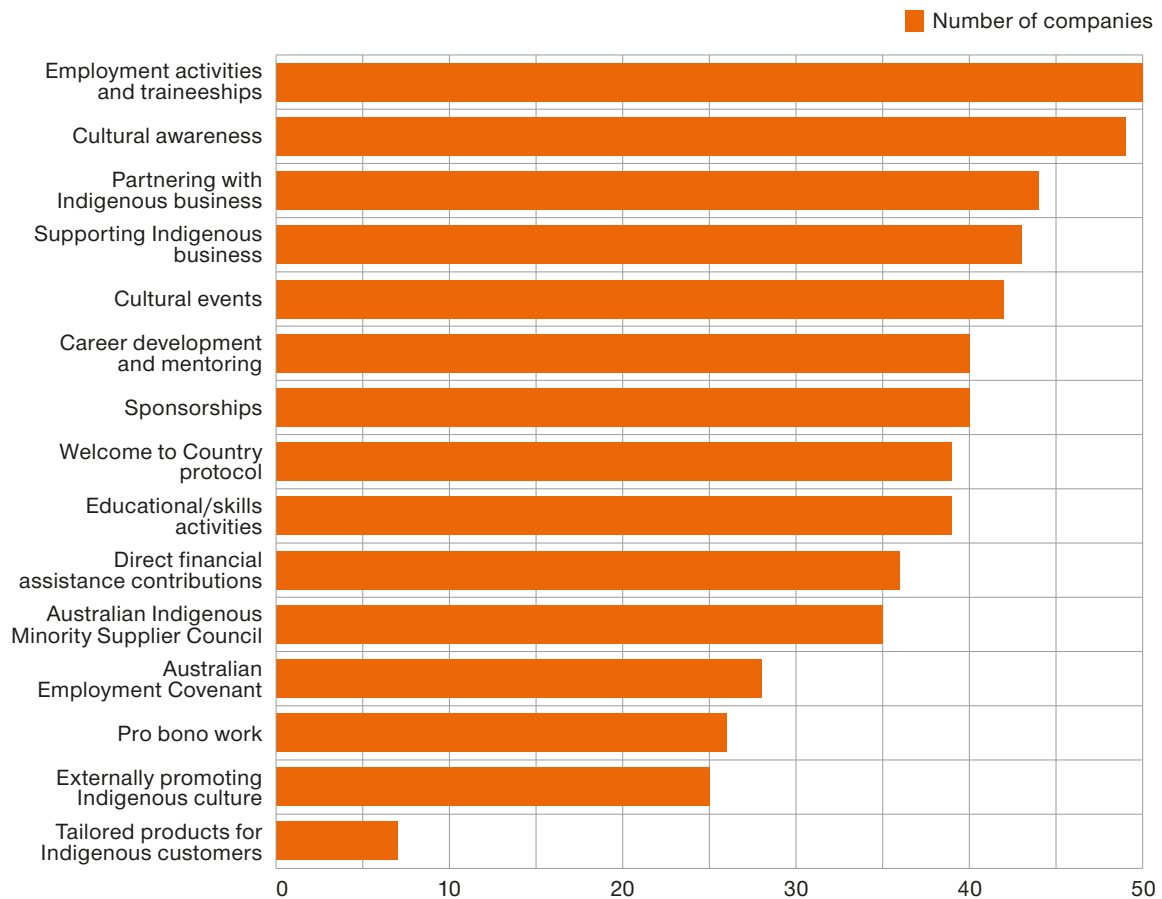


How are companies engaged?

Most companies with Indigenous initiatives engage in a range of related activities, such as Indigenous employment and traineeships, partnering and supporting Indigenous business, pro bono work and celebrating cultural events.

The most common engagement activity is providing employment and traineeships, closely followed by cultural awareness activities.

Figure 2: Diversity of Indigenous engagement activities



Our engagement activities are focused on achieving positive outcomes. We believe that jobs and real business opportunities are the key. We develop all our programs around this. – Fortescue Metals Group Limited

