Queensland Resources Sector’s Strategies to Boost Indigenous Participation

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Acknowledgement of Traditional Owners
The Memorandum of Understanding

• MoU is a partnership between the Queensland resources industry (through the peak body, QRC) and the Queensland Government

• Started in 2008

• Goal is to work together to boost Indigenous participation in the resources sector, through:
  ➢ training and employment and
  ➢ business opportunities
What is the motivation for the parties?

• Government wants:
  - better alignment of government effort / funding with industry needs
  - greater participation by Indigenous people in the economy, especially in regional areas

• Mining companies want:
  - to maintain their ‘social licence to operate’ on Indigenous lands
  - to meet legal requirements
  - to meet more of their workforce and supply chain needs locally

• Indigenous communities want:
  - to share in the benefits of resource developments on their land
How does the partnership drive change?

- Safe space for ongoing networking, information-sharing and collaboration
- Builds relationships across sectors (resources industry, government, training sector, business sector, Indigenous communities)
- Motivation and peer support for staff of companies who want to make a difference
- Builds the cultural capability of the sector
MoU Activities

Regional Working Groups (quarterly)
- South Queensland
- North West Queensland

Practitioner forums (twice yearly)
- Indigenous Employment & Training
- Indigenous Participation in Supply Chains
- Meet the Buyer events

Additional activities
- Special Workshops (e.g. JVs, Indigenous business development, Indigenous Mentoring etc)
- Collaborative Projects (e.g. TO Governance Program, From Jails to Jobs)
Typical resource company strategies to boost Indigenous participation

• Build the company’s cultural capability
• Increase Indigenous employment in the company
• Improve retention and development of Indigenous workers
• Increase procurement from Indigenous businesses
• Increase Indigenous participation in the supply chain
• Implement native title agreements with Traditional Owners
• Build positive relationships with local communities and Traditional Owners
Indigenous employment strategy

Cultural capability
- Cultural awareness training for managers and staff
- Staff engagement with Indigenous communities
- Organisational commitment to diversity

Pre-employment training
- Sourcing from external pre-employment training programs
- In-house pre-employment training programs

Attraction
- Engagement targeted to Indigenous communities

Recruitment
- Appropriate recruitment methods

Retention
- Mentoring and other support
- Culturally sensitive conditions of work and HR policies
- Career development opportunities
## Indigenous procurement strategy

### Cultural capability
- Cultural awareness training for managers and staff
- Staff engagement with Indigenous suppliers
- Organisational commitment to supplier diversity

### Re-engineering Procurement Processes
- Removing barriers for Indigenous businesses (e.g., payment terms etc)
- Provide weighting for Indigenous businesses in tender evaluations
- Contract de-bundling, sole sourcing smaller work packages
- Accessing Indigenous business databases (Black Business Finder, Supply Nation)

### Indigenous Participation Plans (IPP’s)
- Creating supply opportunities for Indigenous businesses with contractors and throughout resource sector supply chains
- Weighting for IPP’s in tender process

### Business Capability Support
- Communicate supply opportunities to Indigenous business
- Run Indigenous supplier briefings on requirements (e.g., pre-qualification)
- Linking with Indigenous business support agencies
- Providing funding, business mentoring and other supports
- Explore JVs and other partnerships with Indigenous business
Current trends

• Increase in Reconciliation Action Plans

• More requirements on contractors through Indigenous Participation Plans – aided by stronger Government requirements

• Greater focus on Indigenous business procurement – aided by rapid growth in Indigenous business sector

• Company investment in work readiness programs seems to follow the industry cycle

• Larger companies starting to focus on Indigenous career development – progression from entry level roles (vulnerable to automation)

• Increasing focus on governance capacity building for Traditional Owners
Traditional Owner Governance for Prosperity Program

- annual program sponsored by resource companies
- designed for Traditional Owner groups with resource sector agreements:
  - vision, strategic plan, engaging members, resolving disputes, good governance, corporate structures, implementing native title agreements
  - managing trust funds, business development, social programs etc
- run over two weekends one month apart
- case studies/presentations from other successful TO groups
- tailored workshopping – “governance and corporate health checks” and capacity-building plan
- volunteer ‘Governance Friends’ from corporate sector
Indigenous employment outcomes

Indigenous employment in Qld Resources Sector, 2006-2016

- Total ATSI employees:
  - 2006: 908
  - 2011: 1750
  - 2016: 2007

- ATSI proportion of workforce:
  - 2006: 3.0%
  - 2011: 3.3%
  - 2016: 4.0%
Industry breakdown

Indigenous Employment in Queensland resources industry, 2011-2016

Extra 257 Indigenous workers (15% increase)
## States and Territories comparison

### Indigenous employment in mining, Australian States/Territories, 2016

<table>
<thead>
<tr>
<th>State</th>
<th>Total ATSI employees</th>
<th>ATSI proportion of workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>WA (3.1% ATSI)</td>
<td>2848</td>
<td>3.9%</td>
</tr>
<tr>
<td>QLD (4.0% ATSI)</td>
<td>2007</td>
<td>4.0%</td>
</tr>
<tr>
<td>NSW (2.9% ATSI)</td>
<td>1128</td>
<td>3.6%</td>
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<tr>
<td>SA (2.0% ATSI)</td>
<td>241</td>
<td>2.6%</td>
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<tr>
<td>NT (25.4% ATSI)</td>
<td>236</td>
<td>9.4%</td>
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<tr>
<td>TAS (4.6% ATSI)</td>
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<td>4.7%</td>
</tr>
<tr>
<td>VIC (0.8% ATSI)</td>
<td>8</td>
<td>1.0%</td>
</tr>
</tbody>
</table>
Indigenous workforce profile

Wages

- In 2017/18, 10 respondents, employing a total of 728 Indigenous people, paid a combined $84.4 million in wages to indigenous employees.

- This is an average of $115,980 per worker.
Procurement from Indigenous businesses

• In 2017/18, QRC members (23 responses):
  ➢ spent $40.5 million on Indigenous businesses
  ➢ engaged 104 Indigenous businesses

‘Cultural heritage services’ expenditure as a fraction of total Indigenous business expenditure ($), 2017/18

- Businesses offering ‘primarily cultural heritage services’ 13%
- Other 87%
ACARP Research Project

• Indigenous employment in Queensland’s coal sector has more than tripled since 2006

• What are the flow-on economic and social wellbeing impacts on Indigenous employees and their families and communities?

• QRC and Myuma successfully sought funds from the Australian Coal Association Research Program (ACARP)

• In 2019, Myuma will research the impacts on about 30 Indigenous employees at BHP and QCoal operations in the Bowen Basin

• Literature review and research design are underway.
Questions and discussion