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## Review of Indigenous Employment and Engagement in the Northern Pastoral Industry 2007

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## **Abstract**

The Northern Pastoral Industry (NPI) is currently experiencing difficulty attracting and retaining skilled workers, to the extent that the production capacity and profitability of businesses are affected. These staff recruitment and retention difficulties are occurring despite the fact that the NPI operates in a region where there are large Aboriginal populations experiencing very high unemployment rates and where there is a strong history and association with the pastoral industry. There are reputedly reported low participation rates of Aboriginal people in the NPI where the Aboriginal population is high and strong anecdotal evidence supporting this, but there is in fact no specific employment data or correlation of data to help the industry establish a clear strategic approach to improving Aboriginal participation.

This Review outlines the history of Aboriginal involvement in the NPI and analyses past and current initiatives to improve Aboriginal employment and engagement in the industry. The Review also draws on the experiences of the mining industry to recommend a strategic framework and decision-making tool that can be used by the NPI to develop the organisational maturity of pastoral businesses and thereby improve their ability to achieve and sustain Aboriginal employment, and to create a positive flow-on effect for smaller pastoral operators. Importantly, the Review describes what action pastoralists can take to improve recruitment outcomes, including the establishment of their own labour market research capacity.

The predicted key benefits to the industry of this Review include a better understanding of what the barriers to Aboriginal employment are and how to overcome them, and a detailed understanding of what works in relation to sustainable Aboriginal employment. Through the recommendations the review also provides a practical way forward for pastoralists to improve their capacity to employ and retain Aboriginal pastoral workers by using best practice methods, developing a pastoral employment and skill needs database and accessing existing support services. The Review also supports the formulation of an industry-wide strategy to facilitate the dissemination of research results and information about how to access knowledge and support services that will improve industry performance.

This Review has been conducted in parallel with research for the Cattle and Country Evaluation Project that specifically evaluates the Indigenous Pastoral Program (IPP) and Kimberley Indigenous Management Support Service (KIMSS). It is recommended that this research be read in conjunction with this Review.

## **List of shortened forms**

AAA	Agriculture Advancing Australia
ABC	Australian Broadcasting Commission
ABARE	Australian Bureau of Agricultural and Resource Economics
ABS	Australian Bureau of Statistics
AISC	Agrifood Industry Skills Council
BETC	Business, Employment and Training Committee
CDEP	Community Development and Employment Project
CLC	Central Land Council
CRC	Cooperative Research Centre
CSRM	Centre for Social Responsibility in Mining
DAFF	Department of Agriculture, Fisheries and Forestry
DEET	Department of Employment, Education and Training
DEWR	Department of Employment and Workplace Relations
DEEWR	Department of Education, Employment and Workplace Relations
DKCRC	Desert Knowledge Cooperative Research Centre
DPIFM	Department of Primary Industry, Fisheries and Mines (NT)
ILC	Indigenous Land Corporation
IPER	Indigenous Pastoral Employment Review
IPP	Indigenous Pastoral Program
IPPE	Indigenous Pastoral Program Evaluation
KAPA	Kimberley Aboriginal Pastoralists Association
KAPI	Kimberley Aboriginal Pastoralists Incorporated
KIMSS	Kimberley Indigenous Management Support Service
KREC	Katherine Rural Education Centre
LUA	Land Use Agreement
MCA	Minerals Council of Australia
MCC	Millijidee Cattle Company
MLA	Meat and Livestock Australia
NFF	National Farmers Federation
NICP	National Indigenous Cadetship Project
NLC	Northern Land Council
NPI	Northern Pastoral Industry
NPV	Net present value
NREAC	Noonkanbah Rural Enterprise Aboriginal Corporation
NT	Northern Territory
NTCA	Northern Territory Cattlemen's Association
NTIPTS	Northern Territory Indigenous Pastoral Trainee Scheme
PGA	Pastoralists and Graziers Association
PIMSS	Pilbara Indigenous Management Support Service
Qld	Queensland
RIRDC	Rural Industries Research Development Corporation
RITE	Rural Industry Training and Extension
SCRGSP	Steering Committee for the Review of Government Service Provision
STEP	Structured Training and Employment Program
STEPERS	Structured Training and Employment Program, Employment Related Services
TAFE	Tertiary and Further Education
TO	Traditional Owner
VET	Vocational and Educational Training
WA	Western Australia

## **Executive summary**

The Northern Pastoral Industry (NPI) is currently experiencing difficulty attracting and retaining skilled workers. This labour shortage may provide employment opportunities for some Aboriginal people living in remote communities across northern and central Australia. The extent of this opportunity is unknown, with estimates for the NT suggesting between 40 and 300 positions per year. Typically, the Aboriginal communities have high unemployment rates, are located throughout the northern pastoral regions and many of their residents have historical and current relationships with pastoral managers and property owners. It is a paradox that the pastoral industry is experiencing prolonged labour shortages in the northern region where local Aboriginal communities are experiencing record unemployment.