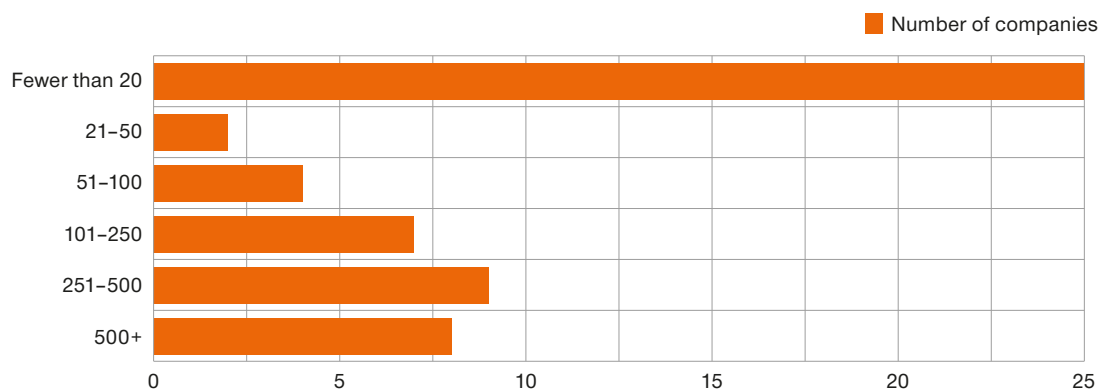


The Commonwealth Bank is focused on delivering great customer service for all our customers at 1,000 locations throughout Australia. Our experience with offering traineeships to young Indigenous people has been a positive one for us and for our many customers. – Commonwealth Bank of Australia

The scale of Indigenous employment varies among companies. Almost a third of respondents reported having more than 50 Indigenous employees. Seventeen companies employ more than 250 Indigenous people and eight employ more than 500.

Direct employment is not the only way of improving Indigenous economic outcomes. Forty-three companies are also engaged in supporting Indigenous business and 26 provide pro bono support to help develop Indigenous business capability.

Figure 3: Indigenous employment in BCA member companies



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... undertaking baseline communities assessment to understand communities, build relationships and partnerships and develop programs that address such areas as: negotiating Indigenous Land Use Agreements; developing benefit-receiving trusts and institutions; developing joint cultural heritage management programs; provide employment and business opportunities; developing relationships with and building capacity of communities and their representative bodies. – Rio Tinto Australia

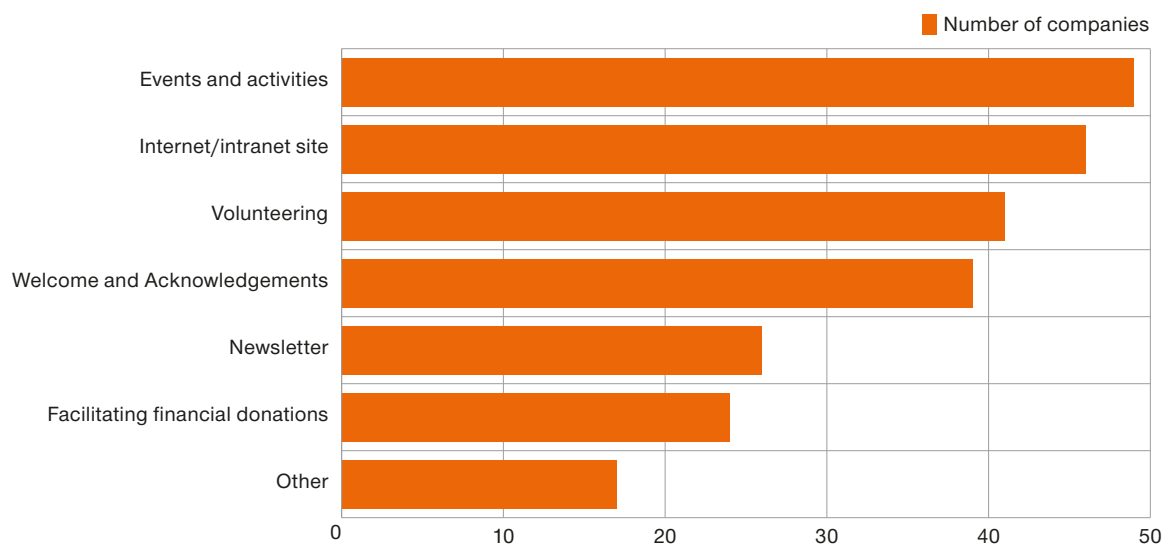
Strategies to build engagement

Similar to last year's result, the most popular ways of building engagement are through events and activities, and internet/intranet sites.

Other strategies used include:

- » establishing local Indigenous action plans and groups linked to local Indigenous communities
- » professional secondments.

Figure 4: Strategies to build engagement



Volunteering increased its ranking to become the third most-used method of engaging with Indigenous communities, and generates benefits to the company as well as Indigenous Australians.



