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The Secretary  
Standing Committee on  
Aboriginal and Torres Strait  
Islander Affairs  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Secretary

**RE: Standing Committee on Aboriginal and Torres Strait Islander Affairs Inquiry into Indigenous Employment**

The Minerals Council of Australia welcomes the opportunity to provide input into the Standing Committee's Inquiry into Indigenous Employment. The Minerals Council of Australia (MCA) is the peak industry association that represents corporate minerals companies in Australia. The members of the Council are engaged in mineral processing, mining, exploration, or the provision of services to the industry and account for more than 85 percent of annual mineral industry output in Australia.

Members of the MCA recognise and accept that Industry's engagement with Indigenous people needs to be founded in mutual respect and in the recognition of Indigenous Australians' rights in law, interests and special connections to land and waters in Australia. This point is made even more acute by the fact that more than 60% of minerals operations in Australia have neighbouring Indigenous communities.

**Opportunity**

In many remote and regional areas mining operations provide the only significant mainstream economic activity in the region. The resources sector is currently the largest sector employer of Indigenous Australians, with approximately 5% of its workforce identifying as Indigenous. However, industry recognises that it is in a position to do more to increase the positive sustainable development benefits to Indigenous communities from its activities.

The Australian minerals industry is currently enjoying major expansion at the same time that Australia is experiencing a major skills shortage. For the minerals industry, the skills shortage is particularly acute in engineering, construction and operational trades. The remoteness of many mining operations further accentuates this labour shortage, and has in many cases, forced the industry to develop fly-in fly-out operations. Industry is also increasingly looking to skilled migration to satisfy the skills shortages.

This contrasts with Australia's Indigenous population in remote and regional areas, which is currently growing at a rate of between 2 to 4 % annually. Such a population increase provides a significant challenge to Government just to *maintain* the current, unacceptably high rates of unemployment and underemployment, let alone to reduce it.

There is therefore a significant opportunity in developing an Indigenous skilled workforce that is ready to work for industry, and through the employment and enterprise development opportunities offered by the minerals industry, can also contribute to the social and economic wellbeing of Indigenous communities.

**Social Licence to Operate**

The Australian minerals industry is committed to developing its social licence to operate as a complement to the regulatory licence issued by government. To the minerals industry 'social licence to operate' is about operating in a manner that is attuned to community expectations and which acknowledges that businesses have a shared responsibility with government, and more broadly society, to help facilitate the development of strong and sustainable communities.

Simply defined the 'social licence to operate' is an unwritten social contract, and is demonstrated through industry practices

such as:

- engaging stakeholders to identify and address their concerns, to contextualise the operating environment and to seek opportunities to develop mutually beneficial partnerships;
- developing and implementing programs to minimise the social and environmental impacts of operations and to manage and prevent future liabilities;
- undertaking social and environmental accounting, auditing and reporting that enables industry to be open and transparent about its impacts and its management approach; and
- developing and implementing Enduring Value – the Australian Minerals Industry Framework for Sustainable Development, a framework within which business can demonstrate its commitment to operating in a manner which is attuned to community expectations.

The minerals industry acknowledges that in providing significant income and employment opportunities to remote and regional communities, it shares responsibility for ensuring the development of strong and sustainable communities, during and beyond the life of mining and minerals processing operations.

### **Industry Initiatives**

Ensuring effective engagement with Indigenous people, and the effective implementation of its stated commitment to increase its Indigenous workforce, remains a challenge to Industry.

To progress the industry's work in this area, the MCA has established an Indigenous Leaders Dialogue with the Board of the Minerals Council. This dialogue facilitates engagement between industry and Indigenous leadership, in building a common understanding and discussing high-level capacity building initiatives of mutual interest and benefit.

To assist in implementing the industry's commitment, the MCA is currently developing a curriculum for extension courses in social competencies aimed at building internal industry capacity to give effect to the new Indigenous relations framework and sustainable development more broadly.

Another example is provided in the MCA's sponsorship of the Indigenous Australian Engineering Summer School (IAESS), which provides an opportunity for Indigenous secondary students from across Australia to attend the Summer School to gain experience of university campus life and be exposed to the various applications of engineering. The program has been successful in dramatically increasing the enrolment of Indigenous students in engineering courses.