To find a sustainable solution to this paradox, the Desert Knowledge Cooperative Research Centre (DKCRC), Meat and Livestock Australia (MLA), and the Indigenous Land Corporation (ILC) combined to fund and manage a 'Cattle and Country Project' to review Aboriginal employment and engagement, and to evaluate support services available in the NPI. The review includes:

- this research project titled the Indigenous Pastoral Employment Review (IPER)
- the Indigenous Pastoral Program Evaluation (IPPE), a research project that reviews and evaluates the Indigenous Pastoral Project (IPP) and Kimberley Indigenous Management Support Service (KIMSS).

The IPER methodology includes a literature review; interviews with government, private sector providers, pastoral managers and Aboriginal pastoral workers; on-site assessments of support programs; economic evaluation of case-study programs; and field visits to pastoral properties. The Review also draws on the mining industry's experiences of Aboriginal engagement and employment and recent research from the Centre for Social Responsibility in Mining at the University of Queensland.

### **Key findings**

#### **1. There is a historical legacy of Aboriginal involvement in the NPI that needs to be understood and acknowledged**

Aboriginal people have been involved in the NPI from its beginnings in the mid-nineteenth century. Some of the key factors that drove Aboriginal involvement in the industry, such as the coincidental location of Aboriginal peoples, their knowledge of country and interest in the industry remain key potential drivers of Aboriginal involvement today.

However, the level of Aboriginal employment in the NPI has significantly declined over the past forty years (1967–2007). Reasons for this include policy and legal decisions, the introduction of award wages in 1968 and the adoption of new technologies and stock management methods.

The consequences of this decline include the creation of a population of Aboriginal refugees occupying the fringes of remote towns and residing in excised Community Living Areas on pastoral stations throughout much of northern Australia. In many cases this has led to social dysfunction, chronic poor health and lower life expectancy, a breakdown of positive culturally based governance, loss of traditional cultural knowledge, substance abuse, low school attendance, increasing alienation from positive

work practices and habits and inter-generational loss of knowledge about country and cattle station operations.

Despite these negative consequences, there are still large and small pastoral companies employing Aboriginal people on either a casual or a long-term basis, and both the employers and employees describe their relationships in positive terms. These cases clearly demonstrate that the NPI is capable, under the right circumstances, of providing a source of employment for Aboriginal people, and that by accessing a locally available workforce, contributing to their own productivity and explicitly reducing Aboriginal unemployment.

**2. There are programs and initiatives aimed at increasing Aboriginal engagement and employment generally, but those focused on the NPI are not evenly developed or available across the entire NPI**

- The key programs and initiatives currently operating in this area are the Indigenous Land Corporation support services, Indigenous Pastoral Program (IPP), the Northern Land Council's Jobs and Career Service and Kimberley Indigenous Management Support Service (KIMSS). The major NPI companies and corporations operating in the north have in-house employment and on-site training arrangements in place; only a few include targeted Aboriginal engagement opportunities.
- There is a broader set of Australian Government programs aimed at encouraging Aboriginal employment such as the Structured Training in Employment Program, Employment Related Services (STEPERS) that may also be useful to the NPI. However, these arrangements are not necessarily geared towards commercial timeframes and usually need some kind of broker, such as the IPP or ILC.
- The NPI needs to learn from current and past initiatives and apply that learning about critical success factors to employment and training initiatives. Most programs apply some, but not all, of these success factors. The factors identified and documented in this Review represent an accumulated and up-to-date learning from across the NPI and the mining industry.

An important finding of this Review is that there is no comprehensive database or collection regime about pastoral industry Aboriginal employment statistics across the northern pastoral region. This finding indicates a need to institute systems that can actively monitor labour market issues both quantitatively and qualitatively.