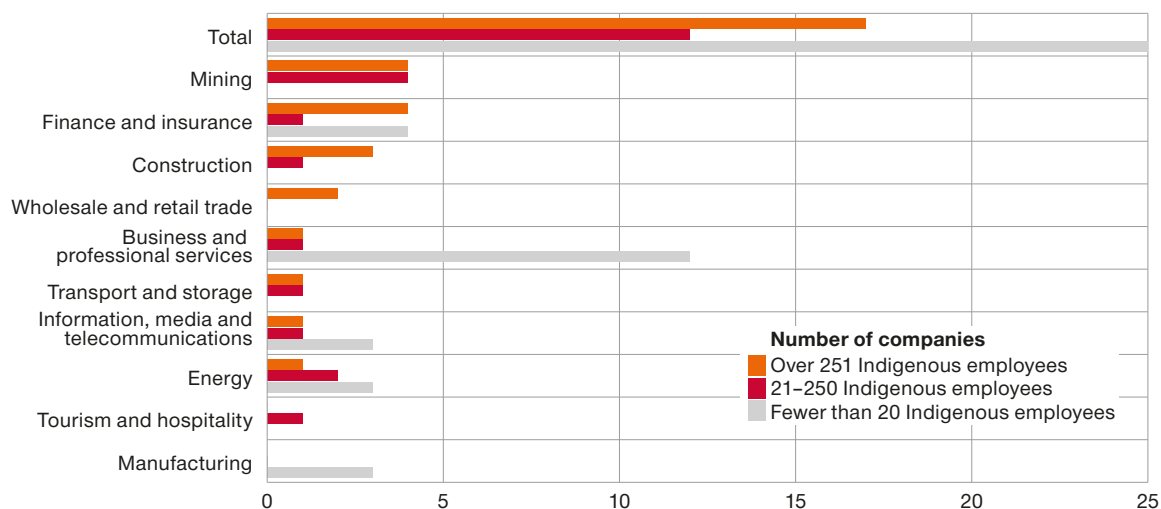
The most visible benefit of this work is its impact on our employee morale.

– Wesfarmers Limited

Employment by industry sector

Many BCA member companies already employ a substantial number of Indigenous employees, and this occurs across a range of industries.

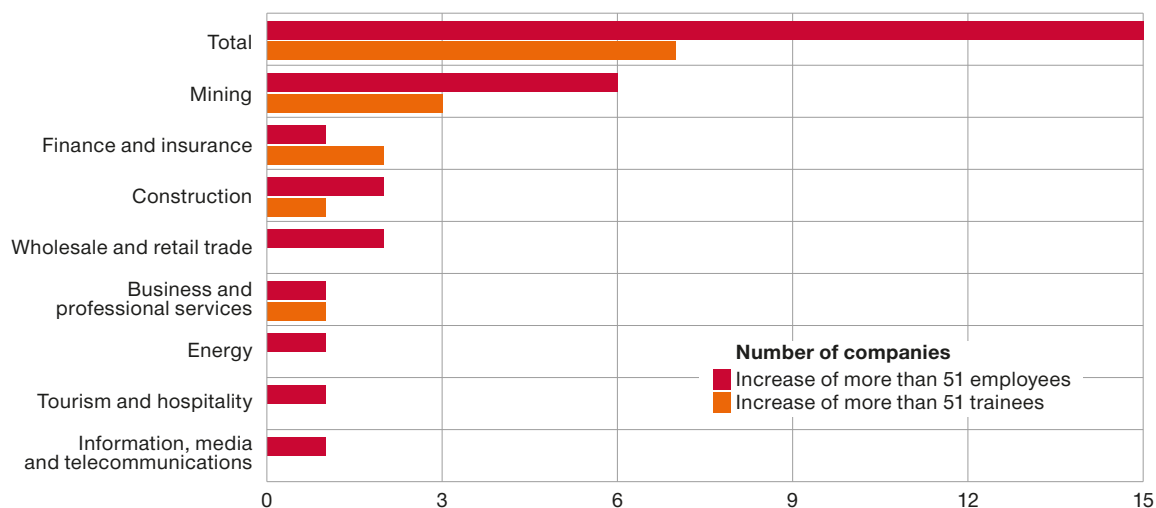
Figure 5: Indigenous employment by industry sector



Over the last 12 months, the largest increases in Indigenous employment have been in companies in those sectors that experienced the greatest employment growth overall – mining, construction, and the professional and financial services industries.

Indigenous employment also grew in companies in the wholesale and retail trade, energy and tourism sectors.

