

**Submission  
No 29**

**INQUIRY INTO ECONOMIC DEVELOPMENT IN  
ABORIGINAL COMMUNITIES**

**Organisation:** NSW Minerals Council

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NSW MINERALS COUNCIL  
PO Box H367  
Australia Square, NSW 1215

T 02 9274 1400  
[nswmining.com.au](http://nswmining.com.au)  
ABN: 42 002 500 316

Ms Rebecca Main  
Director, Upper House Committees  
Standing Committee on State Development  
Parliament House, Macquarie Street  
Sydney NSW 2000

26 February 2016

By email: [State.Development@parliament.nsw.gov.au](mailto:State.Development@parliament.nsw.gov.au)

**NSWMC Submission  
NSW Inquiry into Economic Development in Aboriginal Communities**

Dear Ms Main

The NSW Minerals Council (NSWMC) welcomes the opportunity to provide input into the NSW Legislative Council's Standing Committee (the Committee) on State Development's inquiry into Economic Development in Aboriginal communities (the Inquiry).

With around 100 member companies including mineral explorers, producers, operators and suppliers, the NSW Minerals Council (NSWMC) is the peak industry association representing the State's \$21 billion minerals industry.

The NSW minerals industry is a significant economic contributor to Aboriginal communities, both directly through employment and enterprise development, and indirectly through supporting broader economic opportunities and communities. NSW is a mining state. Mining makes an integral contribution to the economy of NSW and will be a significant part of the economic future of NSW, particularly in regional areas.

The NSW mining industry is committed to engaging with and employing Aboriginal people. Working with Aboriginal communities is simply considered 'core business' by the mining industry. In June 2013, as part of the NSW Government's OCHRE initiative, an Industry Based Agreement (IBA) was signed by NSWMC, the Minister for Aboriginal Affairs and the Minister for Resources. The Agreement aims to strengthen Aboriginal employment and enterprise development outcomes in New South Wales as well as enhancing respect for Aboriginal people, culture and heritage. The Minerals Industry agreement was the first IBA developed in NSW under the OCHRE program.

*"The NSW minerals industry through NSWMC and the NSW Government commit to work together and with Aboriginal stakeholders to create sustainable economic development and employment opportunities that will contribute to building and supporting strong Aboriginal communities in NSW mining regions." - IBA Agreement*

The NSW mining industry supports the objectives of the Council of Australian Government's 'Closing the Gap' initiative as a moral imperative and the NSW Government's OCHRE program. The NSWMC makes the recommendations set out below.



## **1. Increase support for Aboriginal education programs that focus on improving school retention rates**

Education is the key to breaking the cycle of poverty and the 'tyranny of low expectations' that continues to undermine efforts to close the gap between indigenous and non-indigenous Australians in economic terms.

NSWMC has supported the Clontarf Foundation directly since 2014 and has promoted the work of the foundation to NSWMC members which has seen the Foundation leverage NSWMC's contribution by more than five times, with support from members continuing to grow.

The NSWMC commends to the Standing Committee the submission made by the Clontarf Foundation to this Inquiry, which NSWMC endorses. In its submission the Clontarf Foundation makes the fundamental point that "demand side" strategies that focus on creating jobs and placing Aboriginal people in employment, can only succeed if there is sufficient *supply* of 'work ready' Aboriginal people.

The Clontarf Foundation's submission highlights that:

*"a very high proportion of the pool of Aboriginal unemployed is not 'work ready.' The 'long term unemployed' (Aboriginal or otherwise) tend to;*

- *Lack motivation and/or have negative attitudes to employment*
- *Lack the support networks needed to sustain them in employment particularly when they first become employed*
- *Come from families where unemployment is endemic and therefore they do not expect to work*
- *Lack the life skills needed to keep a job (punctuality, reliability, social skills etc)*
- *Lack self confidence in the work environment*
- *Have inadequate levels of literacy and numeracy"*

Addressing this issue of 'work readiness' is absolutely core to closing the gap in employment rates between Aboriginal and non-Aboriginal people.

The scale of the problem is stark. The Clontarf Foundation submission highlights that of the approximately 25,000 young Aboriginals that finish school each year more than half of these leave before completing year 12 and most will have achieved school attendance rates of no more than 60%.

The NSWMC has partnered with the Clontarf Foundation because industry considers that its intensive, mentor based programs and performance based approach offers the best available means of achieving verifiable and sustained improvements in the areas of education, employment, criminal offending and health.

NSWMC has committed to support an organisation similar to the Clontarf Foundation that focuses on educating and empowering Aboriginal girls and has embarked on a comprehensive search and evaluation program to identify a suitable organisation.