**3. Assessment of past and current Aboriginal employment initiatives highlights five critical success factors that need to be present to achieve successful Aboriginal employment outcomes**

These success factors need to be consistently emphasised in both on-ground programs and higher-level strategic frameworks and are aimed at both attracting and retaining Aboriginal workers.

- The presence of a pastoral manager who has strong cross-cultural awareness; positive personality traits; an informed, non-abusive and competent management style; the ability to inspire trust through example; and the ability to undertake hands-on mentoring.
- The availability of appropriate workplace mentoring – there needs to be an increased opportunity for all workers to be mentored in both life skills and as part of work in the pastoral sector. The literature review and the research found that mentoring needs to be provided for managers and supervisors as well as for Aboriginal workers. Mentors could be provided directly by pastoral companies, or through pastoral employment

and support services (e.g. IPP or KIMSS). The employment longevity of particular mentors, as individuals with specific and desirable mentoring attributes, appears to be the critical success factor in retaining Aboriginal staff, irrespective of their employer or program link.

- Effective pre-employment assessment and drug and alcohol screening of trainees. The efficacy of current pre-employment programs needs to be improved so that they more accurately target Aboriginal people who have a realistic chance of sustainable employment in the NPI.
- The presence of appropriate training and employment pathways. Training needs to be hands-on and relevant by being directly related to a job outcome or conducted on the job.
- Encouragement through NPI strategies and support tools for pastoral managers and their companies to make an active and consistent commitment to Aboriginal employment. The mining industry, through the Centre for Social Responsibility in Mining, has found that the ability to recruit and retain Aboriginal staff is directly related to employers' organisational maturity, and the employers' commitment to practically supporting workers in both the workplace and at home.

#### **4. The NPI: learning from the mining industry**

The mining industry increasingly understands and accepts that four key elements exist in relation to successful Aboriginal engagement in northern Australia. The NPI could benefit from generally adopting and, where necessary, specifically adapting these elements to their own circumstances:

- There is a potential labour force literally on its doorstep
- It is important to support people holistically in and out of the workplace to overcome barriers and to achieve positive labour force results
- It does not matter what industry sector people eventually work in; there is an intrinsic and positive social and economic value for industry and the community at large in creating and supporting achievable 'real' job opportunities at all levels for locals
- The ability to capitalise on and benefit from local Aboriginal labour is directly related to the employer organisations' consistent application of good cross-cultural work practices, active commitment to Aboriginal employment and the development of capability to effectively deliver on its commitment; in other words, their level of organisational maturity.

The NPI has the combined corporate capacity and resources to assist with the resolution of its institutions' organisational maturity matters, setting employment targets (based on accurate and comparable data) and actively participating in the establishment of the necessary environment to achieve more jobs for local people.

The larger pastoral corporations operating across the north are ideally placed to meet their own needs in a way that is integrated with the social, cultural, environmental and economic needs of all of the residents, but particularly the needs of local Aboriginal people interested in engaging with and working in the NPI.

#### **5. The Review survey indicates NPI support for formal Aboriginal pastoral employment initiatives**

The support for Aboriginal pastoral employment initiatives could be harnessed to provide the foundation for developing an effective pastoral-focused Aboriginal Employment and Engagement Strategy. The strategy would, in turn, provide the framework to implement

the priority changes in the critical success areas summarised above. Accordingly, the Review proposes the following recommendations that:

- The NPI consider formulating and implementing a Pastoral Employment and Engagement Strategy to provide a single overarching strategic approach that facilitates affirmative actions at the corporate and property levels and provides a focus to discuss and negotiate issues peculiar to a northern perspective.
- The NPI consider implementing annual employment targets within regions. Parts of the Australian Government's STEP and other programs could be increasingly brokered through existing specialist programs (e.g. IPP, KIMSS).
- The NPI support its stakeholders to pilot the development and implementation of new systems within pastoral businesses that can help them achieve an organisationally mature approach towards Aboriginal recruitment and retention similar to that described in the CSRM Employment Report (Tiplady & Barclay 2007).
- Larger pastoral businesses assess their own organisational maturity in relation to Aboriginal employment using the strategic framework and decision-making tool (provided in the IPER) to assist NPI companies in taking the steps towards achieving a committed, capable and consistent approach to Aboriginal employment.
- The NPI develop its own employment and engagement research and monitoring capacity similar to the mining industry arrangements with the Centre for Social Responsibility in Mining at the University of Queensland.