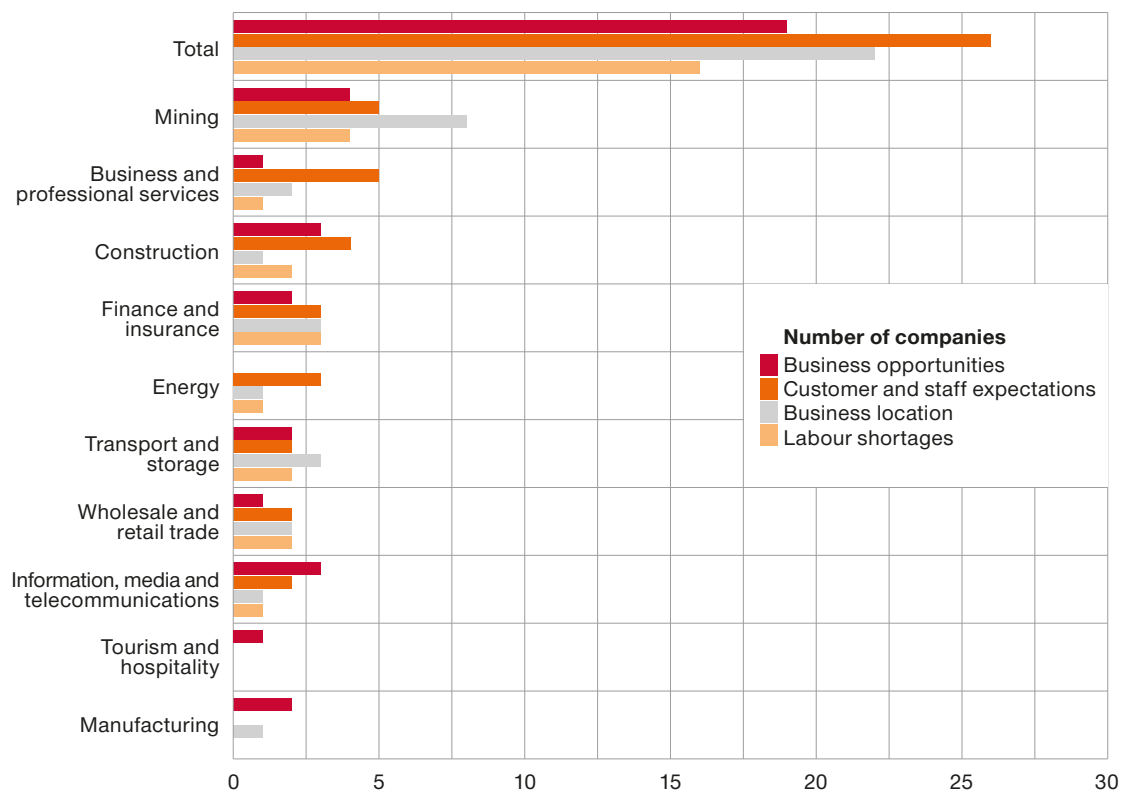
Figure 6: Largest increases in Indigenous employment over previous 12 months, by industry sector



Why are companies engaged?

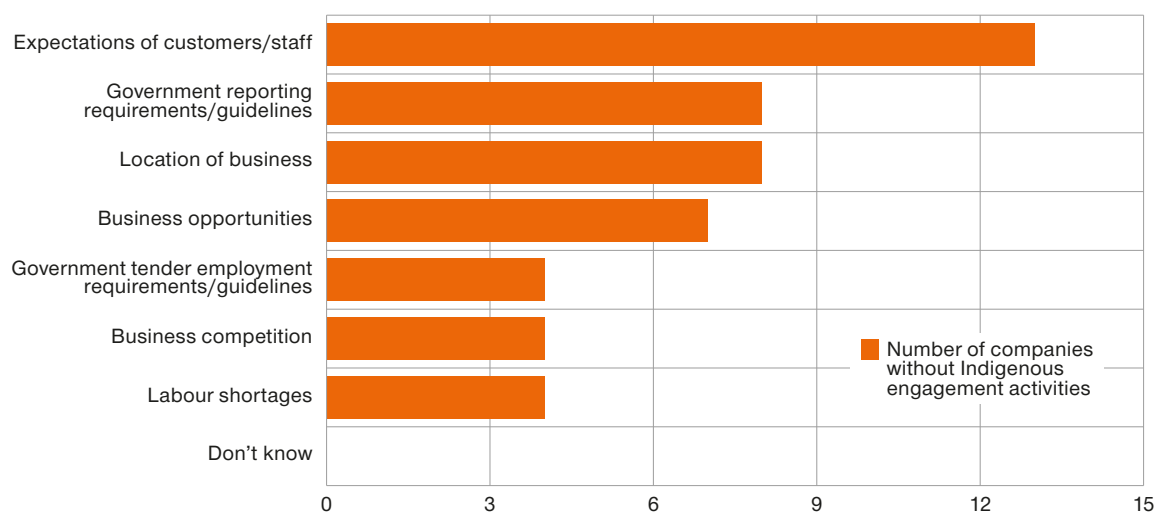
Across all BCA member companies, the expectations of customers and staff are the most important driver of Indigenous engagement activities.

