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CSRM
The Centre for Social
Responsibility in Mining

Indigenous Employment
*In the Australian
Minerals Industry*

THE UNIVERSITY
OF QUEENSLAND
AUSTRALIA

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CONTENTS

About CSRM

THE CENTRE FOR SOCIAL RESPONSIBILITY IN MINING

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Executive summary

This report presents the findings of the *Minerals Industry Indigenous Employment Research Project*, a collaborative research project between The Centre for Social Responsibility in Mining (CSRM) at the University of Queensland, Rio Tinto and other companies that have been active in the field of Indigenous employment.

Key objectives of the project were to:
→ inform the minerals industry and policy makers about key trends and issues relating to Indigenous employment in the minerals industry
→ develop a toolkit to assist mining companies achieve improved Indigenous employment outcomes
→ develop a standard framework for evaluating and comparing the Indigenous employment practices of mining operations
→ facilitate the sharing of good practice within the industry.

The study involved 12 site visits, 113 face-to-face interviews, a practitioners' workshop, a review of published and unpublished research, and the collection and analysis of a comprehensive array of site data, including internal company reports and employment statistics.

Key findings

THE CHANGING LANDSCAPE

Within the minerals sector there is an emerging body of good practice in Indigenous employment and recruitment. The most progressive mining companies are taking a long-term view and, in addition to providing employment opportunities, are participating in initiatives to address the root causes of Indigenous socio-economic disadvantage – poor education, poor health and poverty.

A key business driver is the recognition by mining companies that robust relationships with Indigenous people based on recognition, respect, trust and honouring commitments are fundamental to maintaining the industry's 'social licence to operate' and ensuring long-term access to land and new resources.

Other factors driving the increased focus by companies on Indigenous employment and addressing socio-economic disadvantage include social and demographic changes in the regions of Australia where mining occurs, particularly the projected Indigenous population growth, and continuing skills shortages in remote and regional areas.

OBSTACLES TO EMPLOYMENT

Factors that can make it difficult for Indigenous people to obtain work in the minerals industry include:
→ lack of education and relevant training
→ lack of exposure to the mainstream workforce, the 'industrial culture' of the mining industry and the expectations of employers
→ geographical isolation
→ the challenges involved in balancing family and community obligations with the demands of full-time work
→ poor health and difficulties in complying with drug and alcohol testing regimes.

For mining companies wishing to employ more Indigenous people the obstacles include:
→ the lack of a 'job-ready' labour pool
→ insufficient appreciation of how socio-economic disadvantage impacts on the recruitment and retention of Indigenous employees.

Critical success factors

A key finding of this study is that when operations give the same commitment to Indigenous employment initiatives as other business activities, good outcomes can be achieved in relatively short time frames. Critical success factors are:

THE PEOPLE FACTOR

First and foremost, achieving sustainable improvements in Indigenous employment requires organisational commitment. Companies with successful Indigenous employment strategies are characterised by:
→ an executive leadership team that has publicly committed to improving Indigenous employment outcomes and backs this commitment by providing adequate financial and human resources
→ a commitment to the development of honest and transparent relationships with Indigenous communities
→ corporate champions who 'go the extra mile' in supporting Indigenous employees and who have influence with the operation's management team to ensure that Indigenous employment issues remain on the corporate agenda
→ suitably qualified, skilled, informed and committed personnel in training and liaison positions, who are respected by the local Indigenous community.

RECRUITMENT STRATEGIES

Traditional HR systems and processes can present barriers for Indigenous people seeking to enter the mainstream workforce. Leading companies have developed a range of strategies to assist Indigenous people overcome these barriers. These include:
→ focusing more on face-to-face rather than written communication with potential applicants
→ using selection centre workshops to identify individual skills and abilities
→ adopting flexible strategies to manage problems with drug and alcohol use
→ developing work readiness programs that prepare Indigenous people for the transition into the mainstream workforce
→ provision of cultural awareness training for all recruits, Indigenous and non-Indigenous, as part of the induction process.

RETENTION STRATEGIES

While considerable effort has been put into developing new approaches to Indigenous recruitment, relatively little has been done in the way of developing specific retention strategies for Indigenous employees. Indigenous employees face particular challenges in balancing work and family commitments and making the transition to a new organisational and cultural environment. For employees of fly-in, fly-out operations, an added pressure is the need to spend extended periods away from home.

Strategies for increasing retention include:
→ provision of ongoing mentoring and support
→ more flexible work rosters
→ provision of career development opportunities
→ provision of family support
→ addressing racism in the workforce.

CONTRACTOR ISSUES

All the sites visited for the study made substantial use of contractors including, in some cases, contracting out the mining operation. Some of the contracting companies have invested substantial resources in developing and maintaining an Indigenous workforce.

Some relevant issues are:
→ The cost associated with training Indigenous people and their limited productivity during training appears not to be factored into mining company tendering systems.
→ Mining company tendering systems do not necessarily consider Indigenous employment in their tender evaluation system weightings.
→ Cooperative efforts between mining companies and contractors will be required to overcome these barriers and deliver equitable systems for managing Indigenous employment initiatives.

RESOURCES FOR PRACTITIONERS

Having robust management systems in place makes it much easier for operations to monitor the effectiveness of their employment initiatives and ensure that there is appropriate follow-up. Most of the sites that were visited for this study operated without the benefit of such a system.

To assist operations to improve their management processes we have developed two tools:
→ the Organisational Maturity Chart, which enables practitioners and company personnel to evaluate the level of maturity of their Indigenous employment policies and practices and identify the steps that can be taken to improve performance
→ the Indigenous Employment Evaluation Tool (published separately), which provides a model for operations to use in developing their own Indigenous employment management systems.

CONCLUSION

The public commitment by the minerals industry to increasing Indigenous workforce participation has the potential to deliver better socio-economic outcomes for those Indigenous communities located in or near regions where there is large-scale mining. The knowledge and good practice examples shared in this report should assist the industry to translate its commitments to Indigenous communities into improved performance on the ground.

Introduction

A COLLABORATIVE RESEARCH PROJECT

This report documents the findings of the *Minerals Industry Indigenous Employment Research Project*, a collaborative research project between The Centre for Social Responsibility in Mining (CSRM) at the University of Queensland and several leading mining companies. The project was initiated by Rio Tinto as part of its commitment to the Minerals Council of Australia (MCA) / Australian government Memorandum of Understanding (MOU) signed in 2005.

The MCA companies that participated in this research were:
→ Rio Tinto
→ Newmont Tanami
→ Zinifex
→ BHP Billiton
→ Roche Mining.

Objectives

Key objectives of the project were to:
→ inform the minerals industry and policy makers about key trends and issues relating to Indigenous employment in the minerals industry
→ develop a toolkit to assist mining companies achieve improved Indigenous employment outcomes
→ develop a standard framework for evaluating and comparing the Indigenous employment practices of mining operations
→ facilitate the sharing of good practice within the industry.

The outputs from the project are contained in two separate documents, this final report and a guide for practitioners. This report outlines the background to the study, the project methodology and key findings. It provides examples of good practices from different operations that are intended as a practical guide for mining companies wishing to improve their Indigenous employment participation rates. The practitioners guide, *The Indigenous Employment Assessment Tool* is designed to be read in conjunction with this report. It provides a framework for designing and assessing a company's Indigenous employment practices and includes an *Organisational Maturity Chart* to assist companies in identifying good practices and how improvements can be made.

The findings and good practices identified in this report will assist MCA companies to:
→ fulfil the aims of the MOU, namely "to work together with Indigenous people to build sustainable, prosperous communities in which individuals can create and take up social, employment and business opportunities in mining regions" (Australian government and MCA, 2005: 1)
→ meet their obligations to implement progressively the Australian minerals industry's commitment to *Enduring Value* (MCA 2004), which builds upon International Council on Mining and Metals (ICMM) *Principles for Sustainable Development* (ICMM, 2003).

ICMM PRINCIPLES

3: Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.

9: Contribute to the social, economic and institutional development of the communities in which we operate.

Structure of the report

BACKGROUND TO THE PROJECT

In the first part of the report, we describe the background to the research project and present statistical data highlighting the disadvantaged status of Indigenous communities. We then discuss some of the initiatives that have been adopted by government and the minerals industry to address the sources of socio-economic disadvantage. We conclude the section by outlining the business case for industry support of Indigenous employment initiatives.

THE WORKFORCE DIVERSITY CHALLENGE

The body of the report contains case studies and examples of good practice to assist companies in improving their Indigenous employment outcomes. These good practice examples are discussed under five main headings:
→ the workforce diversity challenge, which provides examples of good practice that focus on improving the root causes of unemployment in Indigenous communities
→ the people factor, which highlights the key role that corporate leadership and commitment play in improving employment outcomes for Indigenous people
→ recruitment strategies
→ retention strategies,
→ resources for practitioners, including management systems for documenting, monitoring and evaluating performance in relation to Indigenous employment strategies.

RESEARCH METHOD

This section describes the research method and the participating companies and operations in the study.

STATISTICAL DATA ON INDIGENOUS EMPLOYMENT IN MINING

This section presents statistical data derived from:
→ the 2002 ABARE study
→ statistical data from participating operations.

Background to the project

Over the past two decades there has been a major shift in relations between Indigenous communities and the minerals industry.

In particular, the High Court's Mabo decision in 1992 and the subsequent passage of the Commonwealth *Native Title Act* in 1993 have conferred on Traditional Owners a 'right to negotiate' with mining companies and the government in relation to the granting of a mining lease. Many minerals operations in Australia are located on land where Indigenous people have had, and claim, traditional rights and interests in country. Increasingly, agreements between Indigenous groups and minerals companies require companies to engage effectively with Indigenous communities and provide assistance to help achieve long-term development objectives. Companies that are unable or unwilling to do so, or fail to follow through on undertakings, are likely be seriously disadvantaged when it comes to negotiating future agreements with Traditional Owner groups (federal Department of Industry Tourism and Resources, 2006).

As recent evidence of industry commitment in this area, in 2005, the federal government and the MCA signed a MOU with the aim of working together with Indigenous people to "build sustainable, prosperous communities" (Australian government and MCA, 2005:1). The key deliverables identified for the agreement are:
→ increased employability and jobs for Indigenous people, both within the minerals sector and more generally
→ increased business enterprises for Indigenous people
→ prosperous Indigenous individuals, families and communities that endure beyond the life of mining in the region
→ a strong partnership between industry and government that works with Indigenous people locally to generate solutions to complex issues on a local and regional basis (federal government and MCA, 2005:2).

The key issues that underpin the MOU are that:
→ Indigenous communities are economically and socially disadvantaged
→ mining companies have a capability to provide education, training and employment opportunities for Indigenous people
→ mining companies have an important role to play in community capacity building, especially in the areas of leadership, management and governance.
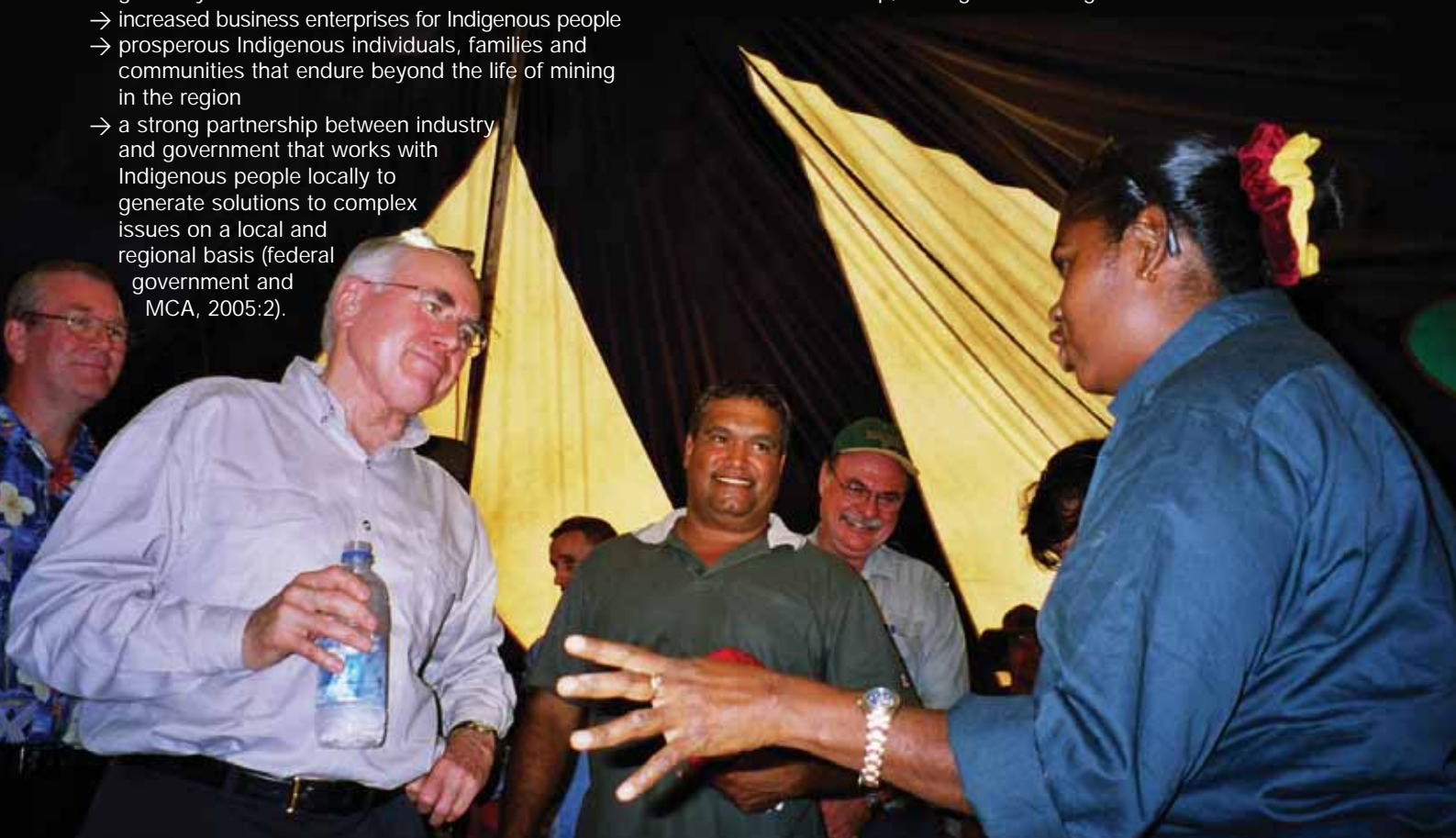
STATISTICAL DATA ON INDIGENOUS SOCIO-ECONOMIC DISADVANTAGE

In 1982, Indigenous Australians were described as "the most disadvantaged and under-privileged sector of the Australian community, with the highest death rates, highest morbidity rates, the worst health and housing conditions and the lowest educational, occupational, economic, social and legal status of any community within Australian society" (Perkins, 1982: 154). Despite a raft of legal, social and political initiatives that have attempted to address this inequality, numerous research projects over the past decade confirm that Indigenous Australians remain the nation's most disadvantaged citizens in terms of education, health and socio-economic status.

The disadvantaged socio-economic status of Indigenous people is clearly confirmed by ABS statistical data. In particular, the *National Indigenous and Torres Strait Islander Social Survey (NATSISS)* (ABS, 2002), the *National Indigenous and Torres Strait Islander Health Survey 2004-05* (ABS, 2005a) and the *Schools Australia* report (ABS, 2005b) demonstrate that many Indigenous communities are trapped in a cycle of poor education, poor health and poor employment outcomes.

In terms of general socio-economic status, Indigenous people have lower household incomes than other Australians, are much more likely to rent than own their own homes, have lower workforce participation rates and are much more likely to live on welfare payments (ABS, 2002) (Table 1).

Table 1: Socio-economic status of Indigenous and non-Indigenous Australians

Socio-economic indicator	Indigenous	Non-Indigenous
Unemployment rate*	18%	6%
Home owner	26.5%	73.1%
Home renter**	69.6%	24.3%
Government pensions and allowances as chief household income	51.7%	27.1%
Mean equivalised gross household income per week	$394	$665

Persons aged 18 years or over
* Age standardised. NB also that ABS figures define a person working on CDEP
  programs as employed
**State or Territory Housing Authority, Other landlord types, Indigenous Housing
  Organisation / Community housing.   *Source: ABS 2002*

These poor socio-economic conditions impact on the educational outcomes of Indigenous children. While school retention rates have improved considerably in recent years (ABS. 2005a), they nevertheless continue to lag behind retention rates for other Australians, especially in remote and rural communities. In Australia, while virtually all non-Indigenous children complete year 10 (99 per cent), the figure is 88 per cent for Indigenous children. The difference at year 12 level is even more marked, with 77 per cent of non-Indigenous students completing year 12, compared with 40 per cent of Indigenous students (Table 2).

Table 2: Comparative education indicators for Indigenous and non-Indigenous Australians

Education	Indigenous %	Non-Indigenous %
Year 12 retention rate	39.5	76.6
Year 10 retention rate	88.3	98.9

Source: ABS 2005b

Indigenous people also suffer greater ill-health, are more likely to experience disability and reduced quality of life and to die at younger ages than other Australians. The average life expectancy for Indigenous males (56 years) and females (63 years) is significantly lower than that of non-Indigenous males (77) and females (82). Indigenous people are 1.6 times more likely to suffer from asthma than other Australians, 1.3 times more likely to suffer from cardiovascular disease and three times more likely to suffer from diabetes (ABS, 2005b).

As well as suffering from greater ill-health, Indigenous Australians are also more likely to report a greater prevalence of health risk factors. Health risk factors include behavioural risks, such as smoking and excessive alcohol consumption, and environmental risk factors, such as stress, including financial stress and exposure to violence. For example, about half (49 per cent) of the Indigenous population aged 15 years or over smoked on a daily basis and one in six (15 per cent) reported consuming alcohol at risky or high risk levels in the past 12 months (Table 3).

Table 3: Behavioural health risks for Indigenous and non-Indigenous Australians

Health	Indigenous	Non-Indigenous
Life expectancy male*	56 yrs	77 yrs
Life expectancy female*	63 yrs	82 yrs
Current daily smoker**	49%	21%
High risk alcohol consumption**	15%	14%

Source: *ABS 2006; **ABS 2005a

Indigenous people are more likely to be exposed than other Australians to a range of other stressors. For example, 83 per cent of Indigenous people reported suffering stress compared with 57 per cent of non-Indigenous people in the previous 12 months. Financial stress (defined as the ability to raise $2000 within a week) was experienced by 54 per cent of Indigenous Australians, compared with 24 per cent of non-Indigenous Australians. Similarly, 20 per cent of Indigenous Australians reported being affected by violence as opposed to nine per cent for non-Indigenous Australians (Table 4).

Table 4: Other risk factors for Indigenous and non-Indigenous Australians

	Indigenous %	Non-Indigenous %
At least one stressor experienced in past 12 months	82.6	57.3
Unable to raise $2000 within a week for something important	54.3	13.6
Victim of physical or threatened violence in past 12 months	19.5	8.9

Source: ABS, 2005a

These statistical data are supported by the findings from a recent socio-economic profile of the Pilbara mining region in Western Australia, prepared by Taylor and Scambary (2005). They found that, in spite of a thriving local economy generated by the current mining boom and increased employment opportunities for the non-Indigenous workforce, Indigenous inhabitants were, on the whole, failing to reap the economic benefits.

Key findings from the Taylor and Scambary study were that:

1. Despite substantial growth in economic activity in the Pilbara since the 1960s, the overall employment rate for Indigenous people rose only slightly from 38 per cent to 42 per cent in 2001. In comparison, the non-Indigenous employment rate in the Pilbara has been consistent at 81 per cent (p.27).

2. In 2001, only 30 per cent of Indigenous adults were employed in non-CDEP (mainstream) jobs, with 12 per cent in CDEP (work for the dole) schemes. Anywhere between six per cent and 18 per cent were unemployed, while 50 per cent were not in the labour force (p.28).

3. Indigenous students comprised 26 per cent of the total compulsory enrolment but only nine per cent of Year 12 school enrolments (p.79).

4. Indigenous people accounted for 36 per cent of the 4740 TAFE sector enrolments in the Pilbara. However, Indigenous enrolments were concentrated in short enabling courses that have no formal certification attached. Only 19 per cent of Indigenous enrolments were in Certificate level III courses and above, compared with 46 per cent of all non-Indigenous enrolments (p.87).

5. A primary barrier to the enhanced participation of Indigenous people in the Pilbara labour market is poor health status and associated high mortality. According to Taylor and Scambary, a 15-year-old Indigenous male in the Pilbara has a less than 50 per cent chance of surviving to the age of 65 (p.153).

Unless the critical issues of education and health are addressed, Indigenous people, especially those living in remote and rural areas are likely to remain a marginal and largely unskilled labour force.

ADDRESSING SOCIO-ECONOMIC DISADVANTAGE

Government initiatives

The problems that confront many Indigenous communities represent an enormous challenge for government. The federal government's response has been to encourage joint initiatives between government agencies, Indigenous advocacy groups and private sector organisations to tackle the causes of socio-economic disadvantage. Under the banner of 'mutual obligation', the federal government is seeking commitment from these groups to work together to fund, organise and promote a range of strategies aimed at assisting Indigenous people.

The federal government has been particularly keen to foster links between Indigenous communities and the minerals industry. Government funding has been made available for a range of initiatives, including the Working in Partnership program, the Structured Training and Employment Program (STEP), the Corporate Leadership program and programs run by Indigenous Business Australia. A good example of the partnership approach has been the signing of the MOU between the federal government and the MCA (see above).

Industry initiatives

Sustainable development (SD) and corporate social responsibility (CSR) are topics that are now firmly on the industry agenda. Evidence of commitment to these principles can be seen in the development of the International Council on Mining and Metals (ICMM) *Principles of Sustainable Development*, released in 2003. Since then, the MCA has incorporated these principles into its *Enduring Value* framework, and a number of individual companies and industry leaders have made commitment to these principles in their own policy statements.

As part of this study, a review was conducted of annual reports and corporate policy documents for the major mining companies. Clear evidence was found of corporate commitment to the principles of SD and CSR by most of the larger companies.

In particular, there has been a gradual shift over the past few years from generalised statements of commitment to minimising the negative impacts of resource developments on the environment and local communities, to a cautious acknowledgement that good corporate citizenship requires companies to take a more active role in promoting sustainable development.

Responsible mining companies now acknowledge that they have both the capacity – and an obligation – to contribute to the development of the communities where they operate. This is particularly true in remote areas, where mining companies may be the only businesses with the capacity to catalyse major community development initiatives. As potential employers, mines can provide Indigenous people with opportunities for work in areas when there are few other commercial ventures and limited opportunities for employment.

THE CHANGING FACE OF THE MINERALS INDUSTRY

Global forces are driving the CSR agenda. Today, mining companies operate in a global marketplace that is highly competitive and where improved communications technology has made their activities more apparent to a much wider audience. Globalisation has also facilitated the rapid dissemination of information about Indigenous rights. Since the 1980s, international bodies such as the United Nations Conference on Environment and Development and the International Labour Organisation (ILO) have drafted instruments that acknowledge Indigenous land rights and the rights of Indigenous people to participate in decision-making processes that affect them and their land. Many people and governments now acknowledge that Indigenous people have the right to live on their traditional lands and to enjoy a reasonable quality of life. It is no longer considered acceptable to operate mines alongside Indigenous communities that do not share in the economic benefits derived from mining.

