



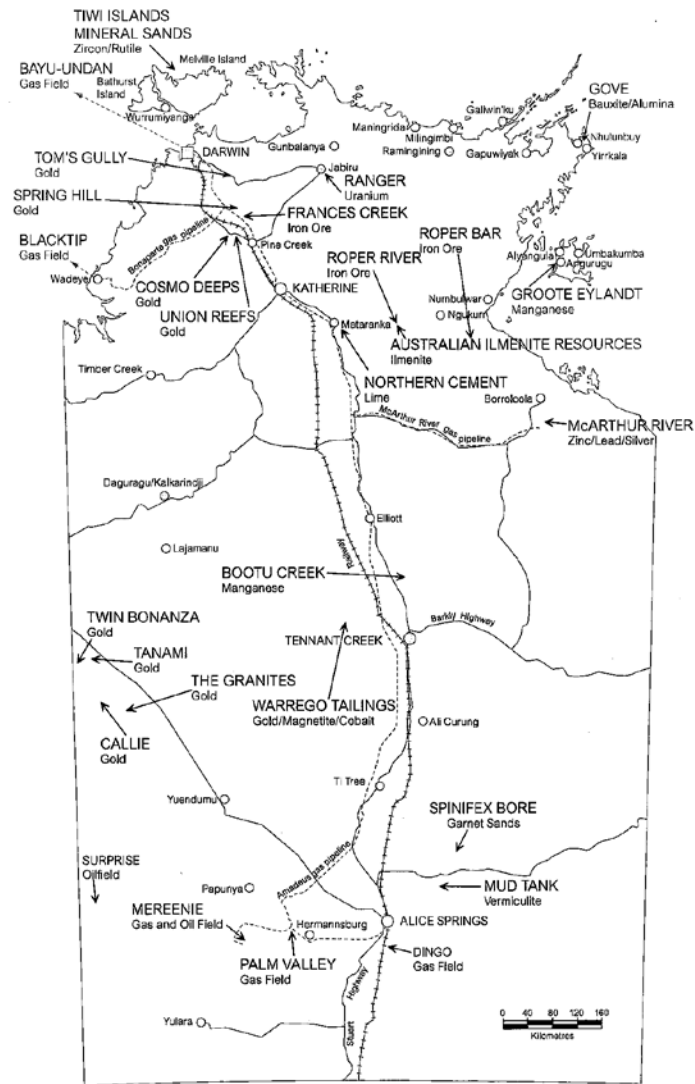
# Mine Over Matter: Recent Mining Agreements and Job Outcomes in the Remote Top End

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# Context – the Northern Territory

- Mining was the largest industry contributor to NT Gross State Product (GSP) from 2005-06 to 2011-12 (recently eclipsed by construction linked to LNG developments).
- GSP of 14.3% last FY compared to 8% of Australian GDP; forecast to rise to 16.7% of GSP this FY.
- Iron ore mining only began in the NT in 2007 despite significant exploration dating back to the 1950s.
- The NT is home to about 1% of Australia's population. Indigenous Australians comprise approximately 30% of the NT population.

Map 1: Current and Pending Mineral and Onshore Energy Operations



Map showing mining and resource projects (NT Budget 2014-15)

# Context – the Northern Territory

- History of significant community vs mining conflict. Opposition to the Gove and Ranger mines is inextricably linked to the beginnings of native title and land rights; opposition to McArthur River Mine a key example of modern environmental/community litigation.
- Political context is unique – Aboriginal members (from remote seats) of the Territory parliament effectively swing elections/government.
- As a territory, Commonwealth oversight and involvement is commonplace and influential.
- The NT is remote from existing markets and from large population centres, has huge climatic and environmental variations and challenges, and lacks effective infrastructure.



**Former NLC CEO Mr Kim Hill, traditional owners Paul Numamurdirdi, Vincent Fulton and Grace Daniels, Former Chief Minister Paul Henderson (back), WDR Chairman Rick Allert (OAM) and WDR Managing Director Norm Gardner.**

**NLC Full Council Meeting, South Alligator May 2012**



# Mining Agreements

In a context which includes previous large-scale opposition to mining in many remote regions of the NT, the NLC and native title holders agreed to two new iron ore mining and infrastructure developments proceeding in the Roper Region (stretching to the Gulf of Carpentaria):

- Western Desert Resources' (WDR) *Roper Bar Iron Ore Project*
- Sherwin Iron's *Roper River Iron Ore Project*



# Traditional Owners Kevin Rogers and David Daniels with Sherwin Iron environmental staff, Darwin Port July 2013



# Bobby Nungumajbarr, WDR Opening Ceremony December 2013





# Factors

- Key factors that underpinned agreements:
  - Predominantly affecting native title areas as opposed to Aboriginal land (where rights are stronger).
  - Fair compensation
  - Sacred site protection
  - **Jobs**
- The call for higher Indigenous employment is almost universal (from all sides of politics and from both Indigenous and non-Indigenous Australians). The lack of employment opportunities remains a huge challenge for people in remote communities.