Figure 7: Main reasons for Indigenous engagement activities, by industry sector



Similarly, for companies without Indigenous activities, the expectations of customers and staff would be the greatest influence on their willingness to develop Indigenous activities in the future.

Figure 8: Factors that would influence the development of Indigenous activities



Most companies are engaged in Indigenous employment activities with a view to build sustainable careers for people in Indigenous communities. This is seen as the main way companies can contribute in a practical manner to improving economic outcomes.

In the mining and construction industries, business location is a more important reason for engagement, and is as important as customer and staff expectations in the wholesale and retail trade sector.

Indigenous employment and engagement bring clear commercial benefits to companies.

Intangible benefits are also important to companies, in particular the two-way benefits of Indigenous engagement, and its ability to improve corporate culture and staff morale.

Employee and company commitment to 'doing the right thing' is a key driver and a consistent reason for company engagement.

As well as being a driver to adopt Indigenous activities, the main benefits of engagement are considered to be increased staff engagement, followed by reputational and corporate culture improvements.



The focus on a pathway from unemployment to a rewarding business or career is the simplest and most direct contribution business can make to redressing areas of Indigenous disadvantage. – MMG Limited



As a large retailer, we believe our staff should reflect the communities we serve, so this is one of the key reasons for engagement. – Woolworths Limited



We have dedicated resources and developed in-house competency and specific recruitment methodologies targeting Indigenous people. – Downer Mining



... diverse backgrounds bring new ways of thinking and solving issues in a business environment. – Microsoft Australia



A strong driver for our divisions is the sense that 'it is the right thing to do'.
– Wesfarmers Limited

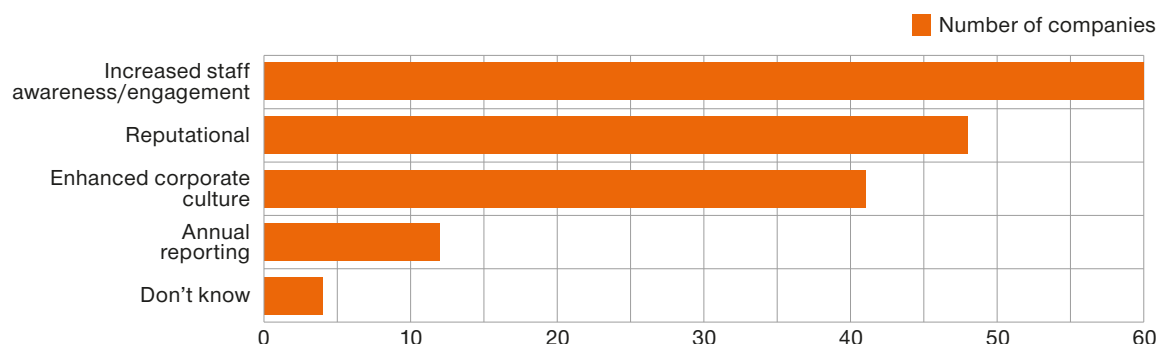


Our commitment to work in partnership with Indigenous Australia is for the long term to help build sustainable communities. – National Australia Bank Limited



... making our skills available to Indigenous organisations seems to have a material impact on their success, and definitely has a material impact on the development of our staff. – The Boston Consulting Group

Figure 9: Main benefits of Indigenous engagement activities



Companies consider the most effective activities they undertake to be employment and cultural awareness, with the most commonly identified benefits being increased staff awareness, staff engagement and reputation.

Employment activities yield the most direct and observable benefits.

Cultural awareness activities help develop a deeper understanding and appreciation of Indigenous Australians, but are also found to support greater cultural competency across the workforce.



Practical and hands-on benefits arise from allowing people to participate and engage with culture and change mindsets. Our people are very practical and want to see a direct correlation between action and outcome. – Programmed



Building cultural awareness is integral to creating an inclusive environment. This will allow us to embrace the diverse contributions of our people to be more innovative and relevant to the clients and communities that we serve.

– Leighton Holdings Limited



Feedback from our employees and contractors who are engaged with Indigenous business or employees is extremely positive about the benefits of engagement. – Chevron Australia

Engagement includes a better understanding of the needs of Indigenous communities and building shared values.

This is consistent with the strong commitment to Indigenous engagement throughout BCA member companies.

Government reporting guidelines are also a major reason for developing Indigenous engagement activities in six companies. For companies that did not have Indigenous engagement activities, government reporting is a factor that would encourage the uptake of Indigenous activities.

Several companies consider that better relationships with government have arisen from their Indigenous activities. For other companies, benefits include success in winning government contracts.

Native title legislation is independently cited by several companies as being a major factor in implementing their Indigenous employment strategies.



