



MINERALS COUNCIL OF AUSTRALIA

SUBMISSION TO MINISTERIAL COUNCIL FOR EDUCATION, EARLY
CHILDHOOD DEVELOPMENT & YOUTH AFFAIRS:

INDIGENOUS EDUCATION ACTION PLAN DRAFT
2010-2014

EXECUTIVE SUMMARY

The Minerals Council of Australia (MCA) is pleased to have the opportunity to comment on the Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEECDYA) '*Indigenous Education Action Plan Draft 2010-2014*'.

The MCA represents Australia's exploration, mining and minerals processing industry, nationally and internationally, in its contribution to sustainable development and society. MCA member companies produce more than 85 per cent of Australia's annual mineral output.

The minerals industry supports MCEECDYA's initiative to develop an Indigenous Education Action Plan. The industry further welcomes initiatives that look to effect the Government's COAG commitments, specifically in relation to education and employment, and considers these fundamental to an effective Indigenous social and economic development framework that ensure Indigenous peoples are long-term contributors to, and drivers of economic development in local and regional communities. The industry is a key employer of people in remote and regional Australia. The industry also supports the development of local Indigenous business and sees education as a key element in preparing for business success. The Indigenous Education Action Plan is a key step in preparing Indigenous Australians to gain the skills and qualifications needed for employment and the uptake of business opportunities in the minerals sector.

The Australian minerals industry operates almost exclusively in remote and regional Australia with a workforce that is a mixture of local employees and fly-in, fly-out employees. The specific features of operating in these remote and regional communities, differentiates the minerals industry from the bulk of other Australian industries. The industry has a relatively small workforce that is highly productive, producing approximately 50 percent of all export revenues for the nation.

The industry values its 'social license to operate' and has recognised:

- that corporate social responsibility is not an adjunct to our business, it is our business - our core function is to convert natural endowment to societal capital, and that can only be achieved sustainably when there are meaningful, mutually beneficial considerations of the environment, our host communities, and the rights and interests of Indigenous peoples; and
- that the intergenerational benefits to communities and the nation as a whole of natural resource development should extend beyond the life of mine.

To this end, the MCA has a Memorandum of Understanding on Indigenous Employment and Enterprise Development with the Australian Government. The partnership aims to recognise the value in further aligning the minerals industry's efforts with the Government's priorities on Indigenous affairs, specifically 'Closing the Gap'. Recently re-developed, the partnership is structured to focus on Indigenous employment, Indigenous enterprise development and increasing the capacity of communities and organisations to effectively engage in local partnerships.

The minerals industry recognises its geographic and economic capacity to act as a catalyst for reform in the area of regional economic development, and has always welcomed effective ongoing partnerships with Government in order to achieve this. The industry has a long history of involvement in education and training initiatives to develop the skilled workers it requires. However, the MCA has consistently advocated that social infrastructure - specifically education facilities, healthcare facilities and housing is the responsibility of both State and Federal governments.

The minerals sector is the largest private sector employer of Indigenous Australians. ABARE's 2002 estimate was 4.6 per cent of the minerals sector workforce identifies as Indigenous Australian, but this figure is as high as 20 percent at some mine sites. However, the vast majority are employed in entry level or lower level jobs and very few have the opportunity to advance their careers due to their limited literacy and numeracy and lack of qualifications.

MCA supports the key elements of the Indigenous Education Action Plan Draft and sees an opportunity for the minerals industry, specifically local mining companies, to play a key role in the implementation of the Action Plan. This includes:

- Inclusion in the Engagement and Connection Strategy element of the Action Plan;
- Provision of direct career information to enhance career services;
- A key role in School Business Community Partnerships; and
- An opportunity to link education providers and local employers to identify real job opportunities for suitably qualified Indigenous people.

To attract excellent teachers to teach in remote Indigenous communities, the Commonwealth Government should examine a broad range of incentives, including financial inducements and opportunities for professional development and career progression.

1. INTRODUCTION

The Minerals Council of Australia (MCA) is pleased to have the opportunity to comment on the Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEECDYA) *'Indigenous Education Action Plan Draft 2010-2014'*.