# The jobs imperative...

- Kim Hill (NLC CEO, June 2012) on the WDR agreement:  
“Among other things, we have negotiated significant employment opportunities for traditional owners and Aboriginal people. The NLC will work in partnership with WDR in developing employment and training opportunities in connection with the project.”
- Chief Minister Paul Henderson (June 2012) on WDR :  
“This proposed project will provide a significant economic boost to the region and **create jobs and training opportunities never before seen in the region.**”
- Minister for Mines and Energy, Willem Westra van Holthe, 13 November 2012 on the Sherwin Iron agreement:  
*“Whilst it’s still early days this is a fantastic announcement for the Territory... I am delighted to see indigenous employment targets in the agreement...Groups like the Northern Land Council and Sherwin Iron are working together to **steer jobs back towards the bush.** Welfare dependency can only be eradicated if people have access to local employment.”*

# Employment clauses in agreements

- Many native title mining agreements have employment clauses in them. Generally, some themes include:
  1. A specific Liaison Officer position
  2. Employment of a fixed number of people from the claim group (generally small) with the company having an option to fill these with outsiders if conditions (skills, experience etc) aren't met by claim group members.
  3. The company to consider allocating resources/funds upon request for training programs. Sometimes, a small training budget is included.
  4. The company using "*best endeavours to maximise employment opportunities*" for the claim group.
  5. Percentage targets (sometimes linked to demographics).



# Implementing the jobs imperative?

- Generally speaking, mines have not generated significant employment from claim groups, even when a mining agreement is in place that is regarded as a 'good agreement'.
- How should Native Title Mining Agreements address the issue of local employment? And what role can/should the NTRB or Land Council have in promoting employment outcomes?
- NTRBs are good at many relevant things: working within communities, getting in touch with native title holders including constant work with key elders.
- NTRBs often lack: funding and staffing for agreement implementation.

# Traditional Owners and WDR staff site visit April 2012



# How do you get good job outcomes from agreements?

- Funding – a specific funding provision should be included in the agreement for the costs of an internal NTRB employment officer (or the partial support of one).
- Commitment – there needs to be engagement and co-operation between the key parties (the mining company, the NTRB and the native title group) focusing on pursuing employment outcomes. *It helps if all parties go public with what they intend to do.*



# Outcomes

- As of March 2014, over **150 Indigenous people have worked for the WDR project**. A further 30 have worked in cultural or environmental monitoring roles (mainly elders).
- Approximately 70% of the above are people from communities in the foot-print of the project (i.e. traditional owners and locals). Some of these people had never been employed (outside of CDEP) before.
- With the Sherwin Iron project moving into significant construction and production this year, we'd expect those numbers to be matched.



# What should be in the agreement?

- **Binding targets** – a binding target is an employment target that triggers consequences if the target is not met. For example, if a target is not being met a provision could be triggered that limits non-Indigenous employment by the company/project.
- **Reporting** – detailed reporting on Indigenous employment is key.
- **Notification and sourcing** – all openings to be provided to the Land Council employment officer. *The company must then commit as much as it can (i.e. subject to medicals) to employing the people the Land Council officer puts forward for the openings.*
- **Contractors** - the above conditions must apply to all contractors working on the project.
- **Training must be directly linked to openings** – ‘training should finish Friday and work start Monday’. If training money/programs are provided in the agreement, it must be targeted and not generic.



# Reporting

- The project should be required to report:
  1. Names of all Indigenous employees.
  2. Where they're from, where they 'fit in' (e.g. are they a T.O or from interstate?)
  3. Start dates and end dates.
  4. Reasons for ending/termination.
  5. What roles/jobs the above persons are doing.
  6. Hours of work and training.
  7. Complaints/issues that have arisen.
- Your reports should be examined by the Land Council and by T.Os:
  - Your C.L.Os should check its accuracy.
  - Your mining committee or working group should examine.

# Using your reports

- Issues that arise from the report – especially terminations – should then be examined. For example, if young employees haven't turned up for their next swing the elders need to get onto them. Cultural issues can also be managed by your involved elders, including them advising the company on the appropriateness of absences.
- Data helps us understand what are 'real issues' and what are just perceptions or pre-conceived prejudices (e.g. alcohol). Identify recalcitrant contractors. Identify communities/groups missing out.
- Importantly, the employment officer can keep track of people and help people stay in work or get them back working after an absence (people come back).
- The NTRB employment officer should also assist with the government funding matrix (a lot of funding in this space) and also in breaking down low barriers (like organising medicals or drivers licences).

**Jacob Riley (Chairman) and Neil Thompson (WDR Community and Environment Manager)**  
**WDR mining committee meeting, March 2014, Ngukurr**



# Overall goals and outcomes

- It is important to approach employment issues conscious of the nature of the industry and the work.
- The days of people working 20 years for the same company at the same place are done. The days of one company employing everyone on site or on a project are gone.
- Turnover is inevitable – most people working on a remote mine site are there for between 1-2 years. Work has become mainly FIFO.
- The key is creating circumstances where at any one time a significant portion of people in your local communities are working on site and bringing income into the communities. If an agreement can generate a **pool of people employed** that's a big success. Having 30-40 people from a community at any one time employed on the project will create an income stream from employment equivalent to a mining royalty.
- Train for turnover.
- Don't miss out on construction – construction jobs are the gateway to jobs during production or to the next job!