It is increasingly necessary, in terms of labour force supply, for pastoral managers to better understand how Aboriginal people in rural and remote pastoral country can increase their participation in the industry. The major benefits are two-fold, with Aboriginal people living in remote areas benefiting through increased and sustainable employment opportunities, and pastoralists realising the benefits of reduced on-costs associated with a stable employment, recruitment and training environment.

The IPER looks at ways that, where necessary, both the supply of local workers and the quality of managers can be improved. With increasing industry investment and technology developments in property and animal management, a well-managed, motivated and trained workforce will be essential to the sustainable future of the NPI. However, this on its own is not enough unless these trained workers can operate in a workplace that values them as a critical human resource, and places an emphasis on worker retention.

While effort is required by governments and other organisations to act on a range of social and economic fronts to address the root causes of Aboriginal disadvantage, the recommendations of this Review provide concrete actions the NPI can take to increase Aboriginal employment and retention over the next five years. Predicted benefits to the industry of the Review include a better understanding of the barriers and opportunities in relation to Aboriginal employment and, as a consequence of adopting the IPER recommendations, an improved capacity for pastoralists to employ and retain Aboriginal pastoral workers by using best practice methods.

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## **1. Background**

Throughout the NPI, labour shortages are having a noticeably negative effect on the production capacity, and, implicitly, on the profitability of pastoral businesses (NFF 2005; DPIFM 2004a). The Pastoral Industry Survey of 2004, conducted by the Northern Territory Department of Primary Industry, Fisheries and Mines (DPIFM 2004a, 2004b), reported that over 50% of NT pastoral businesses indicated staff availability as the major hurdle they faced. Paradoxically, while the NPI is experiencing significant labour market shortages, Aboriginal communities throughout the northern pastoral regions of Australia are experiencing unemployment rates up to ten times higher than the current national unemployment rate of 3%, even though they comprise the majority population in most of the statistical regions (outside cities and large towns) across the north (ABS 2007).

The ongoing demand for pastoral labour is significant. Anecdotally, it has been reported that the Northern Territory Cattlemen's Association (NTCA) believes up to 60 additional positions are required every year in the NT alone. The Northern Land Council's (NLC) NT Pastoral Industry Employment and Training Strategy (2005:27) generally supports this, and identifies two possible scenarios that could be pursued between 2005 and 2010:

- Scenario 1: 40 new jobs in year one, increasing to 60 new jobs per year by the fifth year
- Scenario 2: 40 new jobs in year one, increasing to 110 new jobs per year by the fifth year.

Aboriginal people made a significant contribution to the development and operations of the NPI from its inception in the nineteenth century. This contribution continues, albeit at a much lower level, on both Aboriginal- and non-Aboriginal-held pastoral properties throughout northern Australia. High numbers of Aboriginal people were originally employed in the NPI, but the level of participation dropped dramatically in the late 1960s and early 1970s, and has not increased in spite of the relatively recent and substantial increases in the NPI herd size.

The decline in the number of Aboriginal workers in the pastoral industry over the past four decades is attributable to a variety of complex reasons. These are broadly documented by McLaren and Cooper (2001:163–172) and include:

- the introduction of award wages and subsequent refusal by many pastoralists to continue to support Aboriginal stock workers' extended families
- the belief among many pastoralists that Aboriginal stock workers were inferior workers to non-Aboriginal stock workers, and that non-Aboriginal workers were preferable.

McLaren and Cooper describe the reduced economic capacity of many pastoralists in the 1980s as being linked to crises such as prolonged drought, the international collapse of beef prices, a national decline in beef consumption, the beef substitution scandal, and Australian meatworks closures (2001:182–183). Other factors, such as the introduction of new labour saving techniques and technologies such as trap yards and helicopters, may also have contributed to the reduced need for labour, and, given their traditional role in the pastoral industry as open range horseback stock workers, Aboriginal people were particularly negatively affected.

The extent and probable causes of this dramatic change in employment dynamics are also well documented in Stevens (1974), McGrath (1987), Coombs (1994), McLaren and Cooper (2001), and Smith (2003).

These factors led to the sometimes forced removal of Aboriginal people from cattle stations to town camps, settlements and missions.