There is an increased awareness and willingness to be engaged in and support Indigenous engagement activities across the business. This has occurred across a range of functions and management levels. We have developed and maintain very strong relationships with the Aboriginal communities that border our sites, as well as regional and national stakeholders. Through these relationships we better understand the needs and priorities of our neighbouring communities and they better understand our business and how we can work effectively together.

– BHP Billiton



One of the changes we have seen is that our corporate culture has been enhanced. We see more thoughtful and confident leadership, evidenced by senior leaders developing personalised and heartfelt acknowledgement of country. We see stronger connection across departments and practice groups as people come together with a shared vision and purpose, and we see a greater sense of perspective and gratitude. We also understand the value and wisdom of community leaders and the transferability of their experiences to the corporate environment. – Allens

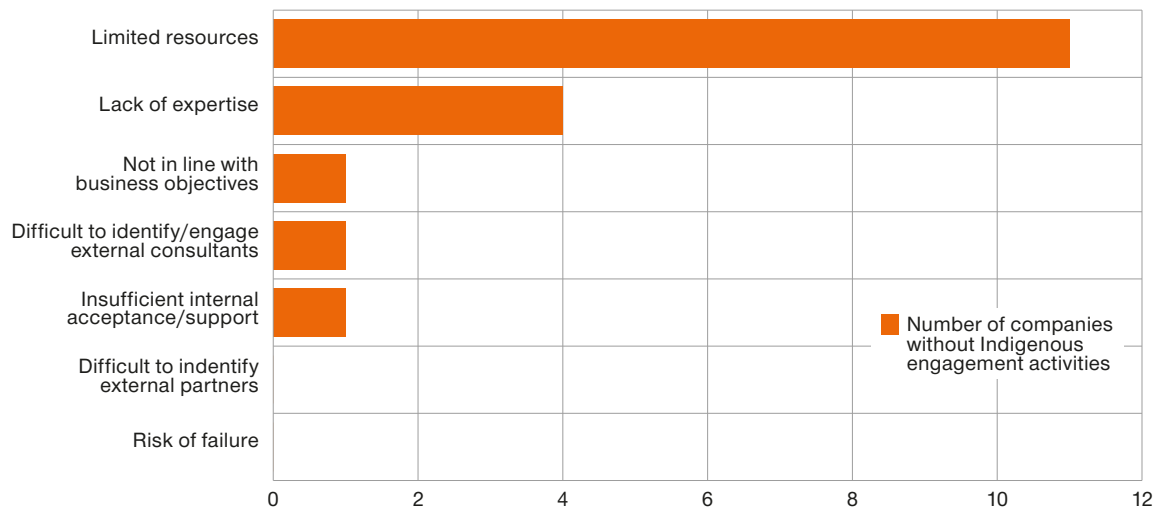


Our team members really like being involved in this work ... They seem really proud to work for companies that work in this space, and they really welcome the chance to 'give back'. – Wesfarmers Limited

Main barriers

Most companies that were not undertaking Indigenous engagement activities identified lack of resources (time and money) as being the greatest barrier, followed by lack of expertise in Indigenous engagement activities.

Figure 10: Barriers to engagement

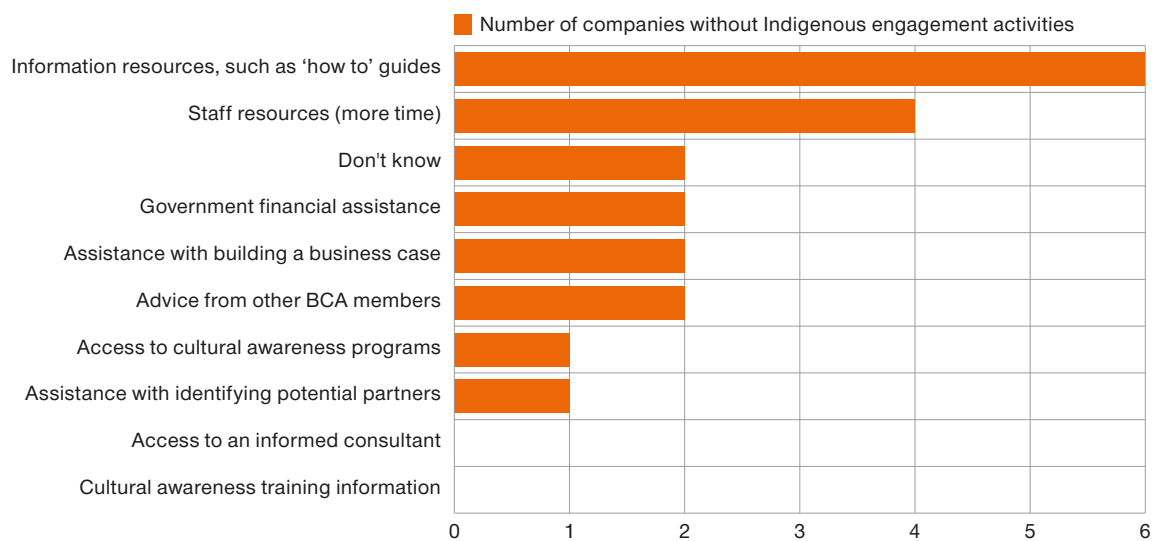


Compared to last year when a major barrier to engagement was seen to be the lack of alignment with business objectives, this year very few respondents identified this as an issue.