There is also a growing expectation that mining companies will contribute their resources, skills and experience to improving the quality of life in local Indigenous communities. There are many situations where mining companies are particularly qualified to provide assistance to local Indigenous communities. For example, by providing employment, education and training opportunities, business development and governance support, mining companies can assist in building capacity in Indigenous communities. This means that Indigenous people will have enhanced skills to build sustainable communities that support current operations and will last beyond the life of the mines.

Benefits of the partnership approach

While the partnership approach places clear obligations on government, industry partners and Indigenous communities to improve socio-economic outcomes for Indigenous people, it also offers potential benefits to all parties.

GOVERNMENT

As employers, mining companies are a potential source of new jobs for Indigenous people. Especially in remote areas where there are few business alternatives, they may be the only large-scale employers. Since the alternative to work for many people is welfare dependency, there are sound financial and policy reasons for governments to promote partnerships with industry as a means of getting people into the mainstream workforce and becoming taxpayers.

Mining companies are also experienced in sourcing education and training opportunities for their employees. Apart from public sector organisations, only large corporations have the resources to source and deliver targeted education and training programs. Again, from a policy perspective, it is clearly an advantage to government to be able to link education and training with employment opportunities in the local area.

INDIGENOUS COMMUNITIES

From the perspective of Indigenous communities, the partnership approach opens up the possibility of developing prosperous communities that will survive beyond the life of the mines. First, partnering with mining companies gives Indigenous people the opportunity to participate in the mainstream workforce. Access to paid work is a fundamental prerequisite for participation in the mainstream economy. Second, access to training and education is essential if Indigenous people are to develop the necessary skills to participate in that economy.

Access to education, training and employment is the key to building sustainable Indigenous communities. Mining companies have a critical role to play in capacity building because they can provide training, not just for operational roles, but in the areas of leadership training, and the development of management and governance skills. If Indigenous people are to live in prosperous and sustainable communities, it is essential for them to develop leadership and management skills, which are essential competencies of viable communities.

The other huge advantage of the partnerships approach for Indigenous people is that it gives them a voice in planning for the future. Instead of being the passive recipients of welfare or educational and training programs that others have deemed beneficial to them, Indigenous people become partners in decision-making processes that affect their future. Without 'buy in' from local community members, efforts to improve the socio-economic conditions in Indigenous communities are unlikely to be successful.

Benefits for the minerals industry

There are sound business reasons for mining companies to partner with Indigenous communities and government to deliver better employment outcomes for Indigenous people. In the case of individual companies, these relate particularly to enabling land access and the possibility of developing a regional workforce to sustain company operations into the future. At the industry level, there are also benefits in terms of enhancing the reputation of the industry in the eyes of government and local communities.

LAND ACCESS

Mining must take place where ore deposits occur. There is little opportunity to choose the location of a mine on the basis of optimum social, environmental, logistical or economic factors. Establishing good relationships with Traditional Owners, therefore, is essential to enabling ongoing access to the land on which mineral resources are located.

Sixty per cent of mining in Australia currently occurs near Indigenous land and many of the new mines likely to be developed in the future will also be on land subject to native title. According to one study (Pollack, 2001), the Indigenous-owned land base in Australia has grown significantly since 1993 and the trend is expected to continue. Pollack found that the Indigenous share of the national estate comprised 14.2 per cent of Australia in 1993, 15.1 per cent in 1996 and somewhere between 16-18 per cent in 2000 (Pollack, 2001).

Since there are numerous land rights claims still to be determined before the courts, it seems likely that the amount of land where native title is deemed to exist will continue to grow. This means that establishing and maintaining good relations with local Indigenous communities will be essential to the protection of mining companies' current investments and their ability to access new resources.

As noted above, since the commencement of the *Native Title Act (Cwth 1993)* Indigenous communities have had the legal right to negotiate land-use agreements with mining companies. Similarly, Cultural Heritage legislation has imposed obligations on many mining companies to engage with Traditional Owners. Companies that have failed to follow through on commitments made during these negotiations are likely to be seriously disadvantaged when it comes to negotiating future agreements with Traditional Owner groups.

A partnership approach also demonstrates that a company is acting in good faith and honouring the mining industry's commitment to sustainable development. This is an important way of building a company's standing with local communities. By developing a reputation for acting openly and honestly, and demonstrating a preparedness to negotiate fairly with Indigenous communities, companies build a reputation that will assist in other negotiations in the future.

REGIONAL WORKFORCE

Fostering a partnership approach and creating employment opportunities for Indigenous people can be regarded as an investment in the creation of a skilled regional workforce that will provide the labour for the mines of the future. The majority of Australia's mining operations are in remote and rural areas. Accessing skilled staff in these locations has always been difficult for mining companies and enormous amounts of money have been spent on developing expensive town infrastructure and services to support their operations. More recently, there has been a trend towards fly-in fly-out (FIFO) operations, but these, too, have a number of disadvantages for companies.

Historically, these significant investments have been made without consideration for the sustainability of the regional economy beyond the life of the mine and without considering local Indigenous people as a potential labour force for the operation. Increasingly, however, companies are coming to see that there are benefits to their operations in building regional capacity. By supporting and promoting education, training and other local initiatives that increase the skills base of Indigenous communities, companies are contributing to the development of a skilled local workforce and a prosperous local economy. The benefits to companies of a skilled Indigenous workforce and a strong regional economy include:
→ a mobile pool of local employees who can move between different businesses as demand or personal preferences dictate
→ a selection of locally-based service and supply enterprises
→ competitive forces that lower costs of service and supply to the mine and the community
→ diverse local capacity for non-core business contracting,
→ a stable mature workforce of reliable, locally-committed employees living 'at home'.

An analysis of demographic trends supports the argument that, over the longer term, there are sound economic benefits to be had from investing in Indigenous employment and training programs. First, unlike non-Indigenous Australians, the majority of the Indigenous population (69 per cent) lives outside the major urban centres (ABS, 2002). This means that many communities in close proximity to mine sites have large, sometimes predominantly, Indigenous populations. Second, Indigenous people are also less likely than other Australians to migrate to new areas. While mobility between communities can be frequent, there is little tendency to relocate to urban areas or interstate (DEET, 2006). This implies a geographically stable workforce. Finally, unlike the rest of the Australian population, the Indigenous population is young and growing. A recent study in the Pilbara (Taylor and

Scambary, 2005) suggests that people of working age, namely 15 to 54-year-olds, will comprise more than 50 per cent of the Indigenous population by 2016 (Table 5). Potentially, these people can form the basis of a sustainable regional workforce.

Table 5: Indigenous population projections Pilbara region by select age groups 2006– 2016

| Age group	2006	2016	Change (no)	% Change
0 – 4	911	1059	148	16.2
5 – 14	1470	1899	429	29.2
15 – 24	1371	1450	79	5.8
25–54	2769	3244	475	17.1
55+	619	863	244	39.4
Totals	7141	8515	1372	19.2

Source Taylor and Scambary (2005: 22)

INDUSTRY REPUTATION

Commitment to a partnerships approach is a way of improving the reputation of the minerals industry globally. Companies that form successful partnerships with government and Indigenous communities are likely to find that their reputations are enhanced beyond the boundaries of Australia. Successful partnerships send a signal that the company has the credentials for negotiating fairly and successfully with Indigenous communities in other parts of the world.

Commitment to sustainable development is also likely to improve the image and reputation of the minerals industry. In particular, it connects the minerals industry with major social changes that are occurring elsewhere in the world, especially those surrounding social responsibility and Indigenous rights. This places the industry in a position to argue for its causes, while respecting the rights of others.

Potentially, there are enormous benefits to Indigenous communities, government and mining companies alike in achieving better employment outcomes. The remainder of this report documents a range of processes, procedures and good practice case studies to enable mining companies to participate actively in this commitment to improving Indigenous employment outcomes.
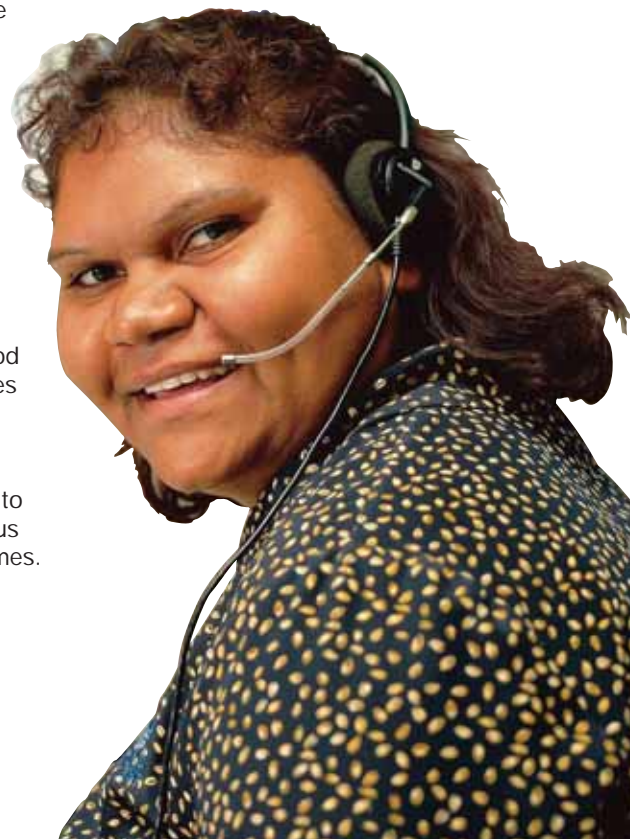
The workforce diversity challenge

The site data collected for this study confirms that Indigenous people are under-represented in the minerals industry workforce and hold predominately semi-skilled positions (see page 71 for supporting materials).

Only a small proportion of the Indigenous workforce is undertaking apprenticeships that will lead to more skilled roles, although some traineeship programs involve significant up-skilling (e.g. training certificates II and III). In this section of the report we discuss the reasons for low workforce participation rates, and provide good practice examples of strategies undertaken by companies that attempt to alleviate some of the acute problems that lie at the heart of Indigenous socio-economic disadvantage.

Differences in opportunity and life experiences mean that many Indigenous people are poorly equipped to enter the workforce. While there are many reasons for poor workforce participation rates, the factors that particularly impact on individual outcomes are:
→ education
→ cultural differences
→ cultural communication issues
→ family relationships
→ health and social aspects
→ social and geographic isolation.

EDUCATION

Perhaps the greatest obstacle to increasing Indigenous workforce participation rates is poor education levels. Most Indigenous people living close to the mining operations in this study come from communities that have been marginalised from the mainstream social and economic institutions. As a result, most have received little formal education and lack the basic literacy and numeracy skills to perform tasks that most people take for granted-reading the positions vacant section of a newspaper to look for jobs, getting a driver's license, preparing a résumé, or filling out a standard job application form.

Companies in this study have adopted a two-pronged approach to dealing with these problems. First, they have adapted their standard HR recruiting practices to take into account these skills differences. These issues are discussed in detail in the sections of this report dealing with recruitment, retention and staff development strategies. Second, they have taken a longer term view and committed to an investment in the future of local communities, by partnering with government and local community members to improve education outcomes in local schools. One initiative showing great promise is the Western Cape College.

COMALCO WEIPA and the WESTERN CAPE COLLEGE

Catalyst for change

On 14 March 2001, Comalco Aluminium Ltd, the Traditional Owners of the bauxite mining lease at Weipa, the state government and the Cape York Land Council signed the Western Cape Communities Coexistence Agreement. At the time of the signing, student outcomes from Cape York schools reflected the overall disastrous standards in literacy and numeracy apparent in remote Indigenous communities throughout Australia.

As part of the agreement, the local Indigenous people were to be given priority access to 35 per cent of the jobs available at the mine site over a period of 10 years, providing applicants could meet the required academic standards for employment. Failure by the company to meet annual Indigenous employment targets would incur financial penalties. This provided a clear incentive to improve Indigenous education outcomes on Cape York.

Identifying the problem

It soon became apparent that the students, teachers and parents were inculcated in a culture of failure, where Indigenous students were not expected to succeed. The challenge for Comalco, Education Queensland and local Indigenous groups was to turn this culture around. The accountability of the schools, rather than the usual rationales for failure (poor attendance, inappropriate curriculum, resource shortages, language and cultural issues, disturbed social environment, etc) became the focus of attention. This approach required a major change to school systems and in the behaviour of the staff. Unfortunately, there was little practical educational leadership expertise available to the school leaders to bring about this change.

The successful strategy

The successful strategy for bringing about cultural change involved the followings steps:
1. Education Queensland agreed to combine four schools in the region into one college with four campuses, to be managed by a Group Principal. The Group Principal was appointed with the accountability to improve the education outcomes of Indigenous students, in the spirit of the agreement.
2. Comalco provided two years funding for an organisational effectiveness consultant to work with the Group Principal to bring about the desired change.
3. Comalco made a public commitment to employing graduates from the college. At the opening of the new college on 16 July 2002, Comalco's then CEO declared: *We at Comalco have taken the step to offer employment and training to all local Indigenous children who successfully complete year 10 or beyond on the Western Cape.*

Outcomes
1. Enrolments of Indigenous students at the Weipa campus of the college have more than trebled from 136 in 2001 to 424 in 2005.
2. Overall attendance has improved from 79 per cent in 2001 to 88 per cent in 2004.
3. Indigenous academic performance has been maintained or improved, even though the school size has grown rapidly.
4. Progressively during 2001, 2002, 2003 and 2004 the majority of Indigenous parents from Napranum, the Indigenous township 10 kilometres from Weipa, chose to send their students to the Weipa campus because they saw the benefits of the Western Cape College approach. This resulted in the Napranum campus being closed in 2005.

Source: Hunter, 2005

CULTURAL DIFFERENCES

There are a number of cultural factors that constrain Indigenous people from integration into the mainstream workforce. These include: the prevalence of multi-family households, low labour migration rates to areas where work may be available because of regional and family commitments, living in households where English is not the primary language, and the maintenance of traditional ceremonial obligations.

While certain actions may be taken to address the disadvantages often imposed by cultural differences, it is important to acknowledge that some Indigenous people are not able, and others are not willing, to engage in the mainstream labour market.

For example, some residents in remote communities prefer to pursue a more traditional lifestyle and see this as a reasonable choice. Other Indigenous people are simply uncomfortable working in a labour market where mainstream values dominate and where they are a distinct minority.

If we accept that some Indigenous people will never be participants in the mainstream workforce because of the clash with traditional cultural values, we must also accept that many Indigenous people wishing to join the mainstream workforce will have those major cultural barriers to overcome.

CULTURAL COMMUNICATION ISSUES

The fact that English is not the first language for many Indigenous people living in remote regions is a major barrier to workforce participation. As with others who are not native English speakers, the inconsistencies and peculiarities of a foreign language provide plenty of opportunities for communication breakdown and the resultant misunderstandings. These misunderstandings can become barriers to engaging in the mainstream economy.

Cultural barriers place Indigenous people at a significant disadvantage when it comes to negotiating mainstream health, legal and education systems and severely limit their chances of gaining employment. These barriers are widely recognised by educators, health professionals and the legal community. A report by the Queensland Criminal Justice Commission (1996), for example, specifically recognised the cultural barriers Indigenous witnesses face within the Australian legal system. The report made several recommendations to address these barriers, including a recommendation for an amendment to *The Evidence Act 1997 (Qld)* that would allow Indigenous people to give evidence in narrative form. The report also recommended cross-cultural training for all court staff.

Cultural communication differences can cause difficulties for the employers, managers and co-workers of Indigenous employees. For example, some Indigenous people avoid eye contact in face-to-face discussions and are silent in circumstances where non-Indigenous people expect a response. Silence in conversation is an active communication method for some Indigenous people, but it can be easily misinterpreted by non-Indigenous people as a sign of dishonest or insolent behaviour.

Direct questioning is not part of the traditional Indigenous communication style either, so the way in which some Indigenous people respond to questions can give the impression of contradictory answers. Some confusion, too, can be caused by Indigenous people giving qualitative information about numbers, dates and times, where non-Indigenous people would give numerical responses. For non-Indigenous people inexperienced in communicating with Indigenous people, these behaviours can be misinterpreted as signs of dishonesty, rudeness or incompetence when, in fact, they simply reflect different communication norms. On the basis of this misinterpretation, it is easy for Indigenous people to be overlooked in interview situations.

Another cultural communication difference often displayed by Indigenous people is a preference for face-to-face communication. The oral tradition is very powerful and many Indigenous people only feel comfortable when talking directly with someone they trust and with whom they have developed a personal relationship. This preference for spoken communication means that, in a recruitment situation, for example, circulating written material such as job advertisements via company newsletters or in the print media is unlikely to reach the target audience.

Cultural communication differences create barriers to employment for Indigenous people and it is important for potential employers to understand these differences. All the operations in this study conduct cultural awareness programs as part of their induction programs for new employees and some conduct periodic training for all employees. Another initiative that would assist even further in overcoming cultural communication barriers is the provision of targeted cultural awareness training for supervisors and superintendents. People occupying these roles are the interface between Indigenous recruits and the organisational hierarchy. If they have a full understanding of cultural differences, they are in a position to limit the potential for discriminatory or racist behaviour from other employees.

Workforce tensions created by a lack of understanding or respect for cultural differences and racist attitudes towards Indigenous employees are problems that the minerals industry has traditionally been reluctant to discuss. Described by Mitchell Hooke, Chief Executive of the MCA (Hooke, 2006), as "the elephant in the room" – the issue we all see but dare not mention – racism is a social problem that needs to be addressed if Indigenous employment rates are to improve. While we discuss practical steps for addressing racism in the workforce in the retention section of this report, their successful implementation depends ultimately on building cross-cultural awareness, appreciation and acceptance.

FAMILY RELATIONSHIPS

Indigenous people are bound by strong kinship ties that link them to their families and communities. This can create many problems for Indigenous people in the workforce. According to several studies (e.g. Hall and Driver, 2002, Barker and Brereton, 2005) family reasons are one of the most commonly cited reasons for leaving the workforce. Reasons include homesickness, living too far away from children and the inability to assist when members of the extended family are experiencing problems, such as with childcare, ageing family members, domestic violence, drug problems or financial difficulties.

While family reasons are also commonly cited by non-Indigenous employees as reasons for leaving the mining industry workforce, these difficulties are often exacerbated for Indigenous employees because of the complex nature of kinship ties. Especially for employees from the remote communities where a largely traditional lifestyle is maintained, the ties of home and family are likely to be stronger than commitment to an employer. Other research (Hall and Driver, 2002) also indicates that lack of a stable home life is the major factor influencing an Indigenous employee's chance of adapting to mainstream employment or completing a training course.

It is important for mining companies to recognise the strength of family attachments. One company in this study has made provision for cultural leave to be incorporated in its HR policies as a way of recognising the importance of kinship ties and traditional ceremonies to Indigenous people.

Most companies find they can cater for these needs in normal leave provisions. All companies in this study were aware of the influence of family ties on Indigenous retention rates. All, as part of their work readiness schemes, also provided mentoring to trainees, to help them learn how to balance the demands of work and home life.

HEALTH AND SOCIAL ASPECTS

Major health problems such as cardio-vascular disease and diabetes are endemic in remote Indigenous communities and drug and alcohol abuse are widely recognised as serious social problems. Drug and alcohol abuse damage individual health, lead to increased crime rates and severely limit the chances of Indigenous people finding and keeping work.

While we were unable to access employee turnover data as part of this study, we do have details from the site data that confirm that health issues, including drug and alcohol problems and legal problems, limit employment opportunities for some Indigenous people. For example, one site was recruiting for its traineeship program. Of the 32 people who applied for the traineeships, only 17 were short listed for selection. Of the unsuccessful applicants, six (18 per cent) failed the alcohol and drug test, three (nine per cent) failed the medical examination, four (12.5 per cent) failed the security screen and another four (12.5 per cent) failed for unidentified reasons (Table 6).

Table 6: Traineeship assessment criteria

Assessment criteria	Number	%
Total applicants	32	100
Failed alcohol / drug test	6	18.7
Failed medical	3	9.3
Failed security screen	4	12.5
Failed other reason	4	12.5
Total short listed	17	53.1
Total accepted	17	53.1

One company in this study, GEMCO, has taken the initiative in tackling the alcohol abuse problem. GEMCO owns a manganese operation located on Groote Eylandt in the Gulf of Carpentaria, in the Northern Territory of Australia. The mine is on Indigenous land owned by the Anindilyakwa people. Under an agreement with the Traditional Owners, the company is committed to reducing the negative impacts of alcohol on the local community. The case study on the following page demonstrates how GEMCO has addressed this issue.

GEMCO AND THE GROOTE EYLANDT LIQUOR MANAGEMENT PLAN

Identifying the problem
Over the past 40 years, GEMCO and the Indigenous community have tried various strategies to manage alcohol-related issues, with limited success. The effects of alcohol abuse, leading to high crime rates and absenteeism from the mine workforce led, at times, to a strained relationship between the company and Groote's Traditional Owners.

Catalyst for change
Under the terms of GEMCO's agreement with Groote Eylandt's Traditional Owners, the company committed to managing the impacts of alcohol on the local people.

The strategy
The strategy for bringing about change involved the followings steps:
1. The company initiated an extensive consultation process that involved all stakeholders and ensured they had a voice. Stakeholders included residents, the two liquor outlets on Groote, and representatives from the airlines, police, Land Councils, NT Government and the mine.
2. Together, the stakeholders developed a liquor management plan that they believed would reduce the harm done to the community through excessive alcohol consumption.

Elements of the plan
The key elements of the plan were to:
1. End the existing rationing program, which was seen as unfair and difficult to manage
2. Retain the island's status as a restricted area, where alcohol consumption was restricted
3. Declaring two exempt areas within the restricted area. These were the island's two liquor outlets.
4. Introducing a closely monitored permit system to enable the purchase, possession and consumption of take away liquor

5. The right to suspend take away liquor sales at times of community tension.

Outcomes
The impact on the Groote Eylandt community has been extremely positive. The outcomes include:
1. A reduced crime rate
2. Decreased absenteeism rates at the mine, from an average of nine per cent to 2.5 per cent
3. A similar decrease in absenteeism rates at the local CDEP program
4. A major change in community attitude – the Groote Eylandt Liquor Management Plan has been accepted by the local people as "the way we do things on Groote" and is seen not as the exception but the norm
5. Stakeholders also acknowledge that critical to the ongoing success of this intervention is the commitment demonstrated by the local liquor management committee.