This had an unintended negative impact on the pastoral industry: employment opportunities declined in a field where Aboriginal people could actually get a job and excel, and a locally available pool of workers was lost, as was the complex kinship-based system that included inbuilt mentoring and training of younger Aboriginal people in stock work (McGrath 1987).

This shift prompted a subsequent movement towards ownership and control of pastoral land by Aboriginal people. The desire to run their own station remained high among many former Aboriginal stock workers, and Aboriginal ownership of pastoral lands across northern Australia is now substantial. However, many of the early attempts to generate business activity through the purchase of stations failed because of an absence of comprehensive support arrangements and a dependence on external employers (Young 2005:117).

Exceptions to this are, for example, Mistake Creek in the NT, Noonkanbah in Western Australia and Delta Downs in Queensland. These successful Aboriginal-owned and operated pastoral properties are few, but demonstrate that positive outcomes derive from:

- a long-term, ethical approach
- investment in developing appropriate governance capacity that is also culturally relevant to the traditional owners (TO)
- good quality cattle and property development advice over a long term coupled with access to the financial investment so decisions based on such advice can be implemented over intrinsically viable tracts of land.

The positive outcomes are:

- increased local employment
- a realistic and sustainable financial and social dividend for traditional land owners
- a surplus for reinvestment and debt retirement
- effective local management and succession
- a sustainable business platform from which confidence grows and other enterprises can emerge.

While some older Aboriginal people have retained older style technical knowledge about cattle operations, they gained very little knowledge about management requirements such as budgeting, marketing and contemporary property management skills over the past 30 years. This has presented difficulties in bringing Aboriginal-owned properties under full local Aboriginal management and operational control. However, at properties such as Mistake Creek and Palumpa (NT), Delta Downs (Qld) and Noonkanbah (WA) where competent manager/mentors have facilitated long-term inputs and support for Aboriginal management, a high level of successful Aboriginal employment and management input is occurring.

The major compelling reason – aside from cultural reasons – that Aboriginal people favour Aboriginal control over properties is because Aboriginal ownership is equated with enhanced employment opportunities. However, unbudgeted costs and conflicts are often associated with property management and can negate the immediate and potential benefits of local Aboriginal employment. This matter is discussed in more depth later in the IPER.

The Indigenous Land Corporation (ILC) was established in 1995 to ‘assist Aboriginal people to acquire and manage land in a sustainable way, to provide cultural, social, economic or environmental benefits’ (ILC 2007a). It replaced other Commonwealth land acquisition and management schemes and replaced the functions of the old Aboriginal Land Fund. The ILC has undertaken a more comprehensive and hands-on business and management role.

Aboriginal-owned cattle stations operating with ILC funding are expected to commit to good governance, financial accountability and eventual full commercial viability.

The ILC reports that it has also, through the IPP in the NT and KIMSS in northern WA, taken a greater practical interest in supporting Aboriginal management and vocational training. In 2005/06 the ILC employed 67 Aboriginal staff and a further 127 Aboriginal participants across its nine businesses. ILC pastoral interests across the northern pastoral region, including pastoral Land Use Agreements, currently total approximately 2,627,300 hectares (ILC 2007b). The map at Appendix 5 shows current Aboriginal pastoral holding in northern Australia (ILC 2007a).

## **2. Project objectives**

The aim of this Review is to develop a practical understanding of the effectiveness of different Aboriginal pastoral employment and engagement models and, on the basis of this understanding, provide recommendations to the industry and governments about what works, what does not work, and why. The NPI, through MLA and its members, and with DKCRC and ILC, will then be in a more informed and stronger position to provide focused and strategic support and advice to pastoralists and pastoral managers about the actions they can take to increase the long-term participation of Aboriginal people in the industry.

The IPER Terms of Reference (Appendix 1) are for the review to have:

- compiled a database of past and present Aboriginal employment and training initiatives within the northern pastoral industry (Qld, NT, Kimberley and Pilbara), including 'mainstream' pastoral training initiatives that included Aboriginal participants
- documented the different generic Aboriginal employment models used across different pastoral enterprise types and primary industries in northern Australia
- documented in detail the impacts (for both Aboriginal participants and the pastoral industry) and costs of past and present Aboriginal pastoral employment and training initiatives
- documented successful case studies and evaluated the factors that contributed to their success
- recommended principles and practices necessary for successful Aboriginal employment initiatives, with particular reference to the institutional or corporate characteristics that improve employment outcomes
- described future opportunities for project investment to support Aboriginal employment in the northern pastoral industry.