Addressing barriers

Information resources, such as 'how to' guides, and more staff time were considered by companies yet to undertake Indigenous activities as the best ways to help overcome these barriers.

Figure 11: Addressing barriers to engagement



There are also opportunities to learn from companies with Indigenous activities that take a global approach.

Many BCA companies without Indigenous activities also have diversity activities or a sustainability strategy. Some recognise that these strategies could be a base on which future Indigenous activities may be developed.

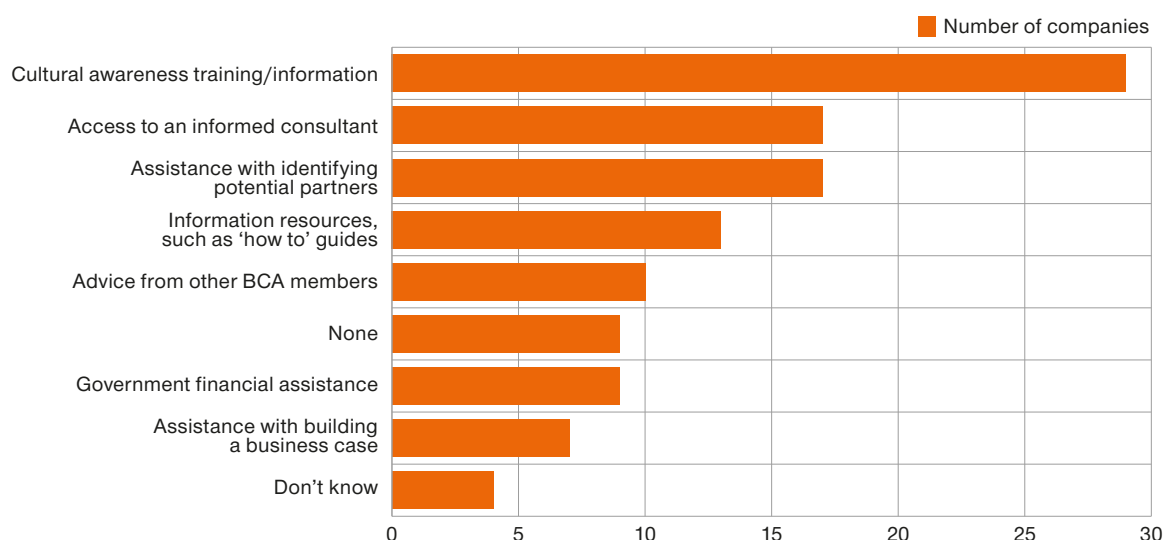


We also look to industry bodies like the Minerals Council of Australia, the International Council on Mining and Minerals and organisations like the United Nations for information on international best practice. – BHP Billiton

What helps?

Companies that have Indigenous activities consider that cultural awareness training and information are the most important contributions that external providers can offer, followed by assistance with identifying partners and access to an informed consultant:

Figure 12: Which external resources helped most?



Specific resources that were identified as being useful include the International Council on Mining and Minerals Community Development Toolkit and the resources and experience of external organisations such as Reconciliation Australia.

Building effective relationships and partnerships is also critical.

Companies implementing Indigenous activities advise that building relationships with Indigenous communities is critical. Consistent with this advice, Indigenous community organisations are most often consulted for information or guidance, closely followed by Reconciliation Australia and the Australian Indigenous Minority Supplier Council.



The main benefit of our Indigenous engagement activities has been the building of stronger relationships with Indigenous communities in the areas where our company operates. – AGL Energy