The NSW Government should maintain and increase its financial support for the Clontarf Foundation and an equivalent organisation focused on the education and well-being of Aboriginal Girls.

## **2. Build capacity within existing organisations that have credibility in the Aboriginal education and economic development fields and avoid starting new programs**

The experience of the NSWMC has been that there are a significant number of public, private and non-for-profit entities operating in this space - the Department of Prime Minister and Cabinet, NSW Aboriginal Affairs, the NSW Department of Education and Communities, the NSW Department of



Industry, Indigenous Business Australia, Supply Nation, NSW Aboriginal Land Councils, NSW Indigenous Chamber of Commerce, First Australian Chamber Commerce and Industry (FACCI), Opportunity Hubs, and numerous education initiatives (NSWMC is aware of at least 8 nationally). Multiple funding programs exist at State and Federal level. Whilst there is no shortage of goodwill and good intent, there is a grave risk of duplication and inefficient use of limited available resources. As a matter of principle Government should avoid duplication and wherever possible use existing programs and entities that have a proven track record of delivering outcomes and strong governance.

An illustration of the risk of duplication exists within the context of the OCHRE program. Opportunity Hubs are undertaking work that could be done collectively by education and life skills program providers such as the Clontarf Foundation (and an equivalent focused on Aboriginal girls such as The Girls' Academy) supported by the NSW Indigenous Chamber of Commerce (were it adequately resourced) in terms of employment pathways. Whilst the intent of the Opportunity Hubs was undoubtedly sound, in practice it is questionable whether it has delivered efficient and effective outcomes. We believe it would be far better to support existing credible, professional organisations with sound governance structures that specialise in this space.

The NSW Indigenous Chamber of Commerce deserves special mention. The Chamber has played an instrumental role in establishing the NSW Indigenous Business On-line Portal which provides ready access to a large number of accredited indigenous businesses providing a wide range of services. The success of the Minerals Industry IBA to date would not have been achieved without the hard work of the Chamber's Secretariat and its ability to leverage the extensive business and Aboriginal Community networks that it maintains. The Chamber has also staged successful workshops, training courses and forums both in partnership with a range of stakeholders and in its own right. The Chamber's collective achievements are made all the more remarkable given that NSWMC understands that the Chamber does not receive any State Government funding. The absence of State Government funding for the NSW Indigenous Chamber of Commerce is puzzling to say the least, given that the NSW Government has signed an agreement with the Chamber and routinely regards it as a key 'go-to' stakeholder when it needs comment, advice or support for various initiatives or issues.

The NSW Government should provide ongoing support to the NSW Indigenous Chamber of Commerce either in the form of seconded staff or direct funding.

### **3. Extend consultation over economic development framework**

The NSWMC has recently been made aware of the Aboriginal Economic Development Framework which it understands is shortly to go to the NSS Cabinet. Aside from attendance at a round-table forum in late 2015, the NSWMC was not provided the opportunity to give feedback on the proposed framework. The mining industry has substantial experience working with local Aboriginal communities and could offer insights they may assist implementation of the framework.

The NSWMC understands from discussions with NSW Indigenous Chamber of Commerce that the Chamber also had very limited involvement in the development of the Aboriginal Economic Development Framework. It might be thought curious that an entity solely focused on promoting economic development for the Aboriginal community in NSW would not be extensively consulted with in the development of a framework with which it will be intimately involved in implementing.



Further consultation with stakeholders would be advantageous, particularly regarding implementation of the initiatives proposed in the Aboriginal Economic Development Framework.

#### **4. Adequately resource the Industry Based Agreement program**

The Minerals Industry's *Industry Based Agreement for Aboriginal Employment and Enterprise Development* (the IBA) was first signed in 2013 and was renewed with some revisions in 2015. The Agreement is now open ended in terms of duration but requires an annual review to be undertaken. The parties to the IBA are the NSWMC representing its members, and the NSW Government represented by the Minister for Aboriginal Affairs and the Minister for Industry, Resources and Energy. In practice the NSW Government is generally represented by Director or lower level officials from Aboriginal Affairs and the Department of Industry.

Beyond shared commitment to the over-arching objectives enshrined in the Agreement, the IBA obliges the parties to (i) establish and quarterly convene a Steering Committee; (ii) develop an annual Action Plan and (iii) commit the resources necessary to deliver the Action Plan.

As required by the IBA, a Steering Committee was established and meets quarterly. The Steering Committee is chaired by the NSWMC and consists of representatives from Aboriginal Affairs, Department of Industry, mining companies (five companies), NSW Aboriginal Land Council and the NSW ICC.