The MCA represents Australia's exploration, mining and minerals processing industry, nationally and internationally, in its contribution to sustainable development and society. MCA member companies produce more than 85 per cent of Australia's annual mineral output.

The minerals sector's direct contribution to Australia's GDP was 8 percent in 2008-09 and when indirect flow-ons are included the contribution rises to 18 per cent¹.

The minerals industry supports MCEECDYA's initiative to develop an Indigenous Education Action Plan. The availability of an adequate supply of skilled workers for the minerals industry is a critical ingredient to the productivity and future growth of the industry and its ability to grow, or even maintain, its market share of world commodity trade. The Indigenous Education Action Plan is a key step in preparing Indigenous Australians to gain the skills and qualifications needed for employment in the minerals sector.

We note that earlier consultation has taken place with stakeholders in government, non-government and community sectors, and welcome the inclusion of industry and employers in this wider consultation process. This consultation is critical to ensure that education and training effort is linked to employment outcomes and consequently, to the development of sustainable regional communities.

The Australian minerals industry, unlike most major contributors to the Australian economy, operates principally in remote and regional areas of Australia and is often co-located with Indigenous communities, hence our interest in the Action Plan.

The Minerals Sector Workforce

The minerals industry has a relatively small workforce that is highly productive, producing approximately 50 percent of all export revenues for the nation.

The minerals industry workforce comprises both locally recruited labour and, workers from cities and other regions who work on a fly-in, fly-out (FIFO) basis. The high proportion of FIFO workers is due to a number of factors, including the lack of suitably skilled local people; lack of family accommodation either available in the local community or provided by companies; and the desire of many mine personnel and their families to live in areas with greater amenity.

The industry recognises the value of recruiting locally and is keen to grow the pool of local labour through increased participation of disengaged groups, including Indigenous people. However, increased participation of these groups is dependent on their having appropriate skill levels, which can only be achieved through provision of education and training opportunities in the remote and regional areas where they are located. Currently, many adult Indigenous people lack the base level skills, including English language, literacy and numeracy, to move into employment in the minerals industry.

Contrary to common belief, mining sector jobs are highly skilled jobs. Almost 20 percent of the workforce has a bachelor or higher qualification and 28 percent have a Certificate III or IV qualification, compared with 17 percent for all industries². However, apprentices are under-represented in the workforce numbers. In the highly specialised mining sector there is a high correlation between qualification gained and jobs.

At the onset of the Global Financial Crisis (GFC) the minerals industry workforce declined by more than 15 percent. However, the industry has since rebounded and is rapidly re-approaching the employment levels of the super-cycle of demand for commodities in 2008 and expects to be experiencing skilled labour capacity constraints in the very near future.

Labour forecasts prepared for MCA in 2008³ show the greatest demand will be in skilled trades (31,000 workers), but there will also be increased demand for skilled operators (30,000 workers) and demand for mining industry professionals is projected to grow by 9,000 or 70 percent on current numbers by 2020. In addition, the labour needs of the recently announced multi-billion dollar Liquefied Natural Gas (LNG) projects will generate significant heat in the skilled labour market.

¹ Don Argus. Presentation to Melbourne Mining Club, October 2009.

² NCVET. *Mining Industry and Training 2007: Exploring the relationship between industry and the VET system*, 2007.

³ Molloy & Tan. *Labour Force Outlook in the Australian Minerals Sector: 2008 to 2020*, Flinders University, National Institute of Labour Studies report prepared for MCA, June 2008. www.minerals.org.au

Sustainability

*'Enduring Value: the Australian Minerals Industry Framework for Sustainable Development'*⁴ sets out the minerals industry's approach to sustainable development. Companies endeavour to achieve social and environmental standards beyond minimum standards set by regulation, and the minerals industry has shifted its focus beyond immediate impact on local communities to contributing to building sustainable regional communities centred on employment opportunities and enterprise development.

The industry values its 'social license to operate' and has recognised:

- that corporate social responsibility is not an adjunct to our business, it is our business - our core function is to convert natural endowment to societal capital, and that can only be achieved sustainably when there are meaningful, mutually beneficial considerations of the environment, our host communities, and the rights and interests of Indigenous peoples; and
- that the intergenerational benefits to communities and the nation as a whole of natural resource development should extend beyond the life of mine.