In order to provide a greater understanding and recommendations for the NPI about what needs to be done, based on an analysis of what works, what does not work, and why, the IPER:

- outlines the historical and current participation of Aboriginal people in the NPI
- identifies relevant current and past initiatives and models aimed at increasing or supporting Aboriginal participation in the NPI through a literature review and direct contact with relevant groups and people
- identifies a broader range of government and non-government programs that are relevant but not necessarily specific to facilitating Aboriginal engagement and employment in the NPI
- assesses current and past initiatives to determine critical success factors for sustainable Aboriginal employment in this industry
- draws on the experience and lessons of the mining industry and on research from the Centre for Social Responsibility in Mining at the University of Queensland, in relation to Aboriginal engagement and employment
- formulates a strategic framework for NPI to use as part of achieving improved employment outcomes and participation by Aboriginal people in the cattle industry
- provides a preliminary decision-making tool to help individual pastoral companies achieve best practice in recruitment and retention of Aboriginal staff.

At the onset of the project, the Terms of Reference asked that a decision-support instrument be designed to measure the cost effectiveness of various programs and initiatives aimed at increasing Aboriginal engagement and employment in the pastoral industry. The research has found that there is currently a plethora of diverse and ad hoc programs and initiatives in

this field with objectives and outcomes that are difficult to assess using this methodology. A comprehensive selection of these programs is included at Appendix 3.

Importantly, the Country and Cattle Evaluation of the IPP and KIMSS will provide a critical assessment and information about the only programs operating in the NPI region that are explicitly targeting capacity development and either explicitly or implicitly targeting region-wide employment and engagement of Aboriginal people in the pastoral industry.

The IPER is focused on identifying critical success factors that need to be present for any initiatives to succeed. Most programs display some, but not all, of these success factors, and therefore the list of factors represents an accumulated learning from across the industry and in other sectors, including the mining industry. Drawing on this analysis, a decision-support instrument has been devised to help employers change their management arrangements to meet these critical success factors.

In addition, while not specifically required by the Terms of Reference, significant information has been included on the history of Aboriginal engagement and employment in the NPI. It is essential to understand this history in order to design effective initiatives in the future. Key historical information is included in the results section, and further more detailed information can be found in Appendix 2.

### **3. Methodology**

The components of the IPER methodology included:

- literature review of the history of the NPI and the current impacts of this history, particularly drawing on the mining industry report (CSRM) on Aboriginal and Torres Strait Islander employment (Tiplady & Barclay 2007)
- stakeholder interviews conducted to gauge their perceptions of what does, and what does not work regarding Aboriginal employment and engagement in the NPI
- economic evaluation of case-study programs and compilation of 'Thumbnail' case studies of Aboriginal-owned and -controlled stations (Noonkanbah and Millijidee) and a private non-Aboriginal-owned and -run station
- field visits to, and contact with owners and managers of northern pastoral properties; and site assessments of Aboriginal employment or engagement initiatives, programs and models.

The research methods ensured that both Aboriginal and industry interests were able to contribute to the IPER in ways that were culturally and socially appropriate.

The IPER and the Pastoral Program Evaluation Projects (IPP and KIMSS) proceeded in concert to avoid duplication, repetitive intrusion into participants' time and to facilitate sharing of research methodologies and information.

#### **3.1 Literature review**

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A literature review was conducted of past and current Aboriginal employment initiatives, programs and models aimed at supporting Aboriginal involvement in the pastoral industry. Key references were obtained through a number of literature searches, and the results comprise a substantial reference list. The body of the literature review distills important primary information relevant to Aboriginal participation in the NPI.

Review material was drawn from:

- online and library searches for information and publications about Aboriginal pastoral employment and engagement programs or initiatives that have been or are operating in Australia or internationally. DPIFM assisted with additional online searches. Of 500 references identified, less than 50 were assessed as very useful. References included academic works; industry and government papers; and special interest publications about the history and key events relating to, or affecting, Aboriginal participation in the pastoral industry
- general information about the pastoral industry published in magazine and newspaper articles
- organisation-specific information in print or digital formats such as websites.