Since its inception, two Action Plans have been developed under the IBA. The Action Plans have been built around four pillars - Industry Capacity, Pre-Employment, Employment and Enterprise Development. The two Action Plans are attached to this submission. The first Action Plan was completed in March 2015. The second Action Plan is currently being delivered and is on track to be completed by the end of June 2016.

Support for the IBA from Government has been inconsistent. Attendance at IBA Steering Committee meetings has not been uniform and the level of engagement has appeared dependent on the motivation of the individual staff member. The notion that the IBA is 'industry led' has occasionally been raised by government representatives to explain reduced involvement, however such a view overlooks the clear roles and responsibilities articulated for the parties under the IBA. It should also be noted that the IBA clearly aligns with a number of the Premier's 12 priorities - for example creating jobs, improving education results and protecting our kids. It is imperative that State Government agencies take a whole of government approach to this critical work and vigorously deliver on the commitments that have been made under the OCHRE program.

The original funding under the IBA totalled \$200,000 delivered in instalments to the NSWMC. During the first 12 months approximately half the IBA funds were used to employ project staff and stage initial consultation forums. From October 2014 onwards the majority of the remaining IBA funds have been spent on supporting the NSW Indigenous Chamber of Commerce which was contracted by NSWMC to deliver some of the 2014-2015 Action Plan deliverables and the majority of the 2015-2016 Action Plan deliverables. There are no additional funds available after June 2016.



NSWMC strongly recommends that the NSW Government commit to continued funding over the medium term. Only modest funding is required to be effective. For example \$200,000 over three years would enable the NSWMC to continue delivery of capacity building initiatives for Aboriginal enterprises in partnership with the NSW ICC, whilst at the same time building the capacity of the NSW ICC itself.

In partnership with the mining industry, the NSW Government should commission a thorough independent review of the IBA which is required prior to June 2016. The view of NSWMC is that the IBA concept, whilst still in relative infancy has shown potential promise, particularly through building bilateral relationships that later deliver substantive results independent of the IBA itself. However lessons can be learned from the implementation period over the past 2-3 years and these should be applied to improving the program.

### **5. Take a bipartisan, multi-generation approach to programs designed to ‘close the gap’ with periodic independent reviews**

The NSWMC considers that progressing the work required to end Aboriginal disadvantage is of such importance that it deserves to be accorded the highest level of bi-partisan approach by all political parties. Strategies to address economic disadvantage among Aboriginal people have in place for several decades and the continued existence of grave economic and social disadvantage provides testimony to the long term nature of this challenge. Programs which reflect political cycles and changes in ministerial portfolios, whilst often well intended, can create fragmentation, loss of momentum and confusion.

What is required is a methodical, comprehensive, well targeted, carefully implemented, multi-generation strategy that harnesses the efforts of the public, private and not-for-profit sectors to deliver against a clear set of measurable goals. The strategy should be subject to periodic independent reviews.

### **Conclusion**

NSWMC commends the Committee on recognising the importance of economic development in Aboriginal communities and its initiative on conducting the Inquiry. The mining industry looks forward to the tabling of the Committee’s findings and recommendations. The Committee may be assured that the NSWMC and its members will continue to support Government efforts to eliminate the economic disadvantage experienced by Aboriginal Australians.

Please do not hesitate to contact me on \_\_\_\_\_ or email \_\_\_\_\_ if you have any queries on this matter.

Yours sincerely

**Greg Sullivan**  
DIRECTOR POLICY



## Aboriginal Employment and Enterprise Development Industry Based Agreement Action Plan 2014

INDUSTRY CAPACITY	PRE-EMPLOYMENT	EMPLOYMENT **	ENTERPRISE DEVELOPMENT
Increase NSW mining industry capacity to support Aboriginal employment and Aboriginal enterprise activities within their organisation	Increase community capacity to undertake education and training activities, therefore enabling employment opportunities	Increase number of Aboriginal people employed (directly or indirectly) in the NSW mining industry	Increase number of Aboriginal companies providing goods and services to the NSW mining industry and communities in which they operate
<b>Industry Forum</b> <ul style="list-style-type: none"> <li>run industry forum (2) meetings to share industry best practice, communicate opportunities and encourage new industry members to participate</li> </ul> <b>Industry Knowledge Base</b> <ul style="list-style-type: none"> <li>collect, document and communicate industry program successes and failures</li> </ul>	<b>Opportunity Hub</b> <ul style="list-style-type: none"> <li>work with successful Opportunity Hub tenderers (AES for Upper Hunter and CentaCare for Dubbo) to support development of Opportunity Hubs</li> </ul> <b>Support to Stay in School</b> <ul style="list-style-type: none"> <li>investigate further ways industry can provide support to encourage Aboriginal children to stay in school and therefore increase community capacity e.g. scholarships</li> </ul>	<b>Research</b> <ul style="list-style-type: none"> <li>conduct/build on existing research and publish factsheets on:               <ul style="list-style-type: none"> <li>what do industry members need to have in place to employ Aboriginal people</li> <li>what do Aboriginal people need to have to be employable in the NSW mining industry</li> </ul> </li> </ul>	<b>Indigenous Trade Fair</b> <ul style="list-style-type: none"> <li>run regional trade fair for Indigenous Enterprises to showcase their products and services and Local Companies to share their needs/requirements</li> <li>invite Aboriginal enterprises to speak at Industry Forums</li> </ul>