GROOTE EYLANDT CRIME RATES, PRE AND POST THE INTRODUCTION OF THE LIQUOR MANAGEMENT PLAN
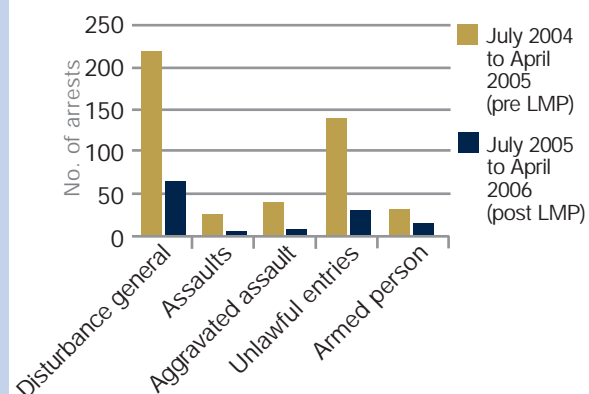
Source: Provided by BHPB GEMCO, 2006

SOCIAL AND GEOGRAPHIC ISOLATION

Another factor leading to poor Indigenous employment outcomes is the relative isolation of many Indigenous communities. While isolation is a function of geography, it also has social dimensions. Indigenous people in remote locations often have little experience of living or working outside their own communities. This means that they may lack the social skills or broader knowledge of the outside world that prepare them for workforce participation. Their only experience of employment (if any) is likely to have been through CDEP, such as work for the dole schemes, which do not necessarily prepare people adequately for entering the mainstream workforce.

Indigenous people in isolated communities also have limited access to modern communications technology. This makes it difficult for potential employees to find out about job opportunities, to get to a site to apply for work or to find out about work readiness schemes. They need to go to special community centres to find out about job availability, or to gain assistance in preparing job application forms.

In recognition of the problems experienced by Indigenous people living in remote communities, the sites in this study have adopted a range of strategies to reduce the impacts of isolation. These include using staff members from the Community, Training and HR department to liaise directly with local Indigenous communities, introducing work readiness programs to prepare potential employees for mainstream employment, and developing programs in conjunction with local schools to teach Indigenous students about work opportunities in the mines.

Opportunities for students

Most operations have developed a variety of structured programs in conjunction with local schools that introduce students to working life at a mine. The Indigenous students spend time on site where they observe and interact with mining personnel, who carry out the range of different roles associated with mining. These observations and interactions are then followed up by classroom activities back at school to reinforce what was learned. These programs are a common school activity in many parts of Australia but are of particular relevance to Indigenous students in remote and rural regions because they:
→ provide an opportunity for students to step out of the isolation of their communities to spend time in a mainstream work environment
→ are based on learning by observation, which is the traditional method of learning in Indigenous communities
→ provide students with the opportunity to see first-hand male and female Indigenous employees modelling workforce behaviour.

These programs include primary school class excursions and, for some high school students at one site, the opportunity to 'shadow' employees in different roles for a day. Secondary students are also offered work experience from five to 10 days' duration, school-based traineeships and apprenticeships during years 11 and 12 and access to career markets.

STRATEGIES TO OVERCOME ISOLATION

Building community relationships
Several companies have created roles with specific accountabilities for community liaison and / or recruitment and training. These people are responsible for visiting local communities to improve communication between mine sites and local Indigenous people. This is primarily a liaison role, where the appointee acts as an interface between the community and the site, letting communities know when jobs are available, getting to know individual community members to identify their level of work readiness and availability, and reporting back to the site on key issues affecting the communities. This is an important role because it can form the basis of an ongoing relationship between the site and the community, building trust between the two parties.

Work readiness programs
Work readiness programs that prepare Indigenous people for entry into the workforce are a valuable tool in assisting them to overcome the effects of social isolation. The main purpose of work readiness

programs is to assist Traditional Owners to make the transition from unemployment or CDEP programs to the mainstream workforce. The programs emphasise the importance of regular attendance at work and punctuality as well as providing pastoral care and advice on issues such as managing personal finances and banking. The focus of these programs is on developing communication and interpersonal skills, as well as life skills, to accustom Indigenous people to the demands of the working environment.

Student visits and work experience at Century Mine
Century Zinc brings local Indigenous students from boarding schools more than 1000 kilometres away for work experience at their operation. Students get the opportunity to:
→ see a working mine in operation
→ see Indigenous role models at work. This is a particularly important aspect of the visits because students often see they own relatives working there
→ experience camp life at a fly-in, fly-out operation.

IMPLICATIONS FOR EMPLOYERS

The key implication for employers who are looking to include more Indigenous people at their operations is that, because of major education, health and social problems, there is only a limited pool of Indigenous people who are 'work-ready', that is who have the necessary job experience and skills to move directly into the workforce. In several remote locations there are signs that the majority of work-ready people have already been recruited and some operations are having difficulty in meeting their Indigenous employment targets. Therefore, to achieve sustained improvement in Indigenous employment outcomes, mining companies need to:

→ Focus recruitment efforts on Indigenous people who may not have participated previously in the mainstream workforce. As we discuss in the following section on recruitment, some mining companies are already doing some very good work in this area. In particular, they are investing in a range of work readiness or prevocational schemes to prepare Indigenous employees for the workforce

→ Consider re-employing Indigenous people who have worked at the operation previously, but who did not complete training programs or resigned from their jobs. There are indications that some Indigenous people come and go from the workforce several times before settling more permanently into a job. Therefore flexible HR systems and working arrangements that enable them to acclimatise gradually to the demands of the workforce should be considered.

→ Reconsider the educational standards that are set for particular entry level positions. There may be a case for redefining the selection criteria for Indigenous applicants, just to get them into the workforce

→ Engage with the 'bigger picture' issues, such as providing education and training for school children. The Western Cape College story is an example of investment in a longer-term strategy to create job-ready people

→ Engage with partners to address the larger socio-economic issues, such as the provision of health services, and drug and alcohol programs. The purpose of the partnership approach is to share commitments and responsibilities between partners. It is not the role of the minerals industry alone to solve Indigenous health and social problems. It is their responsibility, however, to find more effective ways of working with government and local communities on these issues. By aiding in the development of new ideas, offering skills and contributing to the funding of initiatives, the industry will play a major role in the development of sustainable Indigenous communities.

THE INDIGENOUS DIVERSITY CHALLENGE

→ Indigenous people are severely under-represented in the mainstream workforce.

→ Critical socio-economic factors limit Indigenous workforce participation.

→ There is a limited pool of Indigenous people who are 'work-ready'.

→ To achieve sustained improvement in Indigenous employment outcomes, mining companies need to focus recruitment efforts on Indigenous people who may never have participated previously in the mainstream workforce.

→ Some companies are beginning to develop programs that are directed towards people with no experience in mainstream employment. The best of these programs tackle the root causes of Indigenous unemployment – lack of education, cultural differences, health and family problems and isolation.

The people factor

As long as Indigenous people face major barriers to entering the mainstream workforce, it will require goodwill, commitment and partnerships to improve Indigenous employment outcomes. While policy initiatives such as the MOU between the MCA and the federal government are very important in driving change, dedicated commitment by individuals is needed to turn these policy commitments into reality. In this section of the report we address the critical factor without which these programs and strategies cannot succeed – people who are committed to achieving better Indigenous employment outcomes in the Australian minerals industry.

The importance of the people factor emerged as a major theme at the practitioners' workshop conducted as part of this project. Participants were asked to comment on the challenges they face to reach good Indigenous employment outcomes. The most commonly reported challenge related to organisation support. Many noted that there was no engagement with, or support from, HR personnel and site management to promote Indigenous participation in the workforce. Specific challenges included getting 'buy in' at the executive level, insufficient corporate drivers for change, inconsistencies within the operation on how Indigenous employment issues were managed and a non-supportive organisational culture.

Participants identified the following factors as essential to the improvement of Indigenous employment rates:

→ Commitment Leadership commitment was identified as crucial to the success of Indigenous employment initiatives.

→ Relationships Participants emphasised that, without an honest and transparent relationship with the relevant Indigenous communities, it was not possible to achieve and sustain good employment outcomes.

→ Access to skilled people Practitioners felt that they needed access to people who had extensive experience working with Indigenous people to build relationships and gain the trust of local Indigenous communities.

In support of this view, we found that the operations in this study that are taking the lead in improving Indigenous workforce participation rates exhibit three important qualities:

→ an executive leadership that has publicly committed to improving Indigenous employment outcomes

→ corporate champions who 'go the extra mile' in supporting Indigenous employees and who have influence with the operation's management team to ensure that Indigenous employment issues remain on the corporate agenda

→ suitably qualified, informed and committed personnel in training and liaison positions who are respected by the local Indigenous community.

Executive leadership

Improving Indigenous employment outcomes, like all successful business initiatives, requires the participation and support of all parts of an organisation. In particular, it is the attitudes and actions of the operation's executive leadership team that sets the tone for the rest of the organisation. In general, mining companies have been slow to take the initiative in recognising any obligations towards the communities in which they operate. An important outcome of this study, therefore, has been the identification of a number of corporate leaders who have been prepared to state publicly their commitment to improving Indigenous employment outcomes.

The first step in displaying executive leadership is to acknowledge that Indigenous communities face major socio-economic disadvantages and the minerals industry has a role to play in helping them to meet these challenges. Companies who acknowledge this responsibility are aware that long-term engagement with local Indigenous communities is essential. It takes time to address the issues that limit Indigenous participation in the workforce (lack of education, poor health, and social isolation) and requires an active partnership between mining companies, government and Indigenous communities to improve Indigenous employment outcomes. Charlie Leneghan, Managing Director of Rio Tinto Australia, said:

There are two fundamental facts that say that our industry (and everyone else) needs to take a long-term view of Indigenous employment. The first is that the social and educational barriers to employment will not respond to a quick fix. The second fact is that Indigenous population increase is both an extraordinary opportunity and a potential problem if it is not adequately anticipated by government and employers.

Charlie Leneghan
Managing Director, Rio Tinto Australia
Minerals Week 2005

Other corporate leaders are acknowledging publicly that establishing and maintaining good relationships with local communities is an important part of successful business planning. As all mining companies are aware, poor relations with community stakeholders can lead to delays in getting projects underway (e.g. new mining initiatives in the Philippines), political unrest and enforced mine closure (Bougainville), production delays (Yanacocha, Peru) and the abandonment of new development projects (Esquel in Argentina and Tambogrande, Peru). Christine Charles, Newmont Regional Director Environment and Social Responsibility, Australia and NZ has clearly stated the

business case for adopting socially responsible practices when engaging with Indigenous communities:

Gaining community acceptance is fundamental for business development and continuity. This is particularly true of our relationship with Indigenous Australia, which is one of the highest priorities for Newmont (and many mining companies) in this region. We have made a commitment which says in part that we recognise that success in our business is integrally linked to local Indigenous communities' capacity to develop and maintain sustainable livelihoods.

Christine Charles
Newmont Regional Director Environment
and Social Responsibility
Australia & NZ, July 2004

There is a range of reasons why Newmont sees its relationship with Indigenous Australians as so important:
→ mining largely occurs on Indigenous land.
→ the company needs to be a responsible tenant and contribute to employment, business development, community capacity building, governance support, education and health
→ there are opportunities for a strong regional employment base.

The final aspect of the executive leadership role that is essential for improved Indigenous employment outcomes is a public statement of commitment to specific goals and targets to improve participation rates. Without the development of specific programs and initiatives and the provision of the resources to back up a company's commitments, media statements remain publicity exercises. In short, it is the role of the executive leadership team to ensure that the company follows through on its public commitment to improving Indigenous employment outcomes.

Examples of specific commitments include the undertaking by Sam Walsh, the then CEO of Comalco, who said in 2002:

We at Comalco have taken the step to offer employment and training to all local Indigenous children who successfully complete year 10 or beyond on the Western Cape.

Sam Walsh
Comalco CEO, July 2002

Committed executive leadership is essential to the success of industry efforts to improve Indigenous employment outcomes.

Corporate champions

If Indigenous employment is to remain a topic on the corporate agenda, there needs to be a champion, preferably based in the company's corporate headquarters, who has influence over decision makers. With the role and accountability for achieving the outcomes embodied in the company's Indigenous employment policies, the corporate champion has the authority to influence the development of corporate strategy in relation to community and external relations policies.

The role of the corporate champion includes providing advice and support to the Managing Director or Chief Executive Officer, contributing to the development and implementation of corporate strategy, and participating in industry initiatives (such as MCA working groups). This may include:
→ building, selling and embedding the business case for investing in Indigenous employment, education and training initiatives.

The right people

The minerals industry as a whole places a great deal of emphasis on having the right people in the right roles. For example, operations are generally quite clear about the technical skills they require from their engineers, accountants, geologists, environmental scientists, human resources managers and tradespeople. Mining companies are also heavily involved in developing education and training systems throughout Australia that will meet the needs of industry. Initiatives such as the Mining Tertiary Education Council (MTEC) and collaborations with the Technical and Further Education (TAFE) sector illustrate the industry's commitment to developing people with the technical and managerial skills they require to run their businesses effectively.

Individual operations, however, seem to be less clear about the skills and knowledge required of people involved in the training, mentoring, and engaging of Indigenous people. Few companies have roles that pertain specifically to Indigenous employment initiatives and, at site level, companies often only have one person who is expected to combine responsibilities for general community engagement and Indigenous employment with a range of other responsibilities.

Most of the operations participating in this study have recognised the importance of having people with specific skills in community liaison roles. In the majority of cases the people filling these roles were either community and / or training personnel. In one or two cases, the role was filled by a staff member from the HR department. The attributes these people had in common were:
→ very well developed social process skills, where they demonstrated empathy and understanding in their dealings with Indigenous people
→ knowledge of and respect for Indigenous people and respect for other people's opinions and lifestyles
→ well-developed technical skills, namely, the ability to educate and train Indigenous employees and to

→ developing and maintaining good relationships with Indigenous leadership at a national and regional level
→ monitoring and influencing policy debate and direction at State and Federal government levels.

Without corporate champions who have a high level of competence and commitment to improving relations with Indigenous communities, it is unlikely that Indigenous employment initiatives generated by a company's leadership team will be implemented effectively. Five of the companies in this study have executives with Indigenous accountabilities and these were also the companies that provided many of the good practices identified in this report.

Corporate champions are resourced and competent in this area of work. They are also working towards a level of organisational commitment to Indigenous employment initiatives from their organisations that is comparable to the commitment that companies now demonstrate in the areas of health, safety and environmental protection.

develop learning tools that are attuned to the needs of Indigenous people
→ application to the task and the ability to achieve successful education and training outcomes for Indigenous people.

Those operations that had both community and training personnel with these attributes had the greatest success in increasing Indigenous workforce participation rates. While we saw Indigenous and non-Indigenous people filling these roles successfully, the value that Indigenous people bring to such positions cannot be overstated. They bring a level of social process skills and technical skills of the type that companies need to build the capacity of their operations to integrate Indigenous employees successfully into the workforce.

CENTURY MINE AND INDIGENOUS LEADERSHIP

Century mine has employed a succession of Indigenous superintendents and other Indigenous personnel with key accountabilities that include implementing and maintaining the Gulf Communities Agreement (GCA). These personnel have been and are instrumental in the development, ongoing maintenance and success of Century's employment and training initiatives.

Having capable, committed, assertive, politically astute, local Indigenous superintendents in positions of authority has provided the operation with a level of internal capability, continuity and expertise not found at other operations. These personnel have ensured that even under conditions of high management turnover the employment and training of Indigenous people continued and the recruitment and work readiness systems that have been specifically developed for Indigenous people by the GCA team are maintained.

THE PEOPLE FACTOR

→ Sustained improvements in Indigenous workforce participation rates will not be achieved without organisational commitment and cultural change.

→ Organisational change depends on a clear commitment from the company's executive leadership.

→ Leaders must 'walk the talk' by providing resources and dedicated people to enact their policy decisions.

→ A corporate champion is needed to keep Indigenous issues on the corporate and public policy agenda.

→ Community relations and training professionals with the appropriate skills and experience are essential if the organisation is to employ and train Indigenous people.

Recruitment

Having identified the 'big picture' items that influence the success of strategies to increase Indigenous participation rates in the work force, in this section we move to a discussion of specific strategies that companies are implementing to recruit more Indigenous employees. We found that mainstream recruitment practices are not always appropriate for Indigenous people and that leading companies have adapted their recruiting programs to meet the needs of Indigenous people.

We begin this section with a discussion of standard recruitment processes, and why they are inappropriate for many Indigenous people. We then provide examples of good practice recruitment strategies that are operating at some of the sites we visited. Table 7 summarises the differences between the mainstream approach and good practice Indigenous recruitment processes.

Table 7: Summary comparison between good practices in mainstream and Indigenous recruitment processes

Step	Mainstream	Indigenous
Advertise/ promote	→ advertise in newspapers and on company websites	Company personnel who: → go to the community/s, hand out ads, talk / explain to individuals, families about the positions vacant, answer questions → talk to previous applicants and / or people on the company regional data base who have the requisite skills → post ads on community notice boards
Applications/ résumés	→ submitted in hard copy or electronically	→ prepared in hard copy or electronically → assistance provided to applicants in completing application forms and writing résumés during community visits → collect applications and résumés during community visits
Short-list	→ assessing applications and résumés → telephone interviews, reference checks	→ assessing applications, résumés → reference checks, local knowledge
Selection	→ final short list of applicants drawn up	→ selection centre workshops from one to four days
	→ interview by HR Officer	→ in very small regions where all Indigenous applicants are known Interviews are conducted by experienced non-Indigenous and local Indigenous company personnel
	→ psychometric test	→ culturally appropriate psychometric tests
	→ medical	→ medicals that include appropriate feedback
	→ alcohol and drug test	→ alcohol and drug testing that includes appropriate feedback and follow up
	→ security clearance, if required	→ security clearance that includes appropriate screening
	→ best candidate chosen	→ affirmative action policy and practice that allows Indigenous people who meet a range of acceptable levels for the role to be selected, rather than just the 'best candidate'
Offer/s of employment	→ successful applicant/s are informed in writing → unsuccessful applicants informed in writing.	→ successful applicant/s are informed in writing → unsuccessful applicants are briefed and supported appropriately as required.

MAINSTREAM RECRUITMENT PRACTICES

The mainstay of modern HR practice is systems, procedures and practices that enable standardised information to be produced. All the mining companies in this study have in place professionally developed HR systems that are designed to be equitable, efficient and cost effective. Each of these systems meets the requirements of Equal Employment Opportunity legislation.

The standard recruitment process adopted by each of the operations follows the same basic format:

1. Advertisements are placed in newspapers and on company websites.
2. Applications are submitted in hard copy form or electronically.
3. Applicants are short-listed by assessing their application letter and résumé.
4. Applicants whose letters and résumés meet the basic criteria are interviewed by phone.
5. A final short list is decided after the phone interviews. Those on the short list are then interviewed and subject to a range of tests. These include a medical check, including tests for drug and alcohol use, and psychometric testing. Some operations also require a police check.
6. Offers of employment are then made in writing to successful applicant/s and unsuccessful applicants are likewise informed in writing.

This process is generally effective in recruiting mainstream applicants from mainstream communities. It does not, however, take into account the needs of Indigenous people, particularly those living in remote and rural areas. Mainstream recruitment processes rely on a number of key assumptions that are simply not applicable to Indigenous communities. These include:

→ applicants have the available technology and skills to access the internet to get information and submit applications
→ applicants have access to newspapers or bulletin boards where jobs are advertised
→ applicants have the skills to prepare letters and résumés
→ standard screening processes are fair, and not culturally biased (e.g. psychometric testing)
→ standard interview techniques are culturally appropriate for all applicants.

While these systems may appear to be equitable, applying, as they do, the same procedure for the selection of a supervisor as for an operator, they do not acknowledge the realities of the employment situation for Indigenous people. First, the majority of positions offered to Indigenous people are of a semi-skilled nature; in fact, it could be argued that the skill levels required to negotiate the standard recruitment process is greater than the skill levels required to undertake competently the positions being advertised. Relatively high levels of education, technical expertise and interpersonal skills are required to access information electronically, prepare a résumé, and perform well in a mainstream interview situation.

Second, the job search behaviour of some Indigenous people is significantly different from that of non-Indigenous job seekers. Non-Indigenous job seekers are more likely to use proactive search methods, such as answering newspaper job advertisements, directly contacting employers, advertising or tendering for work, or checking notice boards on employers' premises. Non-Indigenous job seekers are more likely to have contacted employers directly while Indigenous job seekers, are more likely to report having asked friends or relatives about jobs (Hunter and Gray, 2005).

There are a number of reasons why Indigenous job seeking practices may be less effective than those of non-Indigenous job seekers. First, the approach of some Indigenous people to job searching tends to be more passive than proactive, with a preference for asking friends or relatives about the availability of work. Indigenous peoples' social networks tend to be less effective in helping them to find employment because family and friends are often unemployed themselves, with the same limited access to information about potential jobs as the job seeker.

Second, lifetime labour force experience is important in conditioning job search behaviours (Hunter and Gray, 2005). In other words, the more experience we have at applying for jobs, the better we get at working out which techniques are most successful. For Indigenous communities with a history of welfare dependency, for example, there are few role models whose job search behaviour can be modelled.

Third, there are large differences in job search methods according to geographic location. The largest difference is that job seekers in regional centres and remote areas are much less likely than their city-based counterparts to have answered a newspaper advertisement. One explanation for this is that labour demand is lower in regional centres and remote areas and therefore fewer jobs are advertised in newspapers, so job seekers soon come to regard this is an ineffective search mechanism. Finally, the lack of facilities such as internet access and the ready availability of newspapers and job network offices in rural and remote locations also limit Indigenous job search opportunities.

In summary, mainstream recruitment practices are primarily geared towards non-Indigenous urban dwellers who have access to information about job opportunities and an understanding of the job search process. Mainstream recruitment practices assume a level of experience, infrastructure and access to information that is not readily available in most Indigenous communities.

GOOD PRACTICE INDIGENOUS RECRUITMENT PROCESSES

Most of the participating sites in this study have recognised the limitations in using standard recruitment systems to recruit Indigenous employees. Their response has been to adapt existing practices and procedures to meet the needs of Indigenous employees. In this section we discuss the various ways in which operations have changed their practices, by adopting a 'pull' rather than a 'push' strategy.

Advertising the vacancy

The first stage of the recruitment process is normally to advertise the vacancy. Operations in this study that have been successful in attracting Indigenous applicants for job vacancies tend to adopt a more proactive approach to Indigenous recruitment. In particular, they recognise that different approaches may be needed for remote areas and rural or regional centres.

In remote areas, instead of assuming that suitable applicants will read newspaper advertisements or have access to company websites, company personnel visit local communities personally to spread the word that the local operation is looking for employees. Typically, staff members travel to the local community, hand out copies of the advertisement, post the notice on the local bulletin board and then talk to individuals or their families about the vacancy. This approach enables them to identify new recruits and also to maintain contact with people who may have applied unsuccessfully for jobs in the past, but are now ready to reapply, or who have previously worked for the company and may be interested in returning to the site.

While most operations use company staff members to visit communities to advertise job vacancies, one operation in this study uses the local Land Council to contact potential employees. In this case, the Land Council has a group of people working specifically on developing opportunities for Indigenous employment. Since the Land Council already has established relationships with the local Indigenous community, the company prefers to use their expertise to identify potential employees. This approach also enables the company to build its relationship with the Land Council.