The Australian Bureau of Statistics (ABS) was engaged to obtain statistical analysis of Aboriginal employment in the NPI by Local Collection Area (LCA). As the distinction between pastoral, forestry and fisheries employment is not made in the census questionnaire, Aboriginal pastoral employment figures were estimated on the basis of a three-way split if pastoral, forestry and fisheries industries were active in the LCA, two-way if two industries were present or 100% if only the pastoral industry was present.

The areas deemed to comprise the northern pastoral region were discussed and agreed with MLA Northern Beef Program Manager and the DKCRC Cattle and Country Project Manager.

The agreed study area comprised all of the Kimberley in WA, all of the NT, and the Cape York and northern and southern gulf regions of Qld.

Meetings and telephone discussions were also held with statisticians, librarians, database managers and other researchers to inform the literature review. Significantly, the WA Government commissioned a Review into Training for Aboriginal Pastoralists in late 2006. The Training Review results are not yet published. The lead researcher in that project also found there is a paucity of contemporary data, statistics and literature specifically about Aboriginal employment in the NPI, and what little there is cannot be used for analytical purposes.

Summaries of information were obtained from representatives of key organisations, educational institutions and government agencies that have:

- provided or still provide programs supporting Aboriginal involvement in the pastoral industry
- developed and/or implemented initiatives or models supporting or driving Aboriginal involvement in the pastoral industry
- engaged in, or undertaken a review that, by virtue of its methodology, relationship to the specific Terms of Reference of this research, or findings could enhance the outcomes of the IPER.

### **3.2 Interviews**

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Individuals interviewed included pastoral managers and directors, property owners, pastoral workers from pastoral companies, representative bodies and employment program managers from Aboriginal organisations, relevant government bodies, training facilities and key people in the pastoral and mining sectors.

The IPER used a relatively small set of questions to elicit qualitative information about individuals' and agencies' experiences relating to Aboriginal employment and engagement in the NPI. The questions also sought to elicit specific information about what works and what does not work in terms of facilitating Aboriginal employment and engagement in the NPI.

The explicit knowledge contained in these responses provides important insights about what can be done to improve Aboriginal engagement in the NPI. The information can benefit decision makers, and employment and training practitioners regarding improvements to their policies and approaches, and provide a better understanding of the way resources are targeted to achieve better results. Most importantly, the responses can inform the NPI through its key stakeholders about how to implement internal management and policy changes so their approach to Aboriginal employment will be more effective and sustainable.

The survey component of the IPER methodology is closely linked to the IPP and KIMSS Evaluation. Key participants interviewed included staff of the NT IPP and the KIMSS. Respondents also included business managers and professional employment mentors working for the mining industry. The criteria outlined in Table 1 were constructed from initial consultations with stakeholders, agency representatives and Aboriginal participants (former and present) in the NPI. These informants include people either living at or associated with the pastoral properties or agencies surveyed. The primary use of Table 1, other than as a research tool for the IPP and KIMSS Evaluation project, is to provide consistency with the IPER.

**Table 1: Context data: Adapted for IPER from the IPP and KIMSS Evaluation Project**

<b>Subject</b>	<b>Details affecting current situation</b>
Type of engagement in the NPI: e.g. management, worker, peak body representative or pastoral support program	Management experience
	Presence of employment or other support program
	Key issues affecting participation levels
Historical, cultural, corporate or other factors	Length of time property in operation
	Current owners/previous owners
Governance: company, sole owner, Aboriginal Corporation, Government/non-government	Aboriginal, non-Aboriginal, role and function of corporation, company policy towards Aboriginal employment
Tenure: lease, ownership	Level of management by the station owners
	Presence of land use agreements, leases
Presence and size of Aboriginal community and governance	Number of people and use of cultural arrangements in management and employment (clans, moiety groupings)
Employment and type: e.g. full time, CDEP	Number of people (Aboriginal and non-Aboriginal) employed
	Types of positions held by Aboriginal people
	Factors affecting Aboriginal employment

Each interview began with the respondent receiving a briefing about the IPER, including details about the commissioning organisations (MLA and ILC), information about the intended and potential applications for the findings, and assurances that respondent confidentiality would be maintained unless stated otherwise. For example, the people interviewed at Noonkanbah and Waliburru wanted to be included, and stated that it was very important for them to be publicly recorded as they wanted young Aboriginal people from their communities to know they were speaking up.