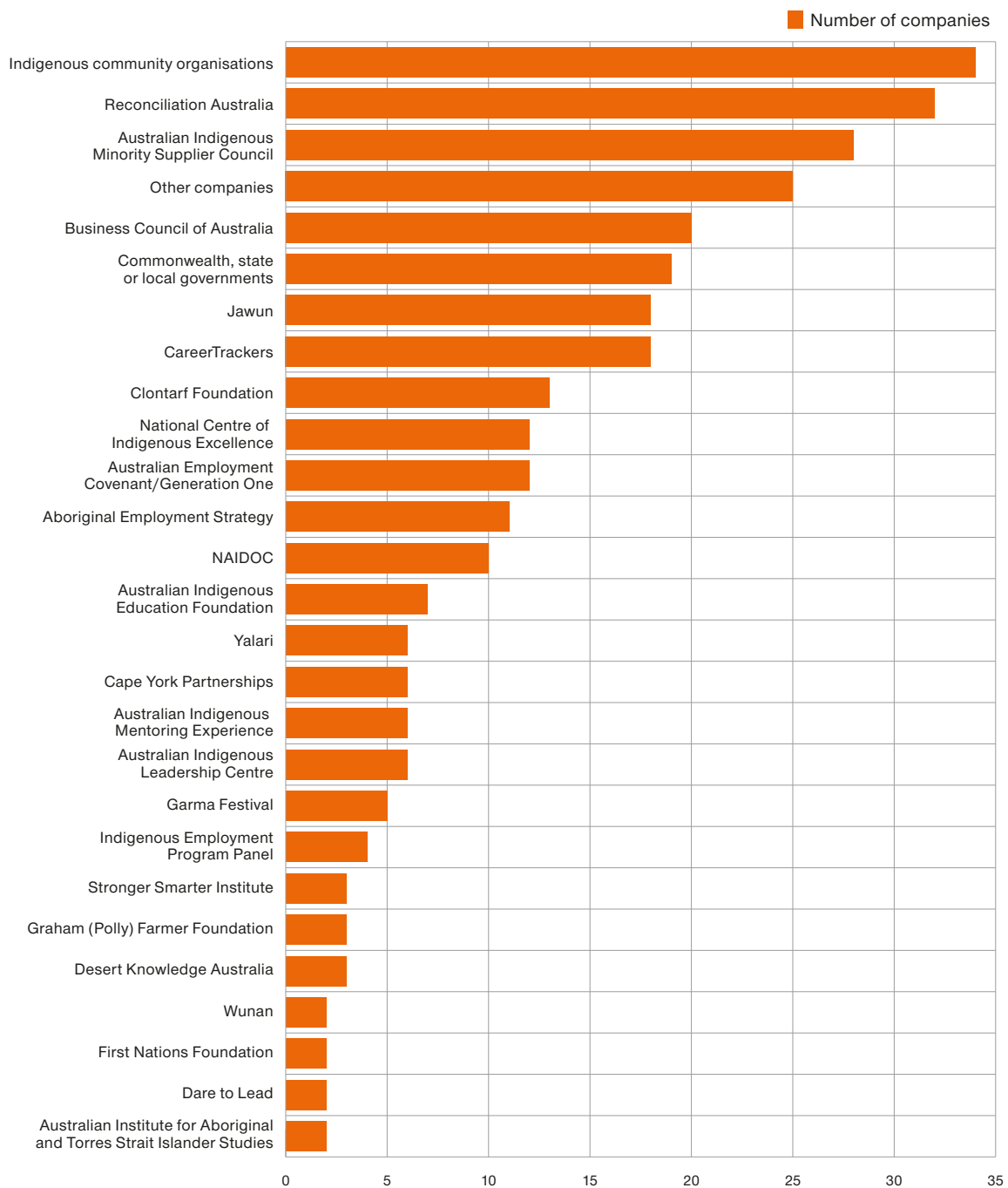


Focus on local relationships so you can take your local management groups on the journey with you. – Programmed



We have identified the right partners to work with, but most importantly we have approached our engagement with integrity and commitment. Our motivation is values based, not commercial, though the two needn't be mutually exclusive. – KPMG

Figure 13: External organisations consulted for information and guidance



The Diversity Council was also identified as a source of information and advice by several companies, confirming the link between Indigenous and diversity activities.

Thirty-two companies with Indigenous engagement strategies consulted Reconciliation Australia for information and guidance, while 19 consulted Commonwealth, state or local governments. Reconciliation Australia was established and funded as a partnership between government and business, enabling it to communicate to a wide range of employers.

Several companies commented on the benefits of the Reconciliation Action Plan (RAP) to develop an effective Indigenous engagement strategy.



Through the development of the Reconciliation Action Plan we have engaged our leaders and created a common vision of what is important for our organisation. – Woolworths Limited



Our RAP has allowed more effective internal communication and has empowered our people to lead on reconciliation initiatives across the firm. The RAP framework has also provided an external benchmark and structure for reporting. Our RAP has given us access to a community of organisations with a common purpose and a peer network for sharing ideas. – Allens



Our RAP Advisory Panel played a key role in encouraging Lend Lease to take a long-term position on generational change through the RAP and not just delivering on a series of quick wins/quick fixes. – Lend Lease



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