In the case of small Indigenous communities in remote areas, word of mouth is the most popular method of advertising vacancies. Indigenous employees currently working at a site will put forward the names of people from their community that they know are looking for work. Other successful methods include the distribution of flyers and broadcasting on local Aboriginal radio stations to activate the local grapevine (Archer & Widdeson, 2002).

For rural and regional centres, job vacancies are usually advertised via mainstream methods; namely, newspaper and radio advertisements. Many regional centres have their own employment agencies with links into the local Indigenous communities. Typically, when operations are looking for new employees, they contact local service providers to ask them to spread the word about job vacancies through their Indigenous networks. Company employees in the HR and / or community teams who have good local knowledge and relationships with Indigenous people may also get in touch with potential recruits they know who may be interested in a position.

The application process

The next stage in the recruitment process is the application stage. The most important way an operation can increase the chances of Indigenous people making it through the application stage is to help them to improve the quality of their applications. This is best achieved by providing Indigenous applicants with assistance to complete the application forms and develop résumés.

In large remote regions the application stage is conducted at the same time as the advertisement stage or during a follow up visit. Company personnel provide potential recruits with assistance to complete the application forms and write résumés. Where an agent is used such as a Land Council, Land Council employees provide this assistance. In rural and regional centres, employment agencies provide any support required to complete applications and write résumés.

The selection process

The fourth stage of the recruitment process, the selection stage, is the one that differs most from standard recruitment practice. While the same screening checks are conducted, the way that the information is provided to Indigenous applicants is somewhat different. The actual process for all applicants involves:
→ short listing the applicants
→ psychometric testing
→ drug and alcohol testing
→ selection centre workshops
→ selecting the right person
→ making the offer of appointment.

Short listing the applicants

In some of the large remote regions a major part of this process is completed during the community visits described previously. Applicants who apply during community visits generally require some further scrutiny, so their applications and résumés are assessed and reference checks conducted in the usual manner by the employer. A common practice is to informally access local knowledge about applicants as a more useful way of gaining an accurate impression of the applicant's abilities than the standard telephone interview. This process of assessing application forms and résumés, conducting reference checks and conducting informal checks by talking to local people about the capabilities of the applicant is most generally adopted in rural and regional centres.

Psychometric testing

In conjunction with the interview process, sites routinely conduct a series of screening tests; psychometric tests, a medical check, alcohol and drug testing and, in some cases, a security check. These present a major hurdle for some Indigenous people and are one of the chief reasons for failing to make it through the selection process.

The issue of psychometric testing is a problematic one. Psychometric testing falls into three main types: ability testing, aptitude testing and personality questionnaires. Ability tests measure a person's potential, for instance to learn the skills needed for a new job or to cope with the demands of a training course. Aptitude tests are tests of attainment, designed to assess specifically what people have learned. Aptitude tests are usually job related; for example, they may test driving ability or typing skills. Personality tests are usually carried out to assess a person's ability to fit in with a given work environment.

Most minerals operations use some form of psychometric testing when recruiting. However, most of the operations in this study did not use them for Indigenous applicants because they found that many Indigenous applicants perform poorly in these tests. The problem with psychometric testing is that results are easily misinterpreted and subject to cultural bias. First, experienced professionals are needed to administer the tests and interpret the results. Second, psychometric questionnaires cannot be used in isolation – their output must be interpreted in the light of a number of factors such as the individual's past experience, skills and future goals. Third, and most importantly, factors other than the characteristic or ability being measured can influence the results; for example, cultural background, type of education or familiarity with testing procedures.

The issue of cultural bias is the reason why most of the sites in this study do not generally use psychometric testing for Indigenous employees. However, psychometric testing can be a useful tool in assessing the capabilities of potential employees and there is at least one test that would appear to be appropriate for testing Indigenous applicants. This test, the Queensland Test, is the subject of our next case study because it is currently being trialled by an Australian mining operation. The advantages of establishing a testing regime like the Queensland Test, especially for companies that operate globally, is that it readily fits in with standard recruiting practices and provides them with a tool that can be used successfully at any operational location.

THE QUEENSLAND TEST

The Queensland Test, developed by two Australian psychologists (McElwain and Kearney 1970), was designed to address the issues of cultural specificity that led to bias in traditional psychometric test results. Based on extensive research conducted in Papua New Guinea, the tool was developed to enable cross-cultural testing programs.

Key features of the test
→ the subtests are based on known test types with established validity
→ speed of response is of little relevance to the test items
→ tests are non-verbal, based on demonstration, unspoken instruction and mime
→ scoring is based on three contact norms relevant to the degree of contact with technologically developed societies and education
→ the unique feature of this test is that it can be administered by a trained psychologist or psychological test administrators from one cultural background to test participants from entirely different cultural and ethnic backgrounds, where the two have no common language or cultural similarity
→ the test should only be administered by psychologists or trained psychological test administrators trained in the test.

Effectiveness
→ the test is effective in identifying those applicants who have little difficulty with training programs and those who are unlikely to be successful in a training situation
→ the test has been used successfully with Indigenous populations in Australia, New Zealand, Fiji, the Philippines and India.

Applications
Freeport mine, West Papua, Indonesia
→ Freeport use the test because it potentially draw its workforce from more than 250 different language groups and many applicants have not acquired literacy in Bahasa Indonesian, their traditional language, or any other language.

RTA Weipa, North Queensland
→ RTCA has introduced the Q-test into its Indigenous assessment process to assist in the recruitment and selection of local indigenous people.

Energy Resources Australia (ERA) NT, Australia
→ ERA is considering the potential applications of the test to meet its Indigenous assessment and selection needs.

Source: Professor G Kearney, c/- ValueEdge Management Consultants, http://www.valuedge.com.au/index.php

Drug and alcohol testing

Drug and alcohol checks are very important throughout the industry due to the strong focus on setting high health and safety standards. Each of the sites in this study required applicants to undertake medical examinations and drug and alcohol testing. This procedure is the same for all applicants – Indigenous and non-Indigenous. Where the sites differed was in the way in which they responded to the test results. At some operations, failure to pass these mandatory testing regimes means that applicants are immediately rejected and informed that their application has been unsuccessful. Other sites, however, used test failure as an opportunity to provided feedback to applicants. The good practice sites took on an educative role, explaining to applicants why they had failed and giving them advice on how to get help for their medical problems. This took place during regular visits to communities.

They also advised applicants that they were able to reapply for positions at the site when their alcohol and other health problems were under control.

In some cases, the companies also provide drug testing kits to communities, so that Indigenous people can be tested prior to applying for a job to ensure they are clean. This process of continuous education has resulted in many people who originally tested positive for alcohol and drug use coming back and re-applying for work and being successful in gaining employment.

One mining operation also conducts security screening of all potential employees. This security check is similar to other good practice screening checks in that applicants are kept fully informed about what is happening and that they are not used to exclude employees from the operation on a permanent basis.

GOOD PRACTICE SCREENING CHECKS

Providing feedback
Many Indigenous applicants fail the standard medical examination and mandatory drug and alcohol testing. Company personnel with expertise in communicating with Indigenous people fulfil an important educative role when they provide feedback to applicants on why their application was unsuccessful.

Examples of good practice include:
The medical check
→ in the case of the health check, explaining what exactly is wrong and why it makes them unfit for work
→ explaining what people can do in terms of lifestyle changes to improve their condition
→ advising them to get further medical advice (if appropriate) and where to get it.

Drug and alcohol testing
→ explaining why they have failed the test
→ directing them to help for their drug or alcohol problem
→ informing them how long it will take to 'get clean'
→ advising them that they can reapply for a position once they are confident they can pass the screening test
→ supplying alcohol and drug testing kits to communities for self testing.

SECURITY SCREENING AT ARGYLE DIAMOND MINE

Everyone who applies for employment or visits the Argyle operation is subject to a police security screen to check on his / her criminal record. Once a person applies for a position at the mine, a security screen is automatically triggered.

If the screen identifies a criminal record, this is communicated confidentially to the appropriate people in the company. Although those with criminal records are not named in the police report, local Indigenous people are usually identifiable through local knowledge. In these circumstances, an experienced company person with local knowledge will get in touch with the applicant to discuss the police check, if the applicant agrees to discuss the matter. In general, Indigenous people are prepared to explain why they have failed the test.

Following this discussion, the company representative will make one of two recommendations – either that the applicant should be allowed through the security screen into the next stage of the recruitment process or to reject the application. If the person's application is rejected, he or she is usually advised to stay out of trouble. If this can be done for a specified period, the person is eligible to reapply at a later date.

Source: Case study material provided by Argyle, 2006

Selection centre workshops

One good practice strategy for Indigenous recruitment that overcomes the difficulties posed by mainstream interviewing and psychometric testing practices is to use selection centres to evaluate potential applicants. Selection centre workshops, based around a culturally appropriate selection methodology (Archer & Widdeson, 2002), have become increasingly popular over the past four or five years. The workshops generally run for a day in the larger regional centres and up to four days at remote operations. The workshop process involves the observation of applicants over an extended period as they participate in a broad range of activities. These include:

→ class room activities
→ workshop sessions
→ practical outdoor and indoor exercises
→ site visits
→ social activities.

The purpose of selection centre workshops is to observe Indigenous applicants in action as they interact in a range of real life situations. Skills being assessed include completion of practical tasks, demonstrate problem-solving skills, interpersonal skills, and the motivation to succeed. For example, literacy and numeracy skills are assessed in part during traditional classroom activities but also through practical exercises that relate to real work situations. Applicants are also assessed on their ability to get along with others, to understand instructions and follow them consistently, and to complete tasks willingly and cooperatively.

The selection centre process is far more effective than the standard interview and psychometric testing for identifying potential Indigenous employees. The employer gains a much more accurate assessment of the enthusiasm, aptitude for the job and current state of work readiness of potential recruits because performance is being evaluated across a range of environmental settings. The selection centre process is also beneficial for potential recruits. Applicants who do not perform well in a traditional classroom setting can be perfectly competent in work-related situations and this process gives them the opportunity to demonstrate their skills. Similarly, the extended selection period is valuable because it can help to build the applicant's self-confidence.

Four operations in this study used selection centres to recruit Indigenous employees. In two cases the actual grading of applicants was conducted by skilled trainers who have experience in working with Indigenous people. In the other two cases, the assessment is conducted by a panel of company personnel who run the workshop sessions. By using selection centres and personnel who are experienced in working with Indigenous applicants, companies are more likely to identify Indigenous people who have the aptitude and the right attitude for work.

See opposite 'The Argyle Diamond Mine Selection Centre Workshop'.

Selecting the right person

Once the testing phase has been completed, it is then up to the site to decide who will be offered a position. Under mainstream practices, the approach is to select the person considered to be the best for the job. This is generally considered to be the person with highest qualification, broadest experience or who has performed best at the different stage of the testing process. On the basis of these criteria, many Indigenous people would be unsuccessful in applying for jobs without the assistance offered by Equal Employment Opportunity (EEO) programs.

The aim of EEO legislation is to ensure that workplaces are free from all forms of unlawful discrimination and harassment, and to assist Indigenous Australians (as specifically identified members of an EEO-recognised group) to overcome past or present disadvantage. Implicit in the legislation is recognition that some groups may require additional assistance to overcome social disadvantage. Under the requirements of EEO legislation, companies are expected to provide programs that will support Indigenous employees to gain the skills they need to participate effectively in the mainstream workforce.

The operations in this study had a variety of EEO programs in place. These included recruitment strategies designed specifically for Indigenous applicants, targeted training programs (such as the work readiness schemes described in the following section), career development and planning, and affirmative action policies that attempt to provide a balance between equity and diversity.

The offer of appointment

The final stage of the recruitment process is to advise applicants whether or not they have been successful in gaining a position. Applicants are generally advised in writing. At some sites where Indigenous applicants have been unsuccessful, the applicant is provided with feedback. By providing support and encouragement and explaining why the applicant has been unsuccessful, these operations are encouraging Indigenous applicants to persist in their search for work. With appropriate feedback and advice, applicants are more likely to understand why their application has been unsuccessful and what steps they can take to improve their chances of getting a job next time.

In one operation, the feedback process includes working with unsuccessful participants to create personal development plans. Participants are then encouraged to follow the plan and reapply for a position later. At this later stage, they are more likely to apply successfully for a position because they have demonstrated the necessary commitment to succeed.

THE ARGYLE DIAMOND MINE
SELECTION CENTRE WORKSHOP

Argyle conducts four-day selection workshops for all its Indigenous apprentice and trainee intakes. The workshops are for applicants who have completed the application process and passed the medical, security, and drug and alcohol checks. The workshops are coordinated and run by the company's training team and take place at the mine site. The trainers are skilled practitioners who are experienced in working with Indigenous people. All applicants know prior to the start of the workshop that they are being assessed for their suitability at all times during the four days, no matter what type of activity is being undertaken.

Activities
During the four days, the applicants participate in:
→ a visitors' induction
→ literacy and numeracy assessment
→ practical workshop assessment of basic manual skills
→ mine tours, accommodation tours
→ presentations / talks by mine personnel, including Indigenous personnel who describe the jobs they do and what is expected of them
→ health and safety requirements
→ healthy lifestyle expectations
→ leadership and team building exercises
→ social activities, such as a barbecue and cricket
→ conversations with individuals and in group situations.

Performance expectations
Potential apprentices and trainees are assessed primarily on their literacy and numeracy skills and their ability to follow instructions and work cooperatively with others. Literacy and numeracy testing is conducted throughout the workshop and much of the literacy assessment is focused around safety training. During the assessment workshop, applicants are expected to demonstrate literacy and numeracy standards to a predetermined level. Individual training plans are then developed to improve the literacy skills of individuals. As a general rule, literacy and numeracy skills improve significantly during the course of the traineeship or apprenticeship.

Apart from literacy and numeracy skills, the other crucial attribute being assessed during the entire workshop is the applicant's ability to get along with others. This includes the ability to work cooperatively within teams and to follow instructions consistently, competently and without argument.

The assessment process
The assessment process is continuous and updated daily during the workshop. This means that before they leave the site, applicants are told whether they have been successful or not. In cases where there are more successful candidates than apprenticeships available, those not granted apprenticeships are offered traineeships roles. In the case of unsuccessful applicants, trainers work with them to devise a development plan that will help them to overcome their weaknesses. They are then told that, if they follow through with the development plan, they can reapply at the next intake and will be accepted into the selection centre workshop.

Finally, at the end of the workshop, the program coordinator meets with the family and other interested community stakeholders to explain why the applicant was successful or not. The purpose of this meeting is to manage family expectations as there have been instances where community members have assumed that, once an applicant has reached the workshop stage, they will be guaranteed a job. Feedback is vital to managing expectations, disseminating information about how the recruitment process operates and maintaining robust relationships with the community.

Benefits
This comprehensive assessment process provides the opportunity to evaluate much more accurately a person's capability and potential for further training for a role in the operation. While this model has relatively high up-front costs compared with the standard interview process, it is much better at identifying the recruits who are likely to stay on and complete their apprenticeships or traineeships. This makes it more cost effective in the longer term because operations are more likely to have selected apprentices and trainees who will stay with the operations for a longer period, and the costs of turnover will be reduced. Finally, the selection centre process also provides the opportunity to identify people who may be suitable applicants following further development.

Source: Case study material provided by Argyle, 2006

WORK READINESS PROGRAMS

One of the major developments in providing employment opportunities for Indigenous people has been the instigation of work readiness programs. These programs, developed at different sites and in conjunction with local Indigenous communities and the federal government, aim to provide Indigenous people with practical work skills and experience in holding a regular job. While the programs vary somewhat from site to site, they share a common focus on personal development.

The objectives of these programs are to:
→ instil work habits such as attendance and punctuality
→ teach trainees how to listen to, and follow, instructions
→ provide trainees with the skills to manage their social, cultural and work obligations
→ build self-esteem by providing trainees with positive educational experiences.

These programs also fulfil the more traditional educational role of teaching literacy and numeracy skills and providing job-related training, such as occupational health and safety training. Three types of work readiness programs were found during this study. These were Australian Qualifications Framework (AQF) Traineeships, pre-vocational, sometimes called pre-employment programs, and all Indigenous Work Groups.

Australian Qualifications Framework (AQF) Traineeships

The Australian Quality Training Framework (AQF), developed by the federal government, provides the basis for a nationally consistent, high quality vocational education and training system. A major objective of the program is to assist in the development of flexible pathways to assist people to move more easily between education and training sectors and the labour market.

Traineeships combine work and structured training over a defined period of time, normally one or two years. The combination of on-the-job experience and training enables the trainee to develop practical skills and workplace knowledge. The entry level for these traineeships is based on criteria developed by experienced trainers who have worked extensively with Indigenous people. Good levels of literacy and numeracy are not essential as the traineeship is structured in such a way that people who need assistance in this area are supported in their learning. Notwithstanding this, some operations have set literacy and numeracy entry standards.

Traineeships result in nationally recognised qualifications, usually a Certificate I or II under the Australian Qualifications Framework (AQF), which is the name given to the system of national qualifications in schools, the vocational education and training (VET) sector (TAFEs and private training providers) and the higher education sector (mainly universities). The AQF supports flexible pathways which assist people to move more easily between education and training sectors and between those sectors and the labour market. These traineeships will be recognised throughout Australia and there is the option for these qualifications to be articulated into higher level qualifications.

Work readiness programs

Work readiness schemes, sometimes called pre-vocational or pre-employment programs, have been developed by several of the operations in this study to prepare Indigenous people either for traineeships or for direct employment in operational roles. These programs have been established specifically for local Indigenous communities to improve their employment prospects.

Since these programs have been developed independently by different operations, there are no set standards for them. They tend to vary in duration and content and most have been developed to suit local requirements. The evidence so far suggests that these are very effective programs for enabling Indigenous people to make the transition from community life to the mainstream workforce. The most successful programs are the ones that guarantee an offer of employment if the course is completed successfully.

The following case studies provide examples of three different approaches to work readiness programs.

ZINIFEX CENTURY MINE – DOOMADGEE CDEP PARTNERSHIP

This initiative, which has been in place for around four years, aims to create opportunities for people from the community of Doomadgee to obtain experience of working and living at a FIFO mining operation, develop work skills and potentially obtain full-time employment at Century mine.

Participants in the scheme undergo initial induction training and health checks and then go into a labour 'pool' which is used to provide short-term labour for Century in areas such as grounds maintenance, cleaning and concreting. Participants in the scheme work a one week on / one week off rotation and receive a substantial top-up to their CDEP wage. Century covers all costs, including flights and accommodation.

The size of the 'pool' varies between 12 and 25 people. In the past 12 months six participants have made the transition into permanent employment at Century; for most, this was their first full-time job.

Source: Case study material provided by Zinifex Century, 2006

BHP BILLITON IRON ORE'S INDIGENOUS MINING SKILLS PROGRAM

In 2006, BHP Billiton (BHPB) piloted its Indigenous mining skills program, a training scheme that was developed to provide a pathway to employment opportunities in the mining industry for Indigenous people. The program was a joint initiative of BHPB Iron ore, MacMahon Contractors and Pilbara TAFE. All nine participants completed the program successfully.

About the program
The program ran for 14 weeks, with participants dividing their time between TAFE studies and work experience at two BHPB sites. At TAFE, they undertook:
→ BHPB's Steps to Success program
→ numeracy, literacy and computer competency skills training
→ money management
→ senior first aid training
→ an HR information session
→ C class (car) drivers license and defensive driver training.

The participants then spent four weeks on site at Whaleback and Orebody 18 respectively. During this work experience phase, the students visited the processing plant, went on trucks and witnessed ore sampling, drilling and blasting.

Outcomes
→ two participants were offered fixed plant apprenticeships.
→ two chose to undertake clerical traineeships
→ one began studying for his certificate II in Metalliferous Mining Open Cut.
→ the remaining participants completed the course successfully but were not job-ready – they were receiving further mentoring and support to reach the job readiness stage.

The program was judged to be a success and BHPB, Macmahons and Pilbara TAFE were intending to run it again, later in the year.

Source: BHP, 2006

NEWMONT TANAMI'S PRE-VOCATIONAL PROGRAM

The problem
Historically, Newmont Tanami had a poor reputation in terms of promoting Indigenous employment. Although small scale courses targeting people from local Indigenous communities had been run since 2001, their outcomes were disappointing, with poor completion and retention rates. So, in consultation with Newmont's Regional Office, government departments and the Central Land Council (CLC), Newmont Tanami designed a new training program.

Catalyst for change
Traditionally, Tanami had relied on mainstream recruitment processes to recruit Indigenous people from outside of its operational area to meet its Indigenous employment obligations. However, this meant that few Indigenous people from the small local communities were employed. The Traditional Landowners of the mining lease expressed a desire to have "their people working on their lands" and Tanami agreed to fulfil this commitment.

A successful strategy
Newmont Tanami undertook an extensive review of their current recruitment strategies that involved:
→ conducting a critical analysis of previous courses to identify what worked and what did not.
→ identifying major community problems that needed to be faced
→ identifying the difficulties that prevented local Indigenous people from being 'work-ready'
→ consulting with on site contractors to identify the base requisite skills they required.

After this consultation process, the operation developed a new training program to provide the underpinning skills, knowledge and safe work practices required to enable a smooth transition of trainees into the workforce.

Elements of the training program
The pre-vocational program comprises the following elements:
→ A collaborative approach with the CLC, the Department of Employment, Education and Training (DEET) and several training providers.
→ An extensive screening process at the selection and interview stage by an experienced language, literacy and numeracy assessor using assessment materials specifically designed for Indigenous people.

→ The course is delivered by trainers well skilled in working with Indigenous students.
→ Those who successfully complete the course are offered long-term employment.
→ The 10-week training program gives transferable skills should candidates choose to leave.
→ On completion of the program, trainees are provided with a comprehensive and culturally appropriate introduction to the mine site during an 'orientation week', which is delivered by onsite trainers and a Traditional Owner.
→ Trainees graduate with a nationally recognised qualification on completion of the course. The program includes 16 accredited modules and six non-accredited, including literacy and numeracy assistance.
→ Trainees receive a training wage during the first phase of training that is incrementally stepped to reward performance.
→ On graduation, trainees move into a labour pool where they are deployed to various operational departments for on-the-job training and experience.
→ Once they join site operations, trainees receive a wage increase.
→ Mentoring support is provided by the program coordinator.
→ The CLC Employment Unit and Yuendumu Mining Company work with the program to ensure trainees return to the operation after R&R breaks at home.

Outcomes
Since the program began in 2004, there have been three separate intakes for trainees. To date, 23 people from a total of 35 participants have completed the training, are undertaking training, are directly employed or have gone on to further training.

All Indigenous work groups

Two sites participating in this study have made the decision to focus training initiatives on all-Indigenous work groups. While the program content for trainees in all-Indigenous work groups is similar to that provided in work readiness schemes at other sites, the fact that Indigenous employees and experienced trainers of Indigenous people work together provides a psychological safety net for the participants.

The aim of all-Indigenous work groups is to boost individual self-confidence and provide trainees with a sense of cultural security. On the basis of the evidence from the two programs currently running, all-Indigenous work groups are a very effective way of keeping young Indigenous men from remote communities involved in training schemes.