To this end, the MCA has a Memorandum of Understanding on Indigenous Employment and Enterprise Development with the Australian Government. The partnership recognises the value in further aligning the Minerals industry's efforts with the Government's priorities on Indigenous affairs, specifically 'Closing the Gap'.

The partnership aims to improve the socioeconomic wellbeing of Indigenous Australians by collaboratively expanding access to employment and business development opportunities available to Indigenous people and communities in mining regions.

Indigenous Employment

The minerals sector is the largest private sector employer of Indigenous Australians. ABARE's 2002 estimate was 4.6 per cent of the minerals sector workforce, but this figure is as high as 20 percent at some mine sites. However, the vast majority are employed in entry level or low level support jobs and very few have the opportunity to take advantage of opportunities for career progression and development provided by companies due to their limited literacy and numeracy and lack of qualifications, as identified above.

Almost all mines located in remote and regional Australia are eager to increase employment of local Indigenous people, however some of the key barriers to increased participation of local Indigenous people in meaningful and sustainable employment are lack of basic work readiness skills (literacy and numeracy as outlined above, but also teamwork, punctuality, etc.) and fitness for work (drug and alcohol free, good health, etc.). Due to the significant disadvantage faced by many Indigenous people, capacity to undertake industry pre-employment programs is limited due not only to work readiness skills, but socio-economic factors that require targeted solutions by government in partnership with communities.

Whilst fitness for work issues are outside the remit of MCEECDYA's Draft Indigenous Education Action Plan, initiatives to develop work readiness for employment and for pre-employment training in remote Indigenous communities remain an essential component of an holistic workforce development model.

A third factor is the extensive range of government training initiatives that have provided Indigenous people with course after course, with little consideration for the needs of the individual, and as a result no real job outcomes other than CDEP jobs. It is therefore critical that governments effectively partner with both communities and industry in order to ensure relevant training is offered that will lead to real jobs.

⁴ MCA. *Enduring Value: the Australian Minerals industry Framework for Sustainable Development*, June 2005. www.minerals.org.au

2. ELEMENTS OF THE INDIGENOUS EDUCATION ACTION PLAN DRAFT

2.1. Readiness for School

MCA recognises and supports the need for action to enhance readiness for school of Indigenous children.

2.2. Engagement and Connections

MCA supports the strategy of developing partnerships between education providers and local Indigenous communities. However, we note that there is no specific role proposed for local employers in this aspect of the draft Action Plan. As outlined above, in planning for a future workforce the minerals industry has a focus on corporate social responsibility, contributing to the development of sustainable communities and promoting intergenerational benefit from development of mineral resources. There are many examples in existence of minerals companies successfully working with neighbouring Indigenous communities to achieve this end. MCA also advocates a strong link between education and training and job outcomes.

We question the omission of employers in the proposed engagement and connection strategy. The involvement of local employers is critical to effective education and workforce planning strategies as part of broader regional economic development planning. The MCA considers it necessary to establish functioning partnerships between communities, government and industry in order to align and effect community priorities, COAG priorities and industry's future workforce needs. This approach will enable a functioning framework that will equip Indigenous people for local employment now and into the future.

2.3. Attendance

MCA recognises and supports the need for action to improve school attendance of Indigenous children.

2.4. Literacy and Numeracy

MCA strongly supports this aspect of the draft Action Plan. As outlined above, lack of literacy and numeracy is a critical area that must be addressed as it remains a key barrier to employment, pre employment training opportunities and career advancement for Indigenous people working in the minerals industry.

A 2008 report prepared by the Mining Industry Skills Centre for the MCA and the Australian Government⁵ found that the education and training models being used in many remote Indigenous communities were inappropriate to the needs of Indigenous people.