### **Industry partnership with the Federal Government**

To formalize the policy framework for these initiatives, the MCA has established a strategic partnership with the Federal Government through the signing of a five year Memorandum of Understanding (MoU) in 2005. The MoU establishes a platform for Government and industry in working with Indigenous people, to build sustainable and prosperous communities in which Indigenous people can create and take up employment and business opportunities in mining regions. The MOU is underpinned by the following principles to guide activity at the regional level:

- collaboration and partnership between the parties based on mutual respect;
- collaboration and partnership between the parties and Indigenous communities based on shared responsibility and respect for culture, customs and values;
- the integration of sustainable development considerations with the MOU partnership decision-making process.
- joint commitment to social, economic and institutional development of the communities with which the parties engage.

The minerals industry recognises that, in line with its social licence to operate, companies can assist community development through providing employment, training and enterprise development opportunities related to its mining activities. Increasingly, industry is also extending its responsibilities in facilitating regional development opportunities beyond those directly related to mining activities, including through the provision of opportunities beyond the life of mine.

However, industry clearly differentiates between its own responsibilities and Government's responsibilities in delivering integrated basic social services to remote and regional communities, which are foundational to building social and economic wellbeing in Indigenous communities. For example, it is hoped that MoU will deliver enhanced Government accountability and service delivery to Indigenous people through:

- improved access to literacy and numeracy education;
- improved access to work readiness initiatives such as Fitness to Work programs;
- improved access to the acquisition of standard vehicle licences;

- improved access to drug and alcohol services;
- improved access to financial services;
- improved access to family support services including child care and counseling services; and
- improved access to human and financial capital to facilitate Indigenous enterprise development

While the industry is developing strategies to ensure sustainable communities during and beyond the life of the mine, through the application of leading community development initiatives, it is clear that the Australian Government must also maintain and build its contribution as an enabling partner to capitalise on the opportunities presented by the minerals sector. This is necessary to enable local people to develop the capacities and resources they need to secure the sustainability of their own future prosperity and wellbeing.

#### **Other Considerations**

This submission has highlighted the opportunity for Indigenous participation in the industry and the industry's commitment to increasing its Indigenous workforce.

This submission also seeks to underscore the need for Government partnership and responsibility in providing an enabling framework and community capacity to take up the opportunities offered by the industry, through the provision of quality public infrastructure, in terms of education, health and welfare. Government's support needs to be provided in a pre-competitive sense, to ensure that Indigenous people are work-ready and have the appropriate support for themselves, their families and communities post employment, to stay in employment.

However, a word of caution is also required. Not all Indigenous people in remote and regional areas aspire to working in the industry. The industry is conscious that skilled Indigenous workers are also needed in a whole range of other community and commercial services needed to ensure the sustainability of Indigenous communities in remote and regional areas. Finally, it is unlikely that Indigenous take-up of the employment and enterprise development opportunities offered by the minerals industry, will of themselves, resolve the complex challenges facing Indigenous communities today.

#### **Recommendation**

***The MCA recommends the Australian Government strengthen its commitment to the provision of adequate and appropriate community infrastructure and social services, to remote and regional Indigenous communities, for current and future generations.***

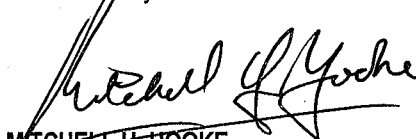
***Such resourcing is: foundational to building social and economic wellbeing in Indigenous communities; critical to ensuring the equitable development of social capital and the success of any public policy approach to sustainable development; and will provide Indigenous community capacity to engage with the employment and enterprise development opportunities offered through mining and related activities in the region.***

***In particular the MCA recommends increased resourcing to ensure:***

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

Should you have any queries on this submission please do not hesitate to contact me directly, or Anne-Sophie Deleflie, who has carriage of this issue in the MCA Secretariat, on 6233 0600.

Yours sincerely



**MITCHELL H. HOOKE**  
**CHIEF EXECUTIVE**