GEMCO's ALL INDIGENOUS WORK GROUP MODEL

In 1997 GEMCO implemented the "Making a Difference" (BHPB 2004) Indigenous Employment Strategy to provide Groote Eylandt Aborigines with the opportunity to develop the necessary skills and knowledge to pursue employment opportunities in the mining industry, take back to their local community to build capacity, or that could lead them to mainstream employment elsewhere. The program is focused on the Traditional Owners of the area, with exceptions made for the Indigenous spouses of Traditional Owners who come from other areas.

The program

The core of this employment and training program is real work in the Rehabilitation and Mine Services (RMS) section of the mine. A training program called the Employee Development Module (EDM) supports the practical skills being learned on the job. The EDM is a self-paced program covering four levels with a variety of options available to trainees as they progress through the levels. All levels have a literacy and numeracy component and on successful completion of the program, the trainee receives a Certificate 1 in Preparatory Education. The majority of skills in the EDM are nationally accredited.

Priority areas

Over the past 12 months, the program has focused on improving outcomes through the following strategies:
→ sourcing potential employees from pre-employment programs such as Groote Eylandt Bickerton Island Enterprises and Community Development Employment Programs
→ high focus on mentoring new starters to reduce risk exposure
→ tailored drug and alcohol training
→ performance management of crews and individuals and individual key performance indicators

→ individual training and development plans
→ leadership and teambuilding camps
→ reverse cross-cultural training to facilitate Indigenous employees coming to terms with work culture
→ movement of RMS employees into mainstream employment
→ improving the EDM through more emphasis on risk management and education
→ introducing computer courses
→ mentoring
→ revision of the literacy and numeracy courses to include a practical component focused on GEMCO's risk management processes.

Outcomes

These changes appear to be having very promising results especially in terms of reduced absenteeism.

RMS performance indicator (Indigenous)	2003	2004	2005	2006 YTD
Sick leave	5%	6.5%	7.1%	2%
Unplanned leave	14%	9%	12%	3.2%
Average No of employees	15	20	15.5	26
Working in mainstream employment	0	0	0	5

Source: Provided by BHPB GEMCO, 2004, 2005

CULTURAL AWARENESS TRAINING

An important way of improving recruitment and retention rates for Indigenous employees is to make them feel accepted in the workplace. The effective integration of Indigenous employees into the workforce is, in part, dependent on them joining a workplace in which their cultural values are acknowledged and respected.

All of the operations in this study, except two, conduct cultural awareness training for all of their new employees and contractors as part of their induction programs. Cultural awareness training courses have a number of objectives, including:
→ recognising and respecting the Traditional Owners of the mining lease
→ meeting agreement requirements
→ clarifying the company's expectations in relation to Traditional Owners
→ clarifying agreement requirements such as employment, training and land access rules
→ creating awareness and sensitising the workforce to Indigenous culture, history, expectations and issues
→ welcoming new people to Country.

These programs vary in length from half a day to two full days, with some companies requiring their staff to take refresher courses every two years. Depending on the operation, the program leaders may be Indigenous employees or specialist consultants. Sometimes programs are run by Indigenous people, others by non-Indigenous trainers with special expertise. In each case, the program leader has the support of the representatives of the Traditional Owners.

Cultural awareness training is a requirement of some land-use agreements, with input and approval by Traditional Owners often being a requirement of the agreement. Consequently, the training generally includes a discussion of the importance of the relationship between site personnel and the Traditional Owners of the mining lease. While a primary aim of these programs is to ensure that employees understand the significance for the business of maintaining good relations with local communities, some operations recognise the symbolic importance of cultural awareness training as a means of building good relationships with Traditional Owners.

CULTURAL AWARENESS: A TRADITIONAL SMOKING CEREMONY

One operation includes a traditional smoking ceremony as part of its induction program. The ceremony is held for all new employees and contractors at the site. The ceremony, which is conducted by the Traditional Owners of the land, welcomes newcomers to Country and offers them safe passage.

The inclusion of this ceremony in the induction process has enormous symbolic value.
→ It demonstrates the company's recognition of, and respect for, the Traditional Owners and their culture.
→ It sends a message to all new recruits that being culturally aware is a part of their responsibilities as employees of the company.
→ It is a recognisable symbol for Indigenous recruits who may be entering the mainstream workforce for the first time. By placing new experiences in the context of something familiar, the aim is to make the transition smoother for the recruit who is moving from one cultural tradition to another.

Source : Case study material provided to CSRM researchers

Cultural awareness training is an important aspect of the induction process. However, the most successful cultural awareness programs tend to be conducted separately from the main induction process. This is because the impact of the training can be diluted when it is conducted in conjunction with a range of other training programs. Inductees are presented with huge volumes of new information and it may be difficult to process all of it at once. Cultural awareness training is much more likely to influence people's behaviour if there is time to absorb the important messages that it is promoting.

Finally, cultural awareness training is not just an induction process for new recruits. These programs promote a shared understanding of, and demonstrate respect for, the values and customs of others. This means that it is important to run cultural awareness training courses periodically for corporate personnel. This serves to remind all employees that respecting the values of others is an important part of a company's culture. Keeping these values 'front of mind' with employees is a way of reducing discrimination and racism in the workforce.

CONTRACTOR RELATIONSHIPS

The good practice recruitment initiatives documented so far relate to direct employment of Indigenous people by individual mining companies. However, any discussion of Indigenous employment initiatives would be incomplete without reference to the role of contractors. Contractors are involved in all aspects of the minerals industry supply chain from sourcing and procurement (of labour, machinery, materials) through to transportation and distribution of the extracted ore. While the level of contractor involvement varies from site to site, most operations contract out at least some of their service requirements.

The number of Indigenous employees at the sites participating in this study ranged between two (site F) to 68 (site I) (Figure 1). As a percentage of the total workforce, contracted employees accounted for between 10 per cent (site H) and 61 per cent (site D) of the site workforce.

Figure 1: Indigenous company employees and contractors at participating sites

INDIGENOUS COMPANY EMPLOYEES AND CONTRACTORS
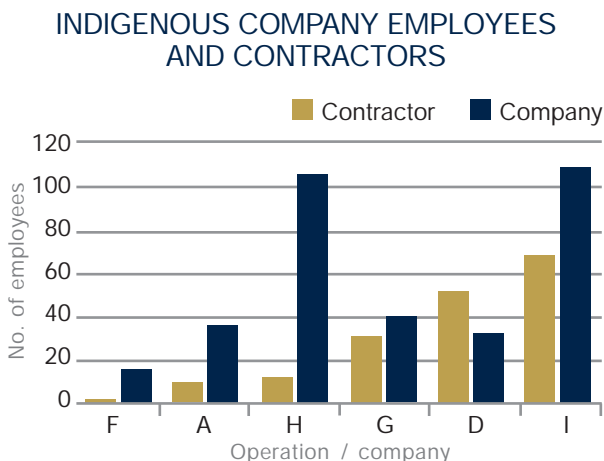
Sites B, C, E, J did not provide contractor data and have therefore been excluded.

The extent of contractor involvement with participating sites varies from the provision of services such as catering and cleaning, through to contracting out the entire mining operation. Evidence from this study suggests that the best Indigenous employment outcomes occurred at sites where:
→ mining companies had major agreements with Traditional Owners that included clauses specifically detailing Indigenous employment requirements for contractors
→ there were close working partnerships between the mining company and the contract service provider.

All the operations in this study require their contractors to provide Indigenous employment opportunities. However, an important finding from our research is that the costs associated with providing these opportunities are generally carried by the contractor because they are rarely factored into tendering systems. Specific challenges for contractors include:
→ mining companies expect contractors to have their own Indigenous work readiness and recruitment systems
→ the cost associated with training Indigenous people and their limited productivity during training is not factored into mining company tendering systems
→ mining companies often 'poach' Indigenous employees from contracting companies – this contributes to the already high turnover rates in contracting companies, and means that they are constantly training new recruits from scratch
→ mining company tendering systems do not necessarily consider Indigenous employment in their tender evaluation system weightings
→ the weighting allocated to Indigenous employment in company tendering systems does not reflect the effort required to build an Indigenous workforce successfully under service contract conditions.

These issues suggest that there is considerable room for improvement in terms of developing more cooperative relationships between contractors and mining companies to share the costs associated with providing employment opportunities for Indigenous people. Other improvements that could be made relate to systems and reporting requirements. For example:
→ clearly articulating the Indigenous employment requirements in contract tendering systems that match the companies' own Indigenous employment requirements
→ consistently applying Indigenous employment contract tendering requirements
→ monitoring and accurately measuring, recording and reporting information about Indigenous employees who work for contractors.

Contracting firms, too, are developing initiatives to improve Indigenous employment outcomes. Roche Mining, for example, focuses on developing relationships with local communities so that the majority of its Indigenous recruits are gained through word of mouth, reputation and referral. The company's Indigenous workforce is made up of many individuals who have joined the company through local recruitment initiatives throughout Australia. A key aspect of Roche's Indigenous employment sustainability strategy is that Indigenous people are engaged on the understanding that they have a future with the company following project completion. Wherever possible, continuity of employment is offered at other projects.

CONTRACTOR RELATIONSHIPS:
THE NEWMONT TANAMI / HWE APPROACH

Some companies are already working towards a more unified approach by working closely with contractors.

Newmont has developed a 'One Tanami' policy to create a unified workforce culture by encouraging interactions between company employees and contractors. Newmont funds a nine-week pre-vocational training program for Indigenous trainees, conducted by the site contractors, Henry Walker Eltin (HWE).

During the training period, Indigenous workers are:
→ paid a training wage by Newmont
→ rotated through various roles to provide exposure to different jobs on site
→ offered full-time positions either with Newmont or with HWE, on successful completion of the course.

Source: Provided by Newmont, 2005

As far as recruitment techniques are concerned, Roche adopts a number of the good practice recruitment processes we identified at other operations. For example, when commencing operations at Newcrest's Cracow Gold Project in central Queensland, Indigenous trainees were recruited during two one-day selection centre workshops. During the workshops, culturally appropriate recruitment methodologies were applied following consultation with Traditional Owners. Five trainees were employed as a result of this process.

Roche also partners with training providers. In partnership with one training provider the company established a short Certificate II course in Boilermaking – Welding. Six Indigenous trainees commenced work with the company as trades assistants and worked on different projects throughout Western Australia. These trainees subsequently went on to complete further certification courses. Roche has found this to be a successful model for engaging Indigenous employees in entry level roles and developing them into a skilled labour force.

Contract service providers to the minerals industry have a major role to play in increasing employment opportunities for Indigenous employees. The most successful programs for Indigenous people are ones that involve an active collaboration between mining companies, service providers and training institutions. While there is much work still to be done in this area, there are examples of good practice that demonstrate how mining companies and contractors can work together to provide training, education and work opportunities for Indigenous people.

ROCHE MINING AND SUSTAINABLE
INDIGENOUS EMPLOYMENT

Roche Mining is one of Australia's major providers of mining services, operating mainly in some of the most remote regions of Australia. The company has been addressing direct and indirect employment opportunities for family members of the Traditional Owners in remote communities. Three years ago Roche Mining embarked on an Indigenous Affairs strategy, focusing their efforts on employment and training initiatives.

Roche believes that achieving sustained Indigenous employment outcomes requires the understanding, support and commitment of mining services contractors who undertake work on mine sites. Especially in rural and remote areas, mining companies and mining contractors need to develop tailored approaches to recognise and respond to common challenges related to the attraction and retention of Indigenous employees.

Roche has adopted a number of strategies to support sustainable Indigenous employment in mining. These include:

RAISING CULTURAL AWARENESS
Indigenous recruits are often supervised by mining company personnel who are not familiar with Indigenous cultures. Successful strategies have a two-way educational approach, where Indigenous employees learn about non-Indigenous culture, and non-Indigenous employees learn about Indigenous cultures.

WORKING WITH ENGLISH AS A SECOND
LANGUAGE AND VARYING LITERACY LEVELS
Using face-to-face briefings and drawing on the expertise and liaison / mentoring role of Indigenous officers has enabled Roche Mining to respond to varying literacy levels and issues arising for employees whose first language is not English.

ACCOMMODATING WORK-LIFE ISSUES
Indigenous communities have strong extended family relationships and the company needs to find a balance between respecting and recognising these, while still meeting business objectives. Roche adopts a number of strategies to acculturate Indigenous employees to life on a mine site. For example, the company adopts a graduated approach to on-site living, by starting employees on a 5/2 roster before graduating them to the standard 14/7 roster pattern.

Similarly, young Indigenous people who have had very limited work experience are supported through a transition stage in which they become accustomed to mining life. During this time they gradually become acclimatised to early morning starts and 12 hour shifts.

Source: Provided by Roche 2006

RECRUITMENT

→ Traditional HR systems and processes make it harder for many Indigenous people to enter the mainstream workforce.

→ Good practice recruitment strategies include using face-to-face rather than written communication, using selection centre workshops to more accurately identify individual skills and abilities, and adopting flexible strategies to manage problems with drug and alcohol use.

→ A key issue for companies with land-use agreements that specify Indigenous employment targets is the lack of suitably experienced and qualified Indigenous people to employ.

→ Leading companies have developed a range of work readiness programs that focus on preparing Indigenous people for the transition into the mainstream workforce.

→ Cultural awareness training for all recruits, Indigenous and non-Indigenous, is an important component of the induction process.

→ Contractors play a major role in servicing the mining industry and provide many opportunities for Indigenous recruits. Cooperative relationships between mining companies and contractors improve Indigenous employment outcomes.

Retention

The issue of staff retention is currently presenting a major challenge for the minerals industry. Although minerals sector employees have the highest wages of all industries, the sector is currently experiencing significant problems with employee turnover and retention. The extent of the problem is difficult to estimate, but one study (NCVER/NILS, 2005), suggests that more than one in five mining industry employees (22 per cent) had been employed for less than one year. In the case of remote operations, turnover rates are even higher. One of the operations in this study, for example, recorded a turnover rate of 31 per cent in the previous 12 months.

There are a number of factors that influence employee turnover. These include economic, job–related, personal and social factors. Some of these factors, particularly economic ones, are outside the influence of individuals and impact on Indigenous and non-Indigenous employees alike. Similarly, job-related factors – how much people enjoy their work, and what opportunities they have to acquire new skills and gain promotion – are important to employees from all backgrounds. Other factors, such as personal confidence and the influence of family and community ties, are relevant to all employees but evidence suggests that they are particularly important determinants of absenteeism and turnover among Indigenous employees. The following paragraphs discuss the economic conditions, job characteristics, personal, social and cultural factors that influence retention rates.
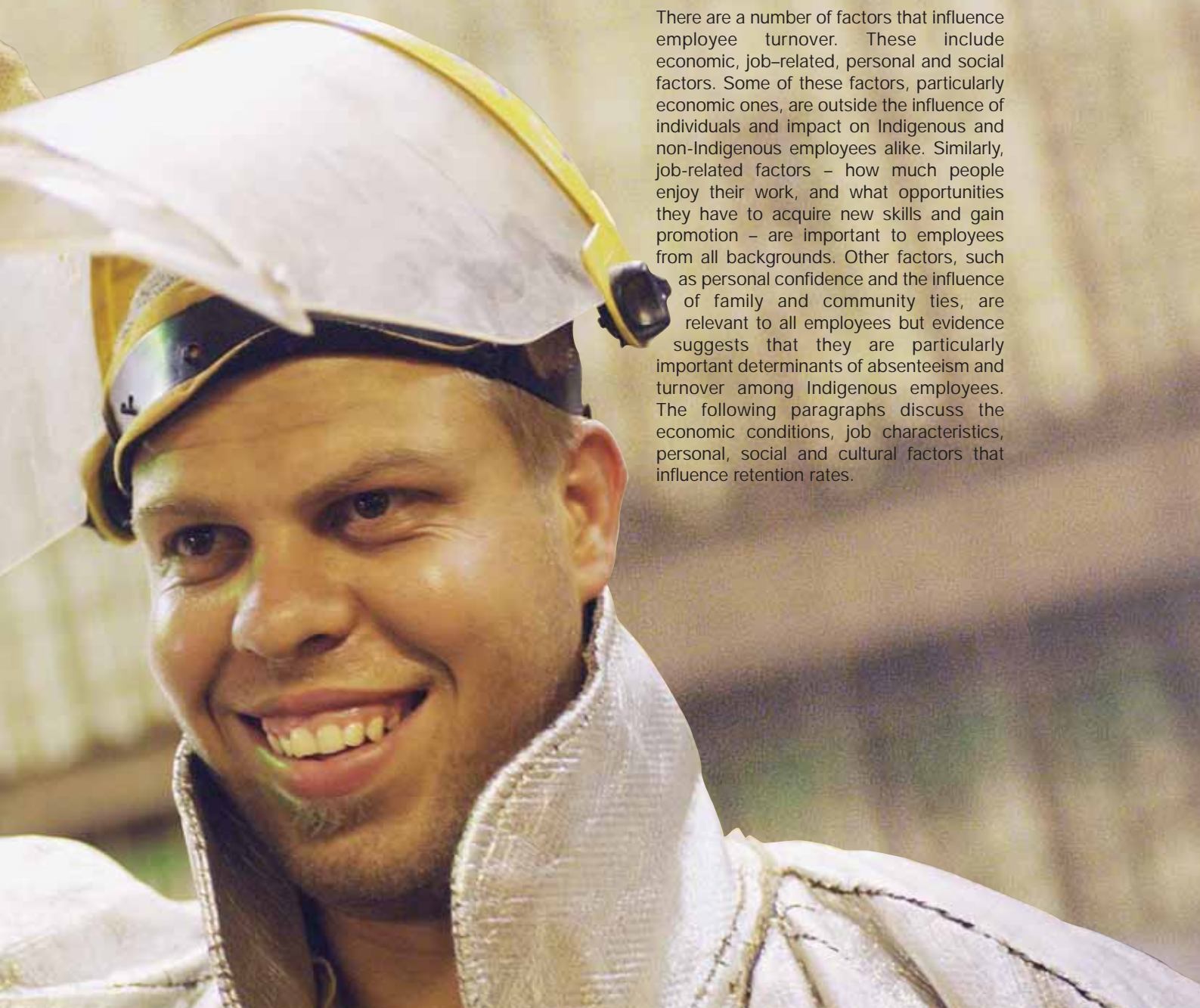
MAINSTREAM RETENTION ISSUES

Economic conditions

External factors, such as the state of the economy, labour market conditions and the industrial relations climate, have a major impact on employee intentions to stay or leave. When jobs are in short supply, people will tend to stay because they need the financial security of a regular job. However, when demand outstrips supply, they are much more prepared to change jobs, confident that there are more employment opportunities available to them. This is currently the situation in the minerals industry, where the demand for labour, particularly skilled labour, is very high.

Job characteristics

When the economy is booming, factors other than money may become the key drivers for considering a job change. Job-related factors that are known to lead to employee dissatisfaction with the current workplace include work overload, monotonous or repetitive work and lack of promotional opportunities. There is already evidence to indicate that work overload, in particular lengthy shift rosters and the demands of working on a FIFO basis, is a major reason that people leave their jobs in the mining industry (Brereton, Beach and Cliff 2003; CSRM and UQSRC 2006). It follows, therefore, that employees will be more willing to change jobs if they can obtain work in preferred locations, or where the roster patterns are more acceptable.

Professional challenges and opportunities for career development are also significant factors influencing turnover intentions. Many people look for challenging and interesting work and the opportunities to develop new skills. There is evidence that young people seek mentors who can teach them not only technical skills, but also how to prepare for new roles and responsibilities. If people are given encouragement in the workplace to gain technical, managerial and team-building competencies, they are more likely to stay with their employer. Recent survey evidence (CSRM and UQSRC, 2006) indicates that many people currently working in the minerals industry will reconsider their job options if career aspirations are not being met. Next to maintaining the balance between work and home (50 per cent), professional challenges and career development prospects (33 per cent) were the most important aspects for professional employees evaluating job options.

Personal factors

Personal factors also influence the willingness of employees to stay or leave. For example, individuals need a degree of self-confidence to function effectively in the workplace. If people believe they have the capacity to carry out their roles successfully, they are more likely to gain satisfaction from their work. There is some evidence in the minerals industry that young professionals, in particular, are being thrust into senior management and decision-making roles without sufficient training (CSRM and UQSRC, 2006). Some of them feel pressured and inadequately prepared for the sudden increase in responsibilities. From the individual's perspective, this can be extremely stressful and may lead to 'burnout' and the decision to leave the job.

Social factors

Finally, social factors such as feeling a sense of isolation, lack of family support and lack of time to participate in community activities are significant predictors of job dissatisfaction. The difficulties experienced by minerals industry personnel living in remote and rural locations are widely recognised. Issues such as loss of traditional support networks, distance from family and friends and demanding work rosters make it difficult to balance work and family commitments. One study of minerals industry professionals (CSRM and UQSRC, 2006) found that 50 per cent of respondents considered that maintaining the balance between work and home life was the most important factor that would influence their decision to change jobs.

On the basis of this evidence, it is clear that, as long as the current boom continues, mining companies will continue to face skills shortages and will need to look at more innovative solutions to convince people to stay in their current jobs. The wages differential is not enough to retain employees – people also want interesting work, promotion, opportunities to learn new skills and, above all, a way of balancing work and family commitments.

INDIGENOUS RETENTION ISSUES

The limited statistical data available on Indigenous turnover rates suggests that they may be somewhat higher than non-Indigenous rates in remote areas (Barker and Brereton, 2005). This is a concern for the industry for two main reasons. First, there is only a very small pool of work-ready Indigenous people available for employment. For those operations that have committed to specific targets for Indigenous employment, it can be difficult to reach the targets set when there are so few suitably skilled and experienced people available.

Another important consideration for mining companies is the level of investment they have made in Indigenous education and training schemes. Many of the operations in this study have made significant investments in a range of education and training initiatives to give Indigenous people the skills they need to participate in the workforce. If new recruits spend only a short time at an operation, the company may not be getting value for its investment.

The indicators so far suggest that similar factors influence Indigenous and non-Indigenous turnover rates. As described previously, these factors are economic conditions, job characteristics, personal factors and social and cultural factors. However, personal, social and cultural factors appear to have a greater impact on Indigenous employees than economic factors or job characteristics.

Economic conditions

When jobs are in short supply, Indigenous employees face retrenchment and difficulties in finding work like all other employees. When labour is in short supply, however, differences in opportunity for Indigenous and non-Indigenous employees become more apparent. For example, there is currently a severe shortage of skilled labour in the mining industry. Skilled tradespersons, supervisors and mining professional are in high demand. As a consequence, workers with these skills are being paid premium wages and are able to negotiate more favourable working conditions because they are in such demand.

For Indigenous people in operational roles, the impacts of a booming economy are beneficial in the short term in that wages are higher. However, during the course of this study, we found several examples of Indigenous employees who had the ability to train for trades or supervisory roles, but refused to take these opportunities because they would earn less. In the longer term, the decision not to take on trade or supervisory roles damages the career prospects of Indigenous employees, especially as the industry becomes more technologically sophisticated. From the point of view of individuals and companies, the decision to remain in lesser skilled roles for higher wages may ultimately be a poor one. It limits future employment opportunities for the individual and ultimately increases the likelihood of turnover if the individual becomes bored in the operational role.