Enterprises operating in remote and regional Australia should be able to expect that someone coming out of the local schooling system has equal capacity with school graduates in metropolitan areas. As outlined above, this is not the case for the majority of Indigenous Australians in remote and regional Australia, and many mining companies that have operations co-located with Indigenous communities invest a substantial amount in providing programs to develop the foundation skills of their Indigenous workers. These programs range from in-house tailored programs such as Rio-Alcan ALERT program, through other recognised formal programs delivered by external education providers to Workplace English Language and Literacy (WELL) programs.

This training effort could be re-directed to development of career paths for Indigenous employees if adequate levels of literacy and numeracy were achieved prior to school completion.

2.5. Leadership, Quality Teaching and Workforce Development

MCA agrees that teacher quality is the single greatest in-school influence on student engagement and achievement. Training and employment frameworks are hampered by the inability to attract and retain appropriately qualified staff across government agencies to effectively deliver programs; and the retention of staff to live and work in remote locations. Development of a pipeline of teachers with the cultural knowledge and ability to work with respect and sensitivity in an Indigenous community is critical to making education relevant and effective for Indigenous Australians. To that end, MCA strongly supports the development of a National Aboriginal and Torres Strait Islander Educator Workforce Strategy and the establishment of the Australian Institute for Teaching and School Leadership.

The minerals industry recognises its geographic and economic capacity to act as a catalyst for reform in the area of regional economic development, and has always welcomed effective ongoing partnerships with Government in order to achieve this. The industry has a long history of involvement in education and training initiatives to develop the skilled workers it requires. However, the MCA has consistently advocated that social infrastructure - specifically education facilities, healthcare facilities and housing is the responsibility of both State and Federal governments. Where social infrastructure needs are met, the role of the minerals

⁵ Mining Industry Skills Centre. *Identifying Opportunities for Enhanced Training Pathways in Remote Indigenous Communities in the Northern Territory: Report prepared for the Minerals Council of Australia*. MISC, 2008

industry as an economic catalyst can be fully realised through direct benefits to neighbouring communities such as employment, training, supply chain relationships and the multiplier effect of these. This in turn attracts other economic opportunities to the regions and leads to both functioning regional economies as well as functioning communities.

If government community service obligations in regional and remote communities were met, the resources currently invested by industry in the implementation and maintenance of soft and hard social infrastructure would be freed up, and could be redirected to achieving even greater local employment and training outcomes, and in supporting the development and growth of local enterprises both within and outside of the mining supply chain. This would further add to the liveability of remote and regional areas and enable the establishment of a less transient workforce.

To attract excellent teachers to teach in remote Indigenous communities, the Commonwealth Government should examine a broad range of incentives, including financial inducements and opportunities for professional development and career progression.

2.6. Pathways to Real Post School Options

MCA strongly supports the initiative to provide tailored learning and pathways to training. Whilst MCA recognises that MCEECDYA responsibilities do not include tertiary education (Higher Education and Vocational Education and Training) or on the job training, we strongly endorse the need to provide foundation skills in early childhood and at school to provide a foundation for later studies and participation in the mainstream Australian economy.

Access to high quality career services is a critical component of ensuring that Indigenous people make informed and appropriate choices for education, training and career paths. The MCA considers it critical that local employers have a key role in providing direct career information.

MCA supports the establishment of School Business Community Partnerships and believes that local mining companies can have a direct role in this initiative.

We note that ~70,000 Indigenous people are studying in the Vocational Education and Training (VET) sector and 9,000 at university, however, we have some concern regarding the number of Indigenous people who complete a series of VET qualifications but do not have employment outcomes. Training must be linked to real job outcomes, and we suggest that there is an opportunity to link with local employers to provide job opportunities for Indigenous people who complete school and/or relevant qualifications and have the necessary job readiness and fitness for work attributes.

3. CONCLUSIONS

MCA supports the key elements of the Indigenous Education Action Plan Draft and sees an opportunity for the minerals industry, specifically local mining companies, to play a key role in implementing the Action Plan. This includes:

- Inclusion in the Engagement and Connection Strategy element of the Action Plan;
- Provision of direct career information to enhance career services;
- A key role in School Business Community Partnerships; and
- An opportunity to link education providers and local employers to identify real job opportunities for suitably qualified Indigenous people.

ENDS