*\*\* The Action Plan is cognisant of the difficult economic and employment environment currently facing the NSW minerals sector. Few companies are currently seeking to expand their workforce and many are downsizing, making employment creation a greater challenge in the short term. As a result the Action Plan pursues a medium to long term approach that implements key programs to build enterprise capacity and support Aboriginal employment and enterprise development to provide opportunities when the industry cycle improves again. At the same time, short-term employment and enterprise opportunities will be identified and pursued with any companies that are in a position to assist, particularly those with new or expanding mining projects.*

### Other 2014 Activities

- Develop Action Plan for 2015 - 2016
- Coordinate Steering Group Activities and Produce Annual Report
- Commence re-engagement with Federal Government Agencies



## Aboriginal Employment and Enterprise Development Industry Based Agreement Action Plan 2015/2016

INDUSTRY CAPACITY	PRE-EMPLOYMENT	EMPLOYMENT **	ENTERPRISE DEVELOPMENT
<p>Increase NSW mining industry capacity to support Aboriginal employment and Aboriginal enterprise</p>	<p>Increase support for education and training activities, and strengthen links with existing programs and vocational organisations</p>	<p>Increase the number of Aboriginal people employed (directly or indirectly) in the NSW mining industry</p>	<p>Increase the number of Aboriginal companies providing goods and services to the NSW mining industry</p>
<p><b>Industry Conference</b></p> <ul style="list-style-type: none"> <li>Run a one day conference to share industry best practice, communicate opportunities and encourage new industry members to participate</li> </ul> <p><b>Industry Knowledge Clearinghouse</b></p> <ul style="list-style-type: none"> <li>Collect, document and communicate industry experiences in developing and implementing Aboriginal employment strategies</li> <li>Investigate knowledge and practice on growing the Aboriginal workforce from other jurisdictions</li> </ul>	<p><b>Opportunity Hubs</b></p> <ul style="list-style-type: none"> <li>Explore and develop scholarship, traineeships, cadetships and other training opportunities for Aboriginal young people</li> <li>Work with industry to provide work experience opportunities for Aboriginal young people</li> </ul> <p><b>Support for mature age people</b></p> <ul style="list-style-type: none"> <li>Explore and develop trade related and higher education opportunities for mature age Aboriginal people including recognition of prior learning, knowledge and experience</li> </ul> <p><b>Supporting School Attendance</b></p> <ul style="list-style-type: none"> <li>Investigate ways industry can leverage existing programs that support Aboriginal children's school attendance</li> </ul>	<p><b>Optimise company Aboriginal employment strategies</b></p> <ul style="list-style-type: none"> <li>Work with companies to assist them in moving to best practice Aboriginal employment strategies</li> </ul> <p><b>Improve communication between the Steering Committee and regional bodies</b></p> <ul style="list-style-type: none"> <li>Schedule regular meetings and provide a communique after each steering committee meeting</li> <li>Publish a regular newsletter in online form</li> </ul> <p><b>Promote interaction between companies and regional Aboriginal employment committees</b></p> <ul style="list-style-type: none"> <li>Organise meetings between regional committees and local companies</li> </ul>	<p><b>Provide tailored training opportunities for Aboriginal businesses</b></p> <ul style="list-style-type: none"> <li>Develop and deliver training workshops aimed at enhancing the capacity of Aboriginal businesses to compete effectively within the mining supply chain</li> <li>Explore the possibility of developing or partnering with a business mentoring program for Aboriginal businesses</li> </ul> <p><b>NSWMC Health Safety Environment Community Conference</b></p> <ul style="list-style-type: none"> <li>Conduct a panel session at the NSWMC HSEC conference to promote engagement with Aboriginal enterprises, including Aboriginal business and industry speakers</li> </ul>

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