Job characteristics

Much of the focus of the operations involved in this study has been on getting Indigenous people into the workforce. Sites have developed a range of approaches to attracting Indigenous trainees and prepare them for mainstream employment. There is relatively little information available, however, about current Indigenous employees, their job perceptions or their career ambitions.

An important observation during site visits was that Indigenous employees are aware of the limitations of working in semi-skilled operational roles. For example, some commented that the work was 'boring' and they wanted further challenges. Others felt they were overlooked for promotion. These observations are supported by the work of Barker and Brereton (2005), who found that eight per cent of survey respondents cited 'boredom with the job' as the reason for leaving employment at Century mine, while another six per cent cited inadequate training to enable transition to full-time work.

Personal factors

Personal, social and cultural factors have a major impact on Indigenous turnover rates. The critical difference between Indigenous and non-Indigenous employees is the enormous challenge faced by many Indigenous people in leaving remote or rural communities to enter the world of mainstream employment. It requires a degree of personal courage, self-confidence and determination to enter a world that often has very different values, standards and expectations. It also requires each operation to provide a level of support and encouragement for each worker that is above and beyond that generally required in the mainstream workforce. Similarly, for those from welfare-dependent communities with no experience of the mainstream workforce and no role models to encourage workforce participation, support is needed to make the transition to mainstream employment.

Social and cultural factors

The social issues that contribute to high rates of turnover among Indigenous employees are the same ones that limit their abilities to gain initial employment; lack of formal education, poor health, drug and alcohol problems, social and geographic isolation and managing the demands of large extended families.

Common problems in retaining Indigenous employees are:
→ conflict with managers and other employees
→ failure to pass drug and alcohol tests
→ 'no shows', that is failure to return from breaks or prolonged, unexplained absences from the workplace.

Workplace conflict can be generated by a number of factors. Sometimes, it is due to cultural differences, with some Indigenous people wanting to avoid certain tasks associated with the job. For example, a heightened awareness and belief in spirits may mean that some Indigenous people from very traditional communities may not wish to mine in certain areas. Similarly, knowing the rules and potential repercussions of being on another Traditional Owner group's country may make Indigenous employees reluctant to work on land that belongs to another traditional group, unless they are formally welcomed. For other Indigenous employees, there may be conflict over personnel management issues. Disagreements with supervisors or managers, working in a non-supportive team and perceptions of discrimination are common reasons for leaving the workplace.

Unexplained absenteeism or 'no shows' is a problem sites face in managing Indigenous employees. In many situations, these absences are the result of conflict between work and family commitments. Meeting the complex obligations and demands of an extended family and fulfilling employer expectations can be a difficult balancing act for some, particularly those working in FIFO operations who may be absent from home for extended periods. Anecdotal evidence suggests that a compounding factor is that Indigenous employees are often reluctant to discuss personal problems with their supervisors.

Finally, a less overt, but nevertheless important social issue that impacts directly on Indigenous retention rates is racism. This is an enormously complex and emotive issue and the extent of racism in the workforce, its impacts on individuals and how the industry might respond to it are matters far beyond the scope of this report. However, during site visits and interviews it became apparent that many people regard it as having an important impact on retention rates. We therefore report on some of the strategies adopted by one organisation to address racism in the workforce, as well as discussing the importance of mentoring and career development strategies for improving Indigenous retention rates.

STRATEGIES FOR IMPROVING INDIGENOUS RETENTION RATES

Community relations practitioners, trainers and managers interviewed during the course of this study identified action in five critical areas – family support, mentoring, flexible work rosters, career development and overcoming racism – as essential to improving Indigenous retention rates. Work readiness programs and mentoring develop the necessary knowledge, skill, experience, confidence and self esteem in Indigenous people to want to participate in the mainstream workforce. Flexible rosters enable them to balance work and family commitments. Career development opportunities and addressing racism in the workplace contribute to a more supportive work environment, encouraging more Indigenous employees to stay.

Mentoring

There is a widespread belief among practitioners that turnover among Indigenous employees is highest in the first 12 months, regardless of whether they are in training or operational roles. This observation is supported by data from the Barker and Brereton (2005) survey of former Indigenous employees of Century mine. Of those surveyed, more than a quarter had stayed at the mine for six months or less (Barker and Brereton, 2005:11).

Mentoring is regarded as the most effective strategy for reducing turnover rates. It is an essential component of all of the work readiness programs run by operations participating in this study and is regarded as a critical factor for enabling transition to the mainstream workforce. There is also a general consensus among practitioners that mentoring should extend beyond the initial training period to assist Indigenous people in making the transition from a traineeship to an operational role. This is thought to boost retention rates.

Mentoring refers to the process by which an employee receives support and guidance from an experienced colleague. It is a developmental relationship in which one person (the mentor) provides advice, counsel and guidance to another (the protégé). Mentoring is a one-on-one relationship, where the mentor variously takes on the roles of teacher, friend or parent. The mentoring relationship is based on developing trust and providing practical assistance and encouragement. It operates on three different levels:
→ pastoral mentoring
→ cultural mentoring
→ technical mentoring (King, 2005).

PASTORAL MENTORING refers to the role of a counsellor or tutor in providing help, advice and guidance of a personal nature. The sorts of personal support that mentors provide Indigenous people commonly include practical help to balance family and work commitments and emotional support and guidance to manage personal problems. The aim of mentoring programs is to provide a supportive environment where people can develop work and life skills. Pastoral mentoring also includes more practical assistance, such as arranging for medical or legal assistance, or organising transport to get the employee back to work, if he or she has failed to return from a break.

The purpose of **CULTURAL MENTORING** is to promote an understanding of Indigenous culture in the workforce. The cultural mentor has two roles. The first is to work with employers and site personnel to help them understand the importance of cultural obligations to Indigenous employees. The second is to provide support to Indigenous employees so that they can balance their cultural obligations with their work commitments. In this situation, the selection of the mentor is very important. The cultural mentor needs particular liaison skills because he or she must have the support of site management, must be respected by the employee and must be endorsed by the Traditional Owners as a suitable mentor.

Finally, **TECHNICAL MENTORING** refers to an educative process. The role of the technical mentor is to assist the protégé to become technically proficient to the standard required by the employer and / or the training course. The mentor must possess both job-specific technical knowledge, skills and experience and have the capacity and willingness to share this knowledge with the protégé. In some circumstances, where specialist knowledge is required, the mentor will arrange for a tutor to provide specific assistance to the trainee.

Mentoring in practice

All sites in this study have established mentoring arrangements but there is no standard approach and practices vary from site to site. In most cases mentoring is an integral component of a person's job, not a specific role. Most mentoring arrangements occur on an informal basis, although one or two operations have developed structured mentoring programs for their Indigenous employees. Mentors with clearly defined operational roles are in the minority and their positions are generally established as part of land-use agreements negotiated with Traditional Owners.

Most mentoring activities focus on developing technical skills and providing pastoral care. Only two of the operations in this study employed cultural mentors. In each case, the cultural mentor was a respected member of the local Indigenous community, who was also an employee of the company. Most of the operations had Indigenous employees who voluntarily took on a mentoring role as part of their normal job, to support trainees.

The role of the mentor is to keep Indigenous trainees involved and committed through the training course. Examples of the role of the mentor include providing advice to the protégé on how to work cooperatively with team members, or interceding on the protégé's behalf with supervisors to explain absenteeism or poor performance.

At this stage, the mentoring needs of Indigenous employees have been largely overlooked. Since operational resources are focused almost entirely on mentoring new recruits, little attention has been paid to Indigenous employees already in the workforce. As Indigenous workforce participation rates increase, the requirement for mentoring for career development will increase further.

THE MENTORING PROGRAM AT ARGYLE DIAMONDS

Argyle has more than 60 Indigenous trainees and apprentices at its operation. The Training Superintendent, the Trainee Master and the Apprentice Master mentor all trainees and apprentices.

The mentoring program is based on good practice guidelines for training young people in group situations.

The vast majority (90 per cent) of people who require mentoring assistance are young men and women grappling with the problems that affect most young people – learning how to manage their money, understanding the commitments involved in buying and running a car, prioritising social life and work obligations, coping with personal relationships and using their time off work in a constructive way.

The majority of problems with Indigenous employees arise during time off, so trainers / mentors are contactable seven days a week 24 hours a day, to tackle problems as soon as they arise.

Each Monday, the trainers / mentors get together to find out if there were any problems over the weekend, who may need help and how the assistance should be prioritised. If there are no incidents that bring new people to the attention of the mentors, they continue with the workload as it was prioritised during the previous week. The trainers / mentors maintain ongoing contact with each person to help him or her work through problems, and then return the trainee to the work routine again.

If appropriate, the trainee's family is involved in the process. Families are involved if they can provide support to the trainee. They are kept informed by the trainer about progress being made.

Source: Personal Interview with Argyle representative

FAMILY SUPPORT

One of the reasons for voluntary turnover by Indigenous people is the need to attend to family problems. In the case of FIFO operations, if Indigenous employees feel that inflexible roster structures keep them away from their families for too long, they are likely to leave their jobs. Especially if drug and alcohol abuse or domestic violence is a problem in the community, many feel that they are needed at home to try and deal with the current crisis.

Conversely, some Indigenous employees may be drawn back into dysfunctional family or social networks on their leave breaks and fail to return to work. They become involved in drinking, drug taking, or criminal activities that mean they can't work because they will fail the standard drug and alcohol checks.

In both these cases, it is problems in the communities that draw the employee away from work. This is where strategies that tackle the root causes of Indigenous socio-economic disadvantage are more important than any support the site can offer individual employees. Schemes such as the Groote Eylandt liquor management strategy and the Western Cape College education strategy assist in the development of more prosperous, self-managing communities.

It is not only in remote communities that Indigenous employees face difficulties combining family responsibilities with work commitments. Living in a mining town also creates challenges for Indigenous families who have moved from remote communities to the town. It is a large cultural shift from the passive social environment of a welfare-dependent community into a community where the culture of the workplace dominates the social as well as the economic life of the town. While most of the operations in this study provide pastoral support for their Indigenous trainees and apprentices through mentoring programs, few provide support for their partners and children. Especially at residential sites, partners face a range of situations that they may have never experienced before and that they are ill-equipped to cope with.

The challenges faced may include:
→ Developing and maintaining a home environment that supports the partner at work, in a structured manner. This includes:
  – provision of regular meals
  – application of budgeting skills
  – maintenance of home environment and household goods
  – dealing with external family requirements.

→ Developing and maintaining a home environment that supports their children at school. This requires extra planning to ensure:
  – regular sleep routines
  – regular homework routines
  – a more structured environment to help children adjust to 'mainstream' life more effectively
  – families that have the skills to manage any children's behavioural problems that may be a reaction to the changes in lifestyle.

When the partner of an employee does not have the capability to manage all or some of these responsibilities the burden is frequently transferred onto another family member in the town. This places an enormous burden on some households, especially if there are several members of the extended family who are not coping.

While most of the operations in this study provide pastoral support for their Indigenous trainees and apprentices through mentoring programs, few provide support for their partners and children. When Indigenous employees drop out of employment it is often because they feel that returning to their communities is the only way to cope with domestic problems.

According to survey evidence, the attrition rate of Indigenous employees is clearly linked to an unstable home life (Hall and Driver, 2002). Providing family support, therefore, may be as important as providing mentoring for Indigenous employees if companies are to retain their Indigenous employees. This support can take different forms. For example, a sympathetic supervisor will take into account personal difficulties and may be able to arrange rosters or shifts to give the employee the opportunity to attend to personal problems. If they are made aware of the problem, they may be able to offer advice on where support or assistance can be obtained. Supervisors in this situation need management support for their actions and to be comfortable in a mentoring role.

For some operations, it may be appropriate to set up support services in conjunction with the local Indigenous community, if community members feel this is appropriate. Agencies or individuals who can provide assistance with planning and household budgeting, or give advice on where to buy whitegoods and how to use them, or provide home help are examples of support services that may be beneficial.

FLEXIBLE WORK ROSTERS

Closely related to family problems is the issue of work rosters. This is not a problem unique to Indigenous employees. Twelve hour shifts and prolonged absences from home and family are major issues for many employees in the minerals industry, especially those working in FIFO operations (Beach, Brereton and Cliff, 2003). However, the family problems, kinship ties and sense of traditional responsibilities that tie many Indigenous employees to their local communities mean that prolonged absences create difficulties for many employees. Flexible work rosters that enable Indigenous employees to return home in the event of domestic problems are a key issue for employers to consider.

There is scope for far more flexibility in the minerals industry with regards to shift patterns and rosters than is generally recognised, especially at residential sites. Shorter working hours, job sharing and part-time work are options that appeal to many people trying to balance work and family commitments. For example, there has been considerable publicity recently about Ernest Henry mine, where the company has introduced a 'nine to three' roster for women who drive trucks at the mine. The purpose of this shift pattern is to enable the women to be home by the time their children come home from school.

Even at FIFO operations, there is scope for more flexible work rosters. Limited 'tours of duty' and equal time rosters are examples of roster patterns that give people more time with family. At present, most of these initiatives are occurring at the management level and are not geared specifically for Indigenous employees. Given the current skills shortages in the industry, however, these practices may need to become more widespread if operations are to retain their employees.

CAREER DEVELOPMENT

Career development for Indigenous employees is one of the most significant issues facing the minerals industry over the next decade, particularly in long-term mining operations. As Indigenous participation rates in the workforce increase, Indigenous people are unlikely to be content to stay in semi-skilled roles for the life of long-term mining projects. As indicated by the good practice examples in this report, several operations have made a concerted effort to improve Indigenous recruitment rates. As these recruits become more integrated into the workforce, we can expect that longer-term career planning will become a priority for them. The industry will need to address these aspirations to retain employees.

As reported in the data analysis section of this report (page 71), Indigenous employees are heavily concentrated in unskilled or semi-skilled roles in the mining industry workforce. There are a number of reasons for this concentration. First, as we have already indicated, those who do have jobs, especially in remote areas, tend to have a lower standard of education. This factor disadvantages Indigenous people who seek career advancement. Good career guidance and personal development training are necessary if they are to gain promotion to supervisory or management roles.

Second, there are no legislative requirements for mining companies in Australia to employ, train, educate or provide career development opportunities for Indigenous people. While the mining companies in this study all have agreements with Indigenous people that include employment and training commitments, only one has an agreement that requires the operation to provide career development opportunities.

There are existing career development structures at some operations. Work readiness programs, apprenticeships and cadetships are the three entry points for Indigenous people to embark on careers in the minerals industry (Figure 2). Work readiness programs prepare people for semi-skilled roles in operations, administration or supply and can lead ultimately to positions as supervisors or scheduling roles. Employees who have completed apprenticeships enter the workforce as skilled tradespersons, leading to future career opportunities as superintendents, supervisors and some middle management positions. Cadetships lead directly to professional roles for graduates, for example, as engineers, accountants and IT professionals. From these professional careers, graduates can move into management roles ranging from middle management positions to executive roles.

Apprenticeships currently offer the greatest career development opportunities for Indigenous people. Those who enter the industry via apprenticeship schemes qualify as skilled tradespersons, who are currently in great demand in the minerals industry. Work readiness or pre-vocational programs and traineeships can all be used as entry level programs to feed into the apprenticeship training scheme, if the trainee is prepared to undertake further study. This means that those who initially enter the workforce with poor literacy and numeracy skills have the opportunity to improve these skills on the job and then move into skilled roles via apprenticeship programs, if they are keen to develop their careers further.

To encourage the uptake of apprenticeships by Indigenous students, Century mine now offers apprenticeships to all local Indigenous students who

complete year 12. Indigenous students are given priority when positions are made available.

While there are opportunities for Indigenous people to move into apprenticeships either directly (if they have completed their secondary education to the required level) or via pre-vocational or traineeship schemes, the data from the sites participating in this survey suggests limited participation so far. Only two operations have apprenticeship programs with more than 20 apprentices, indicating that, at current levels, there will be only limited growth in the numbers of skilled Indigenous tradespeople in these regions.

The third pathway to career advancement for Indigenous employees is via cadetships. At present, there are very few Indigenous students eligible for these cadetships because most do not achieve the academic standard required for university entrance. However, some operations are now making attempts to get more Indigenous people into professional roles by offering cadetships to Indigenous students. While some operations offer cadetships to Indigenous employees on an occasional basis, only one company has established a successful National Cadetship Project.

Professional career development for Indigenous employees is clearly in its infancy. However, as the case study on Rio Tinto's Cadetship Project illustrates, the investment in career development opportunities for Indigenous people can lead to excellent outcomes and ultimately lead to improved retention rates. Figure 2 illustrates possible career development paths.

Figure 2: Career development paths for Indigenous employees

ENTRY POINT

WORK-READY PEOPLE

Work readiness programs
• pre-vocational
• all Indigenous work groups
• Traineeships

APPRENTICESHIPS

CADETSHIPS

ENTRY LEVEL

SEMI-SKILLED ROLES

• Entry level roles
• Operators
• Administration
• Supply

FURTHER STUDY

SKILLED TRADESPERSONS

• Electrician
• Welders
• Mechanics
• Fitters

FURTHER STUDY

PROFESSIONAL ROLES

• Engineers
• Geologists
• Environmental scientists
• Accountants
• IT professionals

CAREER OPPORTUNITY

SUPERVISORY ROLES

• Supervisor
• Scheduling / dispatch

FURTHER EXPERIENCE

SUPERVISORY / MIDDLE MANAGEMENT ROLES

• Supervisor
• Superintendent
• Maintenance planning
• Project roles

FURTHER STUDY

MIDDLE / SENIOR MANAGEMENT ROLES

• Technical specialists
• Technical project roles
• Supervisor
• Superintendent
• Managers
• Executive management

RIO TINTO'S AUSTRALIAN INDIGENOUS CADETSHIP PROJECT

A partnership approach
Since 1999 Rio Tinto has been engaged in the National Indigenous Cadetship Project (NICP), working in conjunction with the Commonwealth Government. The project is administered by the Indigenous Employment Branch of the Department of Employment and Workplace Relations (DEWR).

Aim of the project
The aim of the project is to develop Indigenous professionals with diverse skills and experience. To achieve this aim, NICP provides financial support to Indigenous students to study for tertiary degrees. Rio targets Indigenous tertiary students wishing to study in the following areas:
→ Engineering degrees (Mining, Chemical, Civil, Electrical, Minerals Processing / Metallurgy)
→ Science degrees (Metallurgy, Chemistry, Geology / Earth Sciences, Environmental Science)
→ Other degrees (Archaeology and Anthropology, Information Technology, and Business degrees in Communications, Accounting and HR Management).

Preference is given, but not restricted to, applicants from Indigenous communities located near Rio Tinto operations.

Generous support
Cadets enjoy a range of benefits:
→ annual study allowance of $12,000
→ annual textbook allowance of $1,000
→ 12 weeks paid vacation employment
→ career development
→ mentoring
→ technical skills development
→ experience in a global company.

A particularly valuable part of the scheme is the offer of vacation employment over the summer break. This provides cadets with practical industry experience in their chosen field of study, and the opportunity to familiarise themselves with the work environment in which they are likely to gain employment.

Outcomes
→ eleven graduates (five males, six females)
→ all have gained employment in their area of study
→ six (three males, three females) have taken up graduate roles with Rio Tinto
→ seven cadets (three females, four males) are currently undertaking cadetships.

PILBARA IRON'S APPRENTICESHIP PROGRAM

The Structured Training and Employment Program (STEP) is a joint partnership between Pilbara Iron and the Department of Employment and Workplace Relations (DEWR). The apprenticeship program at Pilbara Iron was established in 1999 to provide apprenticeship opportunities to Indigenous youths who graduated from high school through a Hamersley Iron ATAL initiative – the Gumula Mirnuwarni education project.

Partners in the apprenticeship program included Pilbara Iron, Department of Employment and Workplace Relations, ATSIC, Apprenticeships Western Australia, Pilbara TAFE, Pilbara Iron employees, native title groups, Indigenous people, contractors and the Department of Education.

The program was established in a disused workshop and requires all apprentices irrespective of trade to spend up to six months in the apprentice workshops gaining hands-on experience and safety awareness. At the end of this period, the mechanical trade apprentices continue their training in the apprentice workshops and other trades are placed in the business for their ongoing on-the-job training requirements.

In 2000, 12 young Indigenous people were selected to commence in the workshop. After a three-month trial period, nine of those were offered traineeships which progressed on to apprenticeships at the end of their first year of training. Eight of these nine original STEP apprentices graduated. The Apprentice Masters role involves the regular mentoring and coaching of all of these young people through their full apprenticeship period. This mentoring work was a key to the success of these apprentices.

A small team of Indigenous employees continues to provide mentoring support to the apprentice training supervisors as well as providing a coaching and mentoring service to other parts of the business, to work skills employees and mainstream Indigenous employees.

The mainstream apprenticeship program was outsourced to an external provider in 1997. By 2001 the company's Apprentice board found that these mainstream apprentices were not being well trained and had poor safety performance. The board became aware of the success of the STEP apprentice training program and, as a result of the high regard in which the business held the Indigenous apprentices (anecdotally they were their apprentice of choice), the Board widened the scope of the STEP apprentice workshop in 2002 to become the training ground for all first year mechanical apprentices, including Indigenous apprentices.

As a result of the success of this approach, the model was replicated in 2003 at Tom Price and in 2004 with two workshops, mechanical and electrical, in Cape Lambert.

Of the 129 trade apprenticeship positions in Pilbara Iron, 22 per cent (29 people) are filled by Indigenous people. In 2006 the apprentices achieved five years free from lost-time injuries, a significant safety achievement.

OVERCOMING RACISM

The final factor influencing Indigenous retention rates in the workforce is the issue of racism. As we have previously acknowledged, the relationship between Indigenous and non-Indigenous Australians is a complex one, and overcoming racism is an unresolved issue in the broader community. However, the minerals industry is a part of that broader community and, because so many of its operations are located in close proximity to Indigenous communities, it cannot afford to ignore the problem.

We raise the subject of racism in this report for two reasons. First, during site visits and interviews it became apparent that many people regard it as having an important impact on Indigenous retention rates. Several people cited racist comments and discrimination as reasons for Indigenous employees leaving the workplace. Second, some leaders in the minerals industry recognise racism as an issue for Australian society and have been prepared to comment publicly to that effect. Christine Charles, Newmont Regional Director, Environment and Social Responsibility, Australia and NZ said:

We must be constantly aware that our local perspectives reflect the often racist experience that has been Australia's past. We must accept that we have a country, which still bears the hallmarks of systemic racism. Systemic racism occurs when powerful institutions discriminate against a particular group of people by virtue of the philosophies which underpin their policies and practices.

Leading companies are prepared to acknowledge that racism in the workforce is a problem. We have identified at least one good practice example of what operations can do to counter racism in the workplace and develop strategies for addressing it. The case in question concerns an executive at one operation who commissioned a project to determine whether there was evidence of racism in the workforce and, if so, how pervasive it was. The project identified a level of entrenched racism that came as a surprise to the operation's leadership team. To their credit, the team acknowledged the extent of the problem and developed a comprehensive plan, complete with performance measures, with the aim of eliminating such behaviour in the workplace.

