

5 June 2008

Committee Secretary  
Senate Select Committee on Regional and Remote Indigenous Communities  
Department of the Senate  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Secretary

**Re: Senate Select Committee on Regional and Remote Indigenous Communities**

The Minerals Council of Australia welcomes the opportunity to provide input to the Senate Select Committee's inquiry into regional and remote Indigenous Communities.

The Minerals Council of Australia (MCA) is the peak industry association representing Australia's exploration, mining and minerals processing industry regionally, nationally and internationally, in its contribution to sustainable development. Our member companies produce more than 85 percent of Australia's annual mineral output and a greater proportion of minerals exports. The MCA's strategic objective is to advocate public policy and operational practice for a world-class industry that is safe, profitable, innovative, environmentally and socially responsible, and attuned to community needs and expectations.

Members of the MCA recognise 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. This point is made even more acute by the fact that more than 60% of minerals operations in Australia have neighbouring Indigenous communities.

In this submission the MCA focuses on the opportunities and challenges in relation to Indigenous employment and enterprise development in remote areas.

*Opportunity*

The Australian minerals industry seeks to ensure that their operations make a significant positive socio-economic contribution to the communities in which we operate. It is through direct community involvement and the creation of partnerships between companies, governments and communities in areas such as jobs, training, health, education and essential infrastructure that companies can and do contribute the greatest value.

The industry's overarching goal is to assist in the development of strong and sustainable Indigenous communities, beyond the life of mine. Accordingly, our policies and practices are directed at building local community capacity and capturing opportunities to grow the intergenerational socio-economic wellbeing of Indigenous Australians.

In many remote and regional areas, mining operations provide the only significant mainstream economic activity in the region. The industry considers that the employment of Indigenous Australians, and particularly local Indigenous people does not only make good business sense, but it is also the right thing to do. In this vein, the industry has worked to increase Indigenous employment, positioning the minerals sector as the largest private sector employer of Indigenous Australians, with approximately 5% of its workforce identifying as Indigenous.

The Australian minerals industry is currently enjoying major expansion at the same time that Australia is experiencing a major skills shortage. The remoteness of many mining operations further accentuates this labour shortage as these areas do not have a significant pool of local labour with the pre-employment skills necessary to enter the industry. In many cases industry has had to develop fly in fly out operations and look increasingly to skilled migration to satisfy the skills shortages.

Recently commissioned research has provided us with a forecast of labour force requirements to 2020. The research found that:

- The minerals industry will require an additional 90,000 workers by 2020;
- Demand will be highest in Western Australia and Queensland, and
- Specifically the industry will require an additional 31,000 people in skilled trades, an increase of 30,000 semi-skilled operators and an extra 9000 mining professionals.

This skills shortage 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, unacceptable high rates of unemployment and underemployment, let alone reduce it.

There is therefore a significant opportunity and need to provide for the development of an Indigenous skilled workforce that is ready to work.

#### *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.

#### *Contribution to sustainable Indigenous communities*

The MCA recognises that it is in a unique position to be able to make a significant contribution to the socio-economic development of remote Indigenous communities, and due to the commodity, many of the remote minerals operations are going to be inter-generational operations. However opportunities are limited by the poor delivery of essential services, or citizenship entitlements, such as education, health and medical services, water and housing and the fact that in many communities English is their third or fourth language.

We consider that the industry can make the strongest contribution through the development of skills, in providing training and employment opportunities, and in supporting Indigenous enterprise development. However again, our success in recruiting and retaining local Indigenous employees and supporting Indigenous businesses is constrained by a number of complex barriers for many Indigenous people that

prevent them taking up employment and business development opportunities, that require systemic long term change.

We appreciate that efforts to address these issues cannot be achieved solely by industry or by Indigenous communities. They will require a coordinated program of reform by the Australian Government and State and Territory Governments working together as well as companies and communities working in partnership with the schools, vocational education and training, and higher education sectors.

Accordingly, industry is keen to develop a suite of programs and partnerships that seek to build sustainable communities, particularly in remote and regional Australia.

In addition to the numerous initiatives being pursued at the company level, the MCA is pursuing a number of initiatives at the industry level, a few examples are outlined below.

One initiative is the MCA and Australian Government's joint focus on Indigenous Employment and Enterprise Development under a Memorandum of Understanding framework. The MoU provides a strategic platform for the minerals industry and governments to work in partnership with Indigenous people to build sustainable Indigenous communities, through increased employment and business opportunities in mining regions.

The MoU is underpinned by the following principles to guide activity at the regional level:

- collaboration and partnerships 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; and
- 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. And we hope that we will increase Indigenous participation in the minerals and other related industries through employment and support for the development of Indigenous businesses along our supply chain and in the broader community.

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

- education, including literacy and numeracy;
- work readiness initiatives and pre-vocational training;
- financial services;
- family support, child care and counseling;
- human and financial capital to facilitate enterprise development; and
- support for access to appropriate housing.

The MCA is also currently working in partnership with the Australian Government and five member companies with operations in the Northern Territory, to review and identify opportunities to train young Indigenous people from neighbouring communities for potential employment through apprenticeships at the mining operations.

In addition, the MCA sponsors and is involved in the Indigenous Australian Engineering Summer School that provides mentoring and capacity building opportunities for Indigenous Australians considering a career in engineering, including but not limited to mining engineering.

### *Summary*

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. The Australian minerals industry considers that 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, and to build better livelihoods for current and future generations.

However, the industry is conscious that not all Indigenous people in remote and regional areas aspire to working in the industry, and that those who do work in the minerals industry are required to meet a range of stringent requirements in terms of 'fitness for work' and specific working conditions that often entail shiftwork. We are also conscious that skilled 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.

Accordingly, the Minerals Council of Australia considers that efforts to increase Indigenous employment in regional and remote communities should centre on the development of a continuum of education and training through to employment, where the employment opportunities include unskilled, semi-skilled, skilled and professional roles; where there are a diversity of working arrangements, including part-time and casual work; and where government programs, including the CDEP program, play a critical role in developing increased capacity and work-readiness skills among Indigenous Australians.

Should you have any queries on this submission please do not hesitate to contact me directly, or Ms Kylie Ruth, who has carriage of this issue in the MCA Secretariat on 02 6233 0631.

Yours sincerely

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