THE RACISM ASSESSMENT PROJECT

The project brief
The aim of the project was to determine if there was evidence of racism in the workforce.

An independent researcher was appointed to:
→ observe and conduct selective interviews with company employees and local stakeholders
→ evaluate the extent to which existing systems, symbols and behaviours promoted or facilitated a harmonious and productive workplace
→ gauge the acceptance of cultural diversity amongst employees, with particular attention to the recruitment, retention and development of Indigenous persons
→ prepare a written report outlining findings
→ provide a prioritised set of practical recommendations to enhance management's efforts to sustain a productive workplace.

The researcher conducted a series of interviews with individuals at all levels of management from departments across the site. Additionally, individual operators and operator focus groups were interviewed. A number of external stakeholders were also consulted to provide a view from outside the company.

Outcomes and recommendations
The assessment identified that racism was an issue at the operation and recommendations included:
→ revision of employment systems to officially accommodate cultural diversity
→ development of Indigenous employment and career development metrics
→ inclusion of those metrics in the performance measures of all managers
→ introduction of diversity management into the training programs provided for front line managers
  – training in the cultural and social aspects of the operation for all staff recruited from outside the local community; this is particularly important for senior managers
  – a requirement for all managers to exhibit appropriate behaviour in the broader community
  – working with local Indigenous leaders to significantly increase the symbols of Indigenous connection and history in the broader community.

Source: Provided by company

RETENTION

→ Family, social and cultural factors are the main reasons for turnover among Indigenous employees.

→ High rates of absenteeism can often be due to difficulties in adapting to mainstream working hours and conditions, or a response to family needs back in the communities.

→ The most effective strategies for improving Indigenous retention rates are:
   – ongoing mentoring
   – the provision of family support
   – flexible work rosters
   – addressing racism in the workforce.

→ The provision of career development opportunities for Indigenous employees is a largely neglected area. As more Indigenous people enter the workforce, greater efforts will need to be made to create career progression opportunities. Otherwise, it will be difficult for these people to return over the longer term.

Resources for practitioners

To improve Indigenous employment outcomes, there are four factors that are required:

→ the right people to drive organisational commitment to providing opportunities for Indigenous people

→ innovative recruitment and retention strategies to engage Indigenous people in the mainstream workforce

→ the provision of opportunities for career development

→ management systems to track performance.

This final section of the report focuses on the important role of management systems in tracking a company's Indigenous employment performance. Effective management systems enable companies to see how well new policies and processes are being implemented and which strategies are working. They also assist in the identification of problem areas so that interventions can be designed before a company has invested too much time and effort on a strategy that may not be providing the desired outcomes. Effective management systems also enable operations to collect data that tracks performance outcomes over time, allowing them to set meaningful performance targets. Finally, effective management systems are an indicator of a company's commitment to improving performance in a particular area. They send a clear message that management is committed to implementing its commitments.

An early finding from this study was that few operations keep comprehensive records about their Indigenous employees and even fewer have implemented management systems that enable them to record Indigenous employment data systematically, find information easily or report on performance against key indicators. Only a few operations kept comprehensive HR data on their Indigenous employees, for example, roles, skill levels, records of training programs attended and completion rates. None of the sites conducted exit interviews for Indigenous people on a consistent basis, so reliable turnover data were unavailable. Finally, the data collected by different companies varies enormously from site to site, even in the case of operations that belong to the same parent company. There were no standardised operational data that would enable comparisons between companies, sites or business units.

THE INDIGENOUS EMPLOYMENT EVALUATION TOOL

We have developed an Indigenous employment performance management framework to assist operations to set up their own management systems. The *Indigenous Employment Evaluation Tool* has been designed for use by practitioners, assessors / auditors and others to assess a company's operational commitment and capability to deliver consistent Indigenous employment outcomes. The tool can be used for:

→ assessing the Indigenous employment aspects of external or site-managed community assessment programs
→ comparing operations within the same company
→ identifying and prioritising performance gaps
→ developing an Indigenous employment strategy
→ assisting stakeholders to evaluate the effectiveness of Indigenous employment practices in different companies.

The tool is broadly modelled on the International Standards Organisation (ISO) framework, and follows the Plan, Do, Check Act cycle that is used in many management systems (Figure 3).

Figure 3: Indigenous Employment Evaluation framework
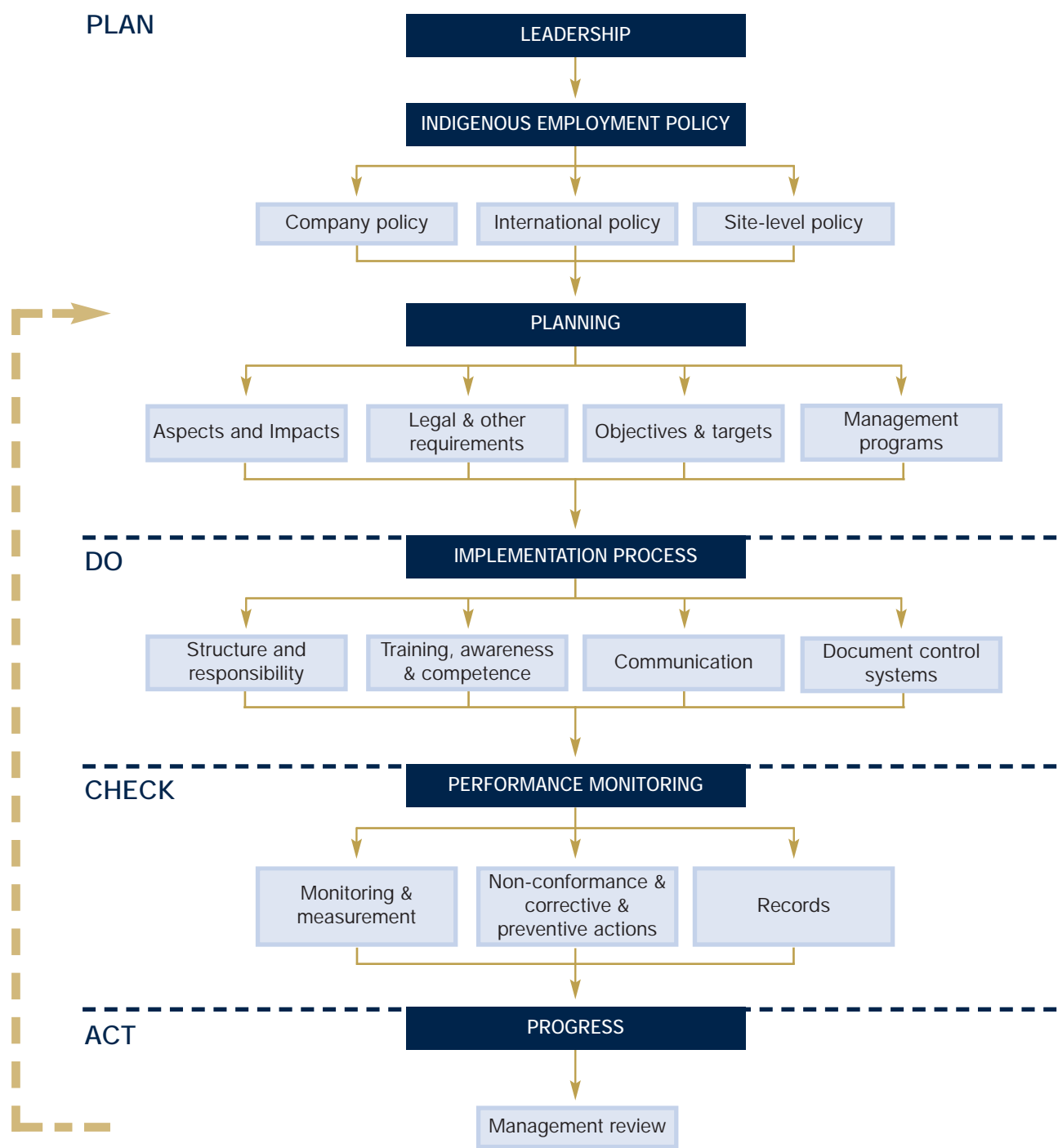
1 LEADERSHIP

Consistent with our findings on the importance of executive leadership in promoting and supporting initiatives that will increase Indigenous workforce participation rates, the first component of the evaluation checklist is leadership.

2 POLICY

A formal Indigenous employment policy enables a company to plan and implement effective Indigenous employment strategies that are consistent with its commitment to improving Indigenous participation rates in the workforce. Depending on the size of the organisation, a company may have in place a company policy, an international policy (in the case of multi-national corporations) and a site-based policy.

3 PLANNING

The first stage of the planning process is the development of an aspects and impacts register. The purpose of the register is to record the specific objectives and performance outcomes designed to meet the company's Indigenous employment policy and agreement commitments. An aspects register:

→ documents the key elements influencing Indigenous employment opportunities and outcomes that are within the company's sphere of influence, both internally and externally
→ refers to specific accountabilities for each aspect
→ includes a risk rating for each aspect.

The second phase of planning involves creating a documentary record of laws and regulations relevant to Indigenous employment. These include:

→ legislation (state, federal, local)
→ agreements, such as land-use agreements
→ community standards.

Finally, the planning stage involves the development of performance objectives and targets for Indigenous employment. Objectives set the overall aims the company wishes to achieve from its Indigenous employment initiatives and targets define the performance measures required to meet those aims.

4 IMPLEMENTATION PROCESS

The implementation phase involves the establishment of roles, responsibilities and authorities to ensure corporate objectives are met. This entails:

→ defining specific roles, authorities and reporting requirements for people involved in the training and support of Indigenous employees
→ ensuring that these people are appropriately trained and competent to teach and mentor Indigenous employees
→ establishing and maintaining clear lines of communication between a company's internal stakeholders – trainees and trainers, managers and supervisors
→ developing and maintaining appropriate formal communication channels with external stakeholders such as government agencies, Traditional Owner groups and contractors
→ a document control system to ensure easy access to reliable (and current) Indigenous employment records.

5 PERFORMANCE MONITORING

Once the appropriate systems are established, effective performance measurement systems are required to ensure they are functioning effectively and that progress is being made towards improving Indigenous employment outcomes. This involves the development of:

→ an effective assessment or audit system
→ a process for identifying non-conformance or non-compliance with established policies and performance targets
→ a process for implementing corrective actions
→ appropriate records maintenance.

6 PROGRESS

The final component of the *Indigenous Employment Assessment Checklist* is the management review process. The purpose of the management review is to:

→ assess performance against current targets
→ assess the effectiveness of existing objectives and targets
→ assess opportunities for improvement
→ update systems, objectives and targets, where appropriate
→ ensure adequate resources are available.

The elements of this framework are summarised in Table 8 and full details can be found in the *Indigenous Employment Assessment Checklist* booklet that accompanies this report.

While our research indicated that none of the operations in this study had a separate management system to track the Indigenous employment programs, one operation includes Indigenous employment as a component of its External Relations Management System, placing it on an equal footing with all their other Health, Safety, Environment and Community (HSEC) initiatives. This particular system establishes a benchmark for the industry.

In this system, Indigenous employment is integrated into the community relations area. Company expectations and accountabilities are clearly defined, data management is streamlined and this creates a sense of confidence that the operation can meet its Indigenous employment commitments and minimise variations in performance over time. This system is an example of a relatively new initiative in the minerals industry and has required the development of new competencies and capabilities. It is a rigorous approach that means the systems, procedures and practices are documented so that critical information no longer resides solely in the heads of the experienced personnel who work in the area.

The strengths of this system are discussed in the Newmont Five Star Management System case study.

Table 8: The Indigenous Employment Assessment framework

STAGE	ASPECT	DESCRIPTION
PLAN	LEADERSHIP	Demonstrated leadership by the top management team
	POLICY	Provision of an operational framework that documents a company's commitment to the Indigenous people whose land is being mined
	Company policy	Development of an Australian Indigenous relations policy
	International policy	Development of an overarching policy on Indigenous relations globally
	Site policy	Specific contractor policy
	PLANNING	Planning to establish, implement and maintain Indigenous employment procedures
	Aspects and impacts	Factors within the control of the company that impact on Indigenous employment
	Legal requirements	Records of statutory obligations, land-use agreements, industry and community standards
	Objectives and targets	Setting targets for Indigenous employment, retention and training programs
	Management programs	A documented site system that records all management programs or plans that are relevant to Indigenous employment outcomes
DO	IMPLEMENTATION PROCESS	Putting policy commitment into action
	Structure and responsibility	Definition of roles, responsibilities and authorities
	Communication	Documented procedures for regular formal communication with internal and external stakeholders
	Document control system	Implementing a formalised document control process
CHECK	PERFORMANCE MONITORING	Documented process at the site level for formal assessments or audits of the Indigenous employment system
	Monitoring and measurement	Measuring performance against Indigenous employment targets
	Non-conformance and corrective and preventive actions	Development of a corrective planning register
	Records	Maintenance of adequate records
ACT	PROGRESS	A formal review process to assess performance
	Management review	• to assess performance against current targets • to assess the effectiveness of existing objectives and targets • to assess opportunities for improvements • to update systems objectives and targets

NEWMONT'S FIVE STAR INTEGRATED MANAGEMENT SYSTEM

In 2003, Newmont introduced its Five Star Integrated Management System to ensure effective management processes are in place at all operations to manage its health and safety, community and environmental responsibilities. The management system has the following major strengths:

Policy
This policy sets a clear benchmark for the industry. It contains:
→ an overall policy and a secondary policy, the Australian Indigenous Peoples Policy' that apply to all of their Australian operations
→ guidelines to explain and clarify the Indigenous employment intent of the overall policy
→ unambiguous objectives in the secondary policy that address key operational leadership and HR issues for Indigenous employment, such as:
  – cultural diversity within work environments
  – racism in the workplace
  – sustainable business enterprise
  – employment and career development opportunities in local Indigenous communities
  – increasing the number of Indigenous people employed in the company.

Indigenous employment standard
The standard and guidelines are comprehensive and support the company's Indigenous employment policies.

Planning
The Indigenous employment plans were an integral component of the site planning process and contained the following key elements.
→ the tasks to be completed
→ who is accountable for completing the tasks
→ an estimated time for completion of tasks
→ tasks were risk ranked and prioritised using an Australian standard risk ranking method
→ a corrective action planning register was an integral component of the planning process.

Data
Data collection, recording and reporting was conducted to a documented procedure and is auditable.

Work readiness and recruitment
The pre-vocational and recruitment systems were designed specifically for local circumstances and all systems and procedures were documented.

Cultural awareness
Cultural awareness training was provided for all employees and contractors.

Operational leadership
The policy, standard and guidelines provided excellent clarity of expectations and accountability for operational leadership.

Document control
All Indigenous employment systems, procedures and practices were documented and subject to document control.

Corrective and preventive actions
The corrective action planning register provides a clear auditable register of the hazard / issue, the source document, follow up action required, person accountable, required finish date and current status.

External assessments
These assessments are conducted annually against the Indigenous employment standard and are well documented. The issues and improvements noted in the assessments are followed up and actioned. This system sets a clear benchmark for the industry.

Source: The evaluation of this system was undertaken as part of the research for this project

USEFUL LINKS

Industry associations

Australasian Institute of Mining and Metallurgy   *http://www.ausimm.com.au/*
Minerals Council of Australia   *http://www.minerals.org.au/*
New South Wales Minerals Council   *http://www.nswmin.com.au*
Chamber of Minerals and Energy Western Australia Inc *http://www.cmewa.com.au/*
Queensland Resources Council   *http://www.qrc.org.au/*
Tasmanian Minerals Council   *http://www.tasminerals.com.au/*

Government agencies

Working with Communities
Community Development Employment Projects (CDEP)
http://www.workplace.gov.au/workplace/Category/SchemesInitiatives/IndigenousProgs/CommunityDevelopment EmploymentProjectsCDEPProgramme

Indigenous Employment Centres (IEC)
www.workplace.gov.au/workplace/Individual/IndigenousAustralians/IndigenousEmploymentCentres.htm

Working with employers
Structured Training and Employment Projects (STEP)
www.workplace.gov.au/workplace/Individual/IndigenousAustralians/StructuredTrainingandEmploymentProjectsSTE PforEmployees.htm

Corporate Leaders for Indigenous Employment Project (CLIEP)
www.workplace.gov.au/workplace/Category/SchemesInitiatives/IndigenousProgs/CorporateLeadersforIndigenousE mploymentProject.htm

Wage Assistance
www.wageassistance.gov.au

National Indigenous Cadetship Project (NICP)
www.workplace.gov.au/workplace/Individual/IndigenousAustralians/NationalIndigenousCadetshipProjectNICPforSt udents.htm
Indigenous business services and programs

Indigenous Business Development Programme (IBDP)
www.workplace.gov.au/workplace/Organisation/Businessassistance/IndigenousBusinessDevelopmentProgrammeIBDP.htm

ORGANISATIONAL MATURITY CHART

The purpose of the chart is to:
→ evaluate the maturity of a company/site's Indigenous employment policies and practices relative to the good practice standards established by this study
→ enable comparison between companies, sites and operations by establishing a consistent frame of reference for evaluating performance
→ provide a tool that allows for easy identification of organisational strengths and weaknesses in particular areas.

The Organisational Maturity Chart describes five stages of maturity in Indigenous employment initiatives, ranging from 'no interest' through to 'committed, capable and consistent' performance. The chart follows loosely the structure of the evaluation tool, evaluating maturity in the following areas:
→ leadership
→ policy
→ standards
→ agreements
→ targets
→ planning
→ competent people
→ readiness, recruitment and retention systems
→ cultural awareness
→ recognition and reward
→ measurement
→ document control
→ corrective and preventive action
→ assessment
→ partnerships
→ Indigenous employment levels.

The chart, which is intended for use either in conjunction with the Indigenous Employment Assessment Checklist, or as a stand-alone tool, is illustrated in Table 9.

Table 9: Organisational Maturity Chart

	1. NO INTEREST	2. TOKEN
LEADERSHIP	Senior management believe it is "not necessary in our business"	Senior management believe it is "too hard" or "we don't know how to do it"
POLICY	No policy	Vague policy
STANDARDS	No Indigenous employment standards	No Indigenous employment standards
AGREEMENT	No agreement	Vague agreement commitments
TARGETS	No targets	No targets and Indigenous employees poorly defined
PLANNING	No Indigenous employment plan	No Indigenous employment in plan Little resourcing Resourcing applied to external initiatives
COMPETENT PEOPLE	No Community Relations people with Indigenous competencies	Few, if any, personnel with Indigenous competencies
READINESS, RECRUITMENT & RETENTION SYSTEMS	Mainstream recruitment systems, procedures and practices are used	Same as 1. Statements made about commitment but mainstream practices used
CULTURAL AWARENESS	None	Cultural awareness acknowledged but training perceived as unnecessary
RECOGNITION & REWARD	Not in role descriptions or recognition / reward systems	Indigenous employment is not in role descriptions or in recognition / reward systems
MEASUREMENT	None	Indigenous employment is not measured or reported
DOCUMENT CONTROL	None	Indigenous employment and training policy and planning documents not subject to document control
CORRECTIVE & PREVENTIVE ACTION	No system in place	A corrective and preventive action system incorporated in HSE
ASSESSMENT	None	Internal and external assessments are established for HSE
PARTNERSHIPS	No partnership	Partnerships are established with government departments and NGOs for purposes other than Indigenous employment
INDIGENOUS EMPLOYMENT	No Indigenous employees	Few Indigenous employees and they may not be officially identified as such

3. COMMITTED	4. COMMITTED, CAPABLE	5. COMMITTED, CAPABLE, CONSISTENT
Senior management has signed off on the business case for IE & articulated commitment to operations & Competent Community Relations people in corporate roles	Same as 3	Same as 3 & 4
Indigenous employment policy developed & communicated	Same as 3	Same as 3
Indigenous employment standards being developed	Indigenous employment standard implemented	Same as 4
Agreement with Indigenous employment & training clauses	Agreement has specific performance standards and local demographic identified	Same as 4
Specific targets perceived as not necessary for Indigenous employment	Yearly targets are being set and achieved in operator, trade & supervisory roles	Same as 4
Indigenous employment is in the yearly plan Adequate budget has been allocated STEP or corporate leaders contract is in place	Yearly Indigenous employment plans are documented, prioritised by risk ranking, who, what, when and review is identified. Same as 3	Same as 4
Competent Indigenous diversity personnel Community & Training roles in the operation	Same as 3 Competent Indigenous diversity personnel in HR	Diversity embedded throughout the operation
Diverse readiness, recruitment and retention systems are in operation Traineeship and apprenticeship programs are operating Systems are owned by Community or Training	Diverse readiness, recruitment, retention systems, traineeship and apprenticeship programs are embedded and successful Systems are owned by HR	Same as 4
Cultural awareness training is conducted for all new employees	Cultural awareness training is compulsory and conducted for all employees and contractors Cultural awareness training is part of Indigenous employment Inductions	Same as 4 Regular 'refresher ' training is compulsory for all employees and contractors
Indigenous employment is in some role descriptions and some roles are recognised / rewarded for Indigenous employment performance	Same as 3 and line leadership is also included Operational leadership is committed	Same as 4
Indigenous employment targets are measured and reported to site requirements	Indigenous employment targets have defined lead & lag measures are recorded & reported in the same manner as other site KPIs	Same as 4
Some Indigenous employment and training related procedures and practices are documented	All Indigenous employment and training related procedures and practices are documented	Same as 4
Corrective and preventive actions occur in an ad hoc unrecorded manner and incidents are subject to re-occurrence	A corrective and preventive Action system is in place	A corrective and preventive action system is embedded
Internal and external audits are established for AQF traineeships and apprenticeships	Internal and external assessments / audits are established and include Indigenous employment. Plus, same as 3	A corrective and preventive actions system operates for HSE
Relationships are being developed with Indigenous people Ad hoc partnerships are established with government departments and NGOs	There are robust relationships with Indigenous people – regional partnerships are being developed to improve education, training, health and employment outcomes	Robust regional partnerships are delivering sustainable Indigenous education, training, health and employment outcomes
Indigenous employees are in semi skilled roles, traineeships and apprenticeships	Many Indigenous employees in semi-skilled, trade and supervisory levels, a few superintendents and managers	Sustained Indigenous employment levels at, or above the regional demographic and at all / most levels

→ Management systems play an important role in tracking a company's Indigenous employment performance.

→ Few operations in this study keep comprehensive records about their Indigenous employees.

→ Only one company in the study had implemented a management system to enable it to record Indigenous employment data systematically, find information easily and report on performance against key indicators.

→ The Indigenous Employment Assessment Checklist provides a model that can enable companies to develop their own Indigenous employment management systems.

→ The Organisational Maturity Chart enables practitioners and company personnel to evaluate the level of maturity of their Indigenous employment policies and practices and identify what steps can be taken to improve performance.

Conclusion

Key findings from this study are that:
→ The advent of native title legislation has created a powerful business driver for changing attitudes within the minerals industry.
→ The partnership model is the best way to achieve outcomes that are regarded as successful by all parties. Community engagement and cooperation are essential to achieving improved recruitment and retention rates for Indigenous employees.
→ Robust relationships with Indigenous people based on recognition, respect, trust and honouring commitments are fundamental to success.
→ Regional partnerships with government and non-government organisations are crucial to the development of initiatives to improve the education, health and social capacities of Indigenous people to create sustainable Indigenous employment outcomes.
→ There is a viable business case embedded in the sustainable development agenda of the minerals industry.
→ When operations give the same commitment to Indigenous employment initiatives as other business activities, good outcomes can be achieved in relatively short time frames.

The companies in this study that have the best Indigenous employment outcomes understand the value of 'the people factor':
→ Executive leadership and dedicated commitment from people at the top is critical to a company's success in improving outcomes for Indigenous people. Unless corporate leaders 'walk the talk', tokenism is the likely outcome.

There are many examples of good practice recruitment strategies that improve Indigenous employment outcomes. In the area of recruitment they include:
→ recruitment centre workshops to assess the potential of new recruits
→ the development of specific work readiness programs to aid in the transition from community life to mainstream work
→ mentoring support and cultural awareness training to support new recruits.

Strategies to improve retention rates include:
→ ongoing mentoring programs
→ family support
→ flexible work rosters
→ career development
→ addressing racism in the workforce.

Good management systems to track progress on Indigenous employment initiatives also are important to companies wishing to improve Indigenous workforce participation rates.

In conclusion, it is important to acknowledge both the challenges involved in increasing workforce participation rates for Indigenous employees and the efforts of the operations involved in this study in trying to overcome some of the obstacles that limit Indigenous participation in the mainstream workforce. The leading companies recognise that tackling the root cases of unemployment – economic hardship and social disadvantage, low education levels, poor health and lack of role models – is the best way to help those Indigenous people locked into a cycle of poverty and welfare dependency. Partnering with local communities, companies and governments, and taking a longer-term view, can help address the causes, not just the manifestations of economic and social disadvantage.

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Research method

A total of six companies agreed to participate in this project. They included four mainstream mining companies (Rio Tinto, BHP Billiton, Newmont and Zinifex) and two companies supplying contract labour (Ngarda Construction and Roche Mining). Ngarda is based in the Pilbara and Roche Mining has a presence at numerous sites across Australia. With the exception of Ngarda, all the companies that participated in the study are members of the MCA.

The most extensive involvement was with Rio Tinto, which had five operations participate: Rio Tinto Coal Australia (RTCA), Comalco Gladstone, Pilbara Iron, Comalco Weipa and Argyle Diamonds. Three of these operations encompassed multiple sites (nine each in the case of RTCA and Pilbara Iron and two at Comalco Gladstone). Three BHP Billiton operations – Groote Eylandt in Arnhem Land and two iron ore mines in the Pilbara – were involved. There was one operation each from Newmont (Tanami in the Northern Territory) and Zinifex (Century in north-west Queensland).

Literature review

The first stage of the project involved a review of the literature on Indigenous employment, drawing on:
→ government and industry reports
→ academic literature and research reports
→ Australian Bureau of Statistics (ABS) data
→ internal company documents and public reports from the participating companies.

This material helped us to identify key themes and trends in Indigenous employment and to develop interview questions.

Statistical data

Statistical data about Indigenous employment trends and patterns were obtained from three main sources:
→ broad-based social and economic data from the Australian Bureau of Statistics (ABS)
→ a 2002 survey of the minerals industry conducted by the Australian Bureau of Agricultural and Resource Economics (ABARE)
→ data provided by the operations that participated in this study.

These data were analysed to highlight overall trends and patterns in Indigenous employment in the minerals industry and to identify significant differences – and similarities – between the participating operations.

Site visits

Twelve sites were visited as part of the study. These sites were selected primarily on the basis that the operation and / or parent company had shown a commitment to increasing Indigenous employment and would, therefore, be more likely to provide examples of good practice. The largest number of case study sites were in Western Australia (seven) followed by Queensland (three) and the Northern Territory (two). Most were located to the north of the tropic of Capricorn, in regions where there are substantial Indigenous populations. The locations of these sites are shown in Figure 4 and site-specific details are provided in Table 10.
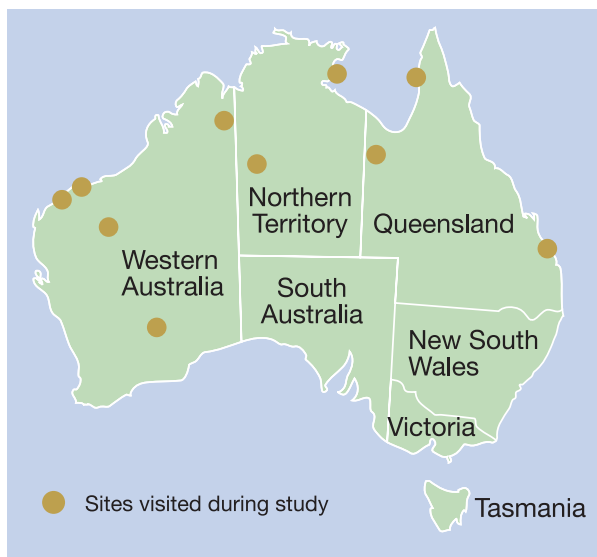
Figure 4: Site locations

Table 10: Sites / operations visited for the study

Parent company	Site/ operation	Location	Major commodity
BHP Billiton	Groote Eylandt	Arnhem Land, NT	Manganese
BHP Billiton	Newman	Pilbara region, WA	Iron Ore
Newmont	Tanami	Tanami Desert, NT	Gold
Rio Tinto	Comalco Weipa	Western Cape York, Qld	Bauxite
Rio Tinto	Comalco BSL & CAR	Gladstone, Qld	Alumina & aluminium
Rio Tinto	Pilbara Iron Dampier	Pilbara region, WA	Iron ore
Rio Tinto	Argyle Diamonds	East Kimberley region, WA	Diamonds
Zinifex	Century	NW Qld	Zinc

In the case of RTCA, key company personnel were interviewed, but no site visits were undertaken. This was because RTCA was in the process of developing and implementing an Indigenous Employment Strategy for all its operations in Queensland and New Wales. It was decided that there was little to be gained by assessing a program that was undergoing major changes.

In the case of the two contract labour companies, interviews were conducted with company personnel and four site visits undertaken. The same evaluation framework for assessing Indigenous Employment initiatives that was used in evaluating site operations was used for the labour hire companies.

SITE DATA COLLECTION PROCEDURES

Each operation was contacted through its Community / Indigenous Affairs Manager, who arranged a site visit of three to four days' duration. During the site visits interviews were conducted and notes were taken. These interviews typically lasted around one and a half hours and mainly involved key personnel from the Community,

Human Resources, Training and Operations Departments. A total of 113 face-to-face interviews were conducted across all the sites and participating companies. Supporting company documentation, such as internal reports and workforce statistics, was also collected during the visits. These sources were used for verification and reporting purposes and were gathered either in hard copy or electronic format.

The data collection framework developed for the project was broadly modelled on the International Organisation for Standardisation (ISO) Management System. The ISO framework is based on the Plan, Do, Check, Act cycle and covers the key processes of:
→ policy development
→ planning
→ implementation
→ performance measurement
→ reporting progress.

This model then became the guiding framework for assessing each site's management systems and for the development of the *Indigenous Employment Assessment Tool* that accompanies this report.

Workshop

The final stage of the data gathering was a one-day facilitated workshop, which was held in May 2006, several months after the initial interviews. The objectives of the workshop were to:
→ gain feedback on the first drafts of the Indigenous Employment Assessment Checklist and the maturity chart, which were the first outputs from the project
→ provide practitioners with a forum to discuss the challenges they face to reach good Indigenous employment outcomes.

There were 28 participants at the workshop, comprising community relations practitioners, experts in training and HR professionals. The participants variously represented nine operations, three service providers and two corporate managers.

Statistical data on Indigenous employment in mining

THE 2002 ABARE SURVEY

There is no up-to-date and comprehensive source of information about Indigenous employment in the Australian minerals industry. Not all companies collect data about Indigenous employment, not all companies that collect data report it, and there are no consistent standards for reporting. The only industry-wide data currently available comes from the 2001 National Census and the ABARE survey, both of which are now several years out of date.

The 2001 National Census identified 1390 Indigenous workers as employed in the mining industry, representing only 1.9 per cent of the total mining workforce. The 2001-2002 survey of the industry conducted by ABARE (Tedesco et. al 2003) suggests that this may have been an underestimate. This is consistent with other research that has found evidence of significant under-counting of Indigenous people in the census.

The ABARE study involved a survey of 244 onshore Australian mine sites and petroleum operations. The survey was distributed by email and completed by site-level representatives, using their own definitions of what constituted an Indigenous employee. One hundred and twelve completed surveys were received, giving a response rate of 46 per cent.

Of the sites that responded to ABARE, 60 per cent reported employing one or more full-time Indigenous workers. Taking into account the response rates for the various questions and applying weightings, ABARE estimated that there were 2460 persons Indigenous people employed in the industry, accounting for 4.6 per cent of the workforce. This was around one-and-a-half-times larger than the ABS estimate. Given the recent resources boom, it is likely that the number of Indigenous people currently employed in the industry is now well above the ABARE estimate.

Figure 5, which is based on unpublished data provided by ABARE, presents Indigenous employment estimates for the three main mining states of Western Australia, Queensland and New South Wales (ABARE declined to provide a breakdown for the remaining States and the Northern Territory, due to the possibility that individual mine sites could be identified). This figure also shows the proportion of the population in each of the three states that self-identified as Indigenous in the 2001 census.

The figure indicates that in each state the proportion of Indigenous employees in the mining workforce was less than their overall representation in the population. The New South Wales mining industry, which is predominantly coal-based, had by far the lowest rate of Indigenous representation, both in absolute terms and relative to the overall population of Indigenous people.

Figure 5: Indigenous representation in the mining workforce compared to representation in the general population: NSW, Queensland and Western Australia
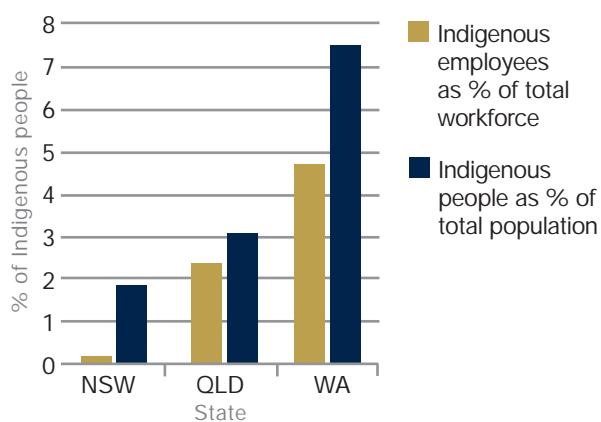
Data sources: unpublished data provided by ABARE

Figure 6 uses ABARE data to compare Indigenous employment rates across three commodity sectors: coal, gold and 'other' (which principally comprises the metalliferous sector). These data show that the coal sector had by far the lowest Indigenous employment rate, at only 0.3 per cent. The rate for the gold sector (2.9 per cent) was also below the industry average. By contrast, the 'other' (i.e. metalliferous) category was above the industry average.

Figure 6: Indigenous workforce representation by minerals sector
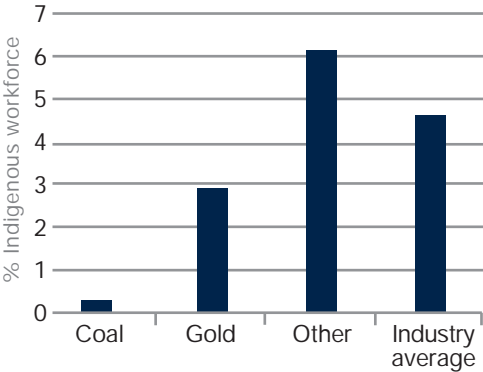
Source: unpublished data provided by ABARE and analysed by CSRM

The very low level of Indigenous employment in the coal sector is partly due to most coal mines being located in regions in Queensland and New South Wales where there are relatively small Indigenous populations. However, even allowing for this, Indigenous employment in the sector was still well below what might have been expected. In the Hunter Valley for example, which is the centre of the New South Wales coal industry, Indigenous people made up 2.2 per cent of the total population, according to the 2001 census

(Hunter Valley Research Foundation, 2005). In Queensland's Bowen Basin region, Indigenous people accounted for 4.4 per cent of the total population, based on census data (QDLGP, 2005). However, Indigenous employees represent just 0.3 per cent of the coal industry workforce (Tedesco et al, 2003).

Mines located within close proximity to Indigenous communities typically had a significantly higher rate of Indigenous employment (6.1 per cent) than mines in other areas (0.5 per cent). However, as Figure 7 shows, an exception to this was the Western Australian gold sector, where the average level of Indigenous representation in the workforce remained low even for those mines located near to Indigenous communities. This was in marked contrast to the pattern for 'other' minerals, where proximity was a key factor.

Figure 7: Indigenous employment by minerals sector and proximity to Indigenous communities: Western Australia
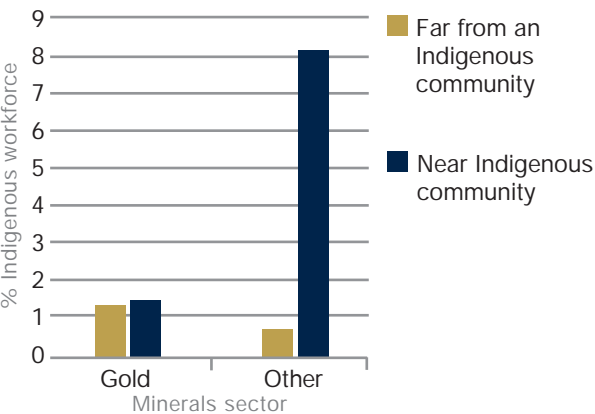
Source: unpublished data provided by ABARE and analysed by CSRM

THE 2002 ABARE SURVEY

→ According to ABARE's estimate, Indigenous people made up 4.6 per cent of the mining industry workforce in Australia.

→ In Western Australia, Queensland and New South Wales – the three main mining states – Indigenous people were under-represented in the mining workforce relative to their representation in the general population.

→ The coal sector had by far the lowest rate of Indigenous representation in the workforce.

→ For the most part, Indigenous workforce representation was higher where a mine was located close to an Indigenous community.

→ An exception to this was the Western Australian gold sector, where Indigenous workforce representation was low even for those operations located near Indigenous communities.

STATISTICAL DATA FROM PARTICIPATING OPERATIONS

Workforce representation

In March 2006 participating operations reported employing a total of 1179 Indigenous people, out of a combined workforce of 14,320 people. This equated to eight per cent Indigenous workforce representation, compared to the ABARE estimate of 4.6 per cent. However, the two estimates are not comparable, for various reasons:

→ Most of the operations in the study were located in northern and remote areas of Australia, where Indigenous people represent a larger proportion of the local population; by contrast, the ABARE study was Australia-wide.

→ Our study focused on operations that had shown some commitment to improving Indigenous employment outcomes, rather than aiming for a representative sample, as was the case with the ABARE study.

→ The results of our study may also have been influenced by the inclusion of some large, multi-site, operations.

Of more interest than the overall level of Indigenous workforce representation is the variation between operations. This ranged from under one per cent of the workforce (a coal operation) through to two operations that recorded an Indigenous representation of around 22 per cent (Table 11).

The operations with Indigenous workforce representation rates above 15 per cent were all located in regions with relatively large Indigenous populations and were covered by comprehensive land-use agreements that made explicit reference to Indigenous employment and training.

We were not able to access time series data for all operations. However, based on publicly reported data and information provided by interviewees, Indigenous representation at some of operations which currently have quite high rates of Indigenous employment appears to have been quite low until relatively recently.

As indicated, the study also included two contracting companies. One of these, which was a labour hire company owned and operated by Indigenous people, employed 72 Indigenous workers (49 per cent) out of a workforce of 147. The other company, which was a contract mining company, employed 146 Indigenous people, representing around 10 per cent of its workforce.

Table 11: Indigenous representation in the workforces of participating operations

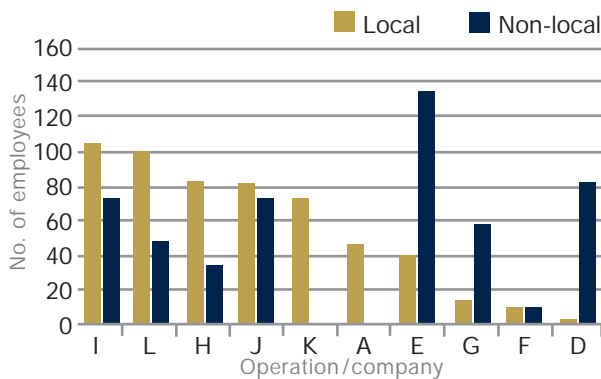| Operation	# Indigenous employees	% Indigenous
A	46	21.7
E	175	21.6
J	154	17.8
D	83	16.6
H	116	15.7
C	68	7.4
B	54	6.6
I*	176	5.4
G*	71	4.0
F*	18	0.7

* denotes a multi-site operation

Local v non-local employees

Many land-use agreements stipulate that the work and training opportunities provided as part of the agreement should be restricted to Traditional Owners of the particular site. Indigenous people who meet the defined criteria of Traditional Owners, as set out in individual land-use agreements, vary from site to site. This can be a source of some conflict between different communities and is an important consideration for some operations.

Figure 8 breaks down the data for participating operations to show the number of local and non-local Indigenous employees, according to the classifications used by the operations that provided these data. Four operations reported that they had a majority of local employees while two sites appeared to employ only local Indigenous people. At three operations, the majority of Indigenous employees were non-local. However, as operations may not use consistent definitions of 'local' and 'non-local', care should be exercised in comparing data across operations.

Figure 8: Local v. non-local Indigenous employees

Note. Operations B and C did not distinguish between local and non-local Indigenous employees and were therefore excluded. This graph also includes data from two contract companies.

Job roles

The concentration of Indigenous employees in unskilled or semi-skilled roles is well-documented. According to the ABARE report, for example, around 80 per cent of Indigenous employees are classified as intermediate production and transport workers (57.6 per cent) or labourers or related workers (20.3 per cent) (Table 12).

Table12: Occupations of Indigenous employees June 2002

Occupation	Full-time %
Intermediate production and transport workers	57.6
Tradespersons and related workers	12.9
Professionals	1.3
Associate professionals	1.5
Labourers and related workers	20.3
Clerical, sales and service workers	5.2
Managers and administrators	1.3
Total	100.0

Source: Tedesco et. al, 2003:19

An analysis of site level data collected for our study confirms that Indigenous employees remain concentrated in unskilled or semi-skilled roles. Of the 1179 Indigenous people employed at the case study sites, more than 92 per cent were in semi-skilled or training roles (traineeships, apprenticeships). There were only 14 (1.2 per cent) of Indigenous people employed in professional roles and five in management positions (0.4 per cent). A further 85 Indigenous employees were qualified tradespersons and 21 worked in technical roles. No Indigenous people were employed in an executive management role (Table 13).

Table 13: Occupations of Indigenous employees at the mine sites at 30 June 2002

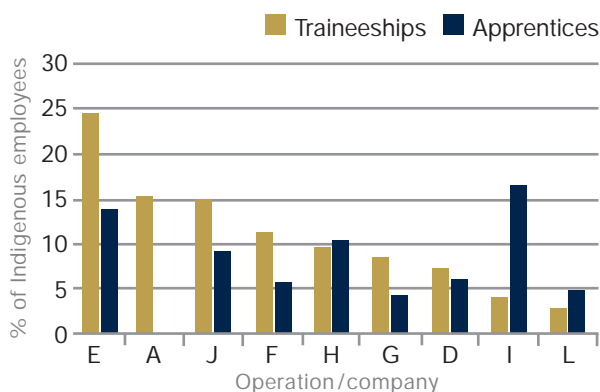|	Male	Female	Total	% of total Indigenous workforce
Semi skilled	578	89	667	56.6
Traineeship	100	60	160	13.6
Apprentice	96	4	100	8.5
Trade	82	3	85	7.2
Admin	4	73	77	6.5
Supervisor	31	2	33	2.8
Technical	19	2	21	1.8
Graduate	1	1	2	0.2
Professional	7	7	14	1.2
Specialist	5	2	7	0.6
Superintendent	8	0	8	0.7
Manager	5	0	5	0.4
Executive manager	0	0	0	0
Total	936	243		1179

Note: includes data from the two contractor companies

The proportion of the Indigenous workforce comprising apprentices and trainees arguably provides a good indication of the extent to which an operation is making progress in developing the skills of Indigenous people. This is subject, of course, to the proviso that those who complete these programs are able to secure employment at the end of them, either at the mine or in another workplace.

As Figure 9 shows, the proportion of Indigenous employees who were in apprenticeships ranged from 4.2 per cent to 16.5 per cent. For trainees, the range was from 2.7 per cent to 24.6 per cent. The ten sites that provided this Indigenous training data employed a total of 100 apprentices and 160 trainees.

Figure 9: Percentage of Indigenous employees who are in traineeship or apprenticeship programs


Note: excludes two operations who did not provide data, and one service provider.

Gender

Of the 1179 Indigenous employees, 243 were women, representing 20 per cent of the total Indigenous workforce for participating operations. This compares favourably with the overall mining industry average of 13 per cent (ABS 2006b) (Figure 10).

Figure 10: Indigenous females as a percentage of the Indigenous workforce
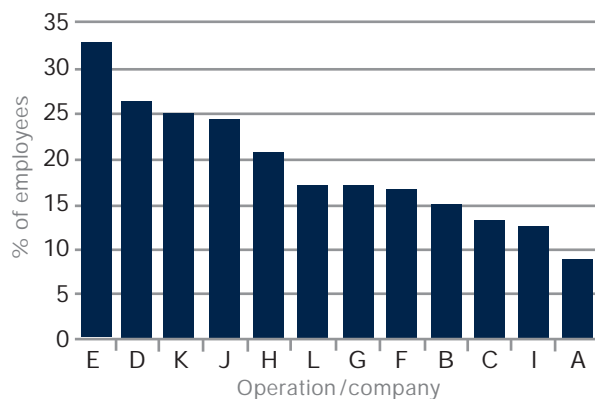
Note: Includes data for two contractor companies

STATISTICAL DATA FROM
PARTICIPATING OPERATIONS

→ Indigenous representation in the workforces
  varied from 0.7 per cent to 22 per cent.
  Representation was highest at those opera-
  tions located in regions with relatively large
  Indigenous populations.

→ Most Indigenous employees were working in
  semi-skilled jobs, rather than trade areas or
  professional roles.

→ The proportion of Indigenous employees in
  apprenticeships and traineeships varied sig-
  nificantly across operations.

→ At several operations, a substantial propor-
  tion of Indigenous employees were not from
  the local area.

→ Across all operations females accounted for
  20 per cent of the Indigenous workforce,
  which is above the overall level of female
  representation in the industry.

→ Ten sites employed a total of 100 Indigenous
  apprentices and 160 trainees.

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