The first questions aimed to establish the context of each respondent's work and experience in the NPI (e.g. how the respondent fits into the community and the workplace historically, socially and culturally; see Table 1). The rest of the questions were to elicit information and perspectives from respondents about their experiences, perceptions and knowledge of Aboriginal employment and engagement in the NPI. The questions were conducted in narrative-style interviews. Some interviews were conducted with individuals and some as group discussions.

The prompts and key questions are listed below:

- Establishment and context questions were asked about respondents' work, and social and/or cultural relationship to the NPI (see Table 1)
- Aspirations about the NPI: What do you believe Aboriginal people want from the NPI?
- Level of participation, involvement and awareness about the cattle business: What does having a cattle business mean in terms of Aboriginal people being involved? How much involvement? What is the involvement? What are your and others' attitudes towards current, past and future levels of Aboriginal involvement? Why is this involvement good? Why is this involvement in need of improvement?
- Relationships between stakeholders involved in the NPI: Who are the important stakeholders? What are the relationships between them? Do they support Aboriginal employment in the NPI?
- What is working or helping Aboriginal people get jobs in the NPI? (for example, the employers' management styles or approaches, location of workplace, distance from



family, access to mentoring, property management support, jobs provider or pastoral support service)

- What are the things not working and/or acting as a barrier to Aboriginal people working in the NPI?
- Why do you believe these things worked or did not work?
- Do you have any stories about working or trying to work in the NPI from here or somewhere else? Do they influence your attitudes now?
- Recommendations about Aboriginal employment in the NPI: What would you like to see happen in the NPI, now and in the future?

Data collected was cross-checked, and information was shared with that from the IPP and the KIMSS Evaluations' interviews. The aim of this was to increase the numbers of responses to benefit both projects.

The IPER included site visits, for the primary purpose of conducting interviews, to cattle properties in north Qld, NT, and the Kimberley region of WA. A total of 14 pastoral properties were visited, including Aboriginal-owned and -operated properties, Aboriginal-owned properties fully or partially leased to non-Aboriginal operators, and non-Aboriginal-owned and -operated properties. The properties visited were Lamboo, Billiluna (people from Lake Gregory were also interviewed), Noonkanbah, Millijidee, Gibb River, Mistake Creek, Manglawarra, Elsey, Waliburru (formerly Hodgson Downs), Amanbidji, Scott Creek, Palumpa and Andarra Stations. During these visits sixty-five face-to-face interviews were conducted, including one with the former manager of Delta Downs Station; and of these, six sessions were group interviews that comprised three or more people.

A total of sixteen telephone interviews were conducted with service provider representatives and pastoralists from non-Aboriginal owned stations. The telephone interviews included the Kidman's Human Resource Officer and the Managers of VRD, Brunette Downs, Alexandria, Napperby, Nutwood Downs, Helen Springs, and Tallyrand Stations. Further interviews were held with representatives of key stakeholder groups, including employment and pastoral support service providers, the ILC and land councils' representatives. These interviews included the Training Managers from Longreach Pastoral College, the Mareeba Campus of the Australian Agricultural College, Centacare Employment Services and NT Group Training.

Two important interviews were also conducted with mining industry interests and a representative of the Centre for Social Responsibility in Mining (CSR), University of Queensland, to gain insights from recent similar studies conducted in the mining industry.

One major presentation was given to the Northern Gulf Resource Management Group when they met at Andarra Station (Qld). This presentation sought inputs and contacts from a wider group of pastoral employment and training interests in north Qld. Informal discussions with pastoralists attending provided valuable background about the Qld pastoral employment situation.

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### **3.3 Thumbnail case studies**

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Two 'thumbnail' case studies are included in the IPER to provide a broad comparison about needs, inputs fulfilled or not, the presence of success factors and relative employment and retention outcomes. The two examples are:

- Fully Aboriginal-owned and -controlled properties: Noonkanbah and Millijidee Stations
- Non-Aboriginal-owned and -operated property: Scott Creek Station.

These thumbnails are used to characterise and highlight matters where important lessons have been learnt about engagement and employment. They serve as examples of best practice, but also illustrate that things can always be improved.

These thumbnails are intended to inform and assist organisations such as MLA and ILC to increase their understanding of how particular inputs and approaches affect different situations, and to help them make strategic decisions about courses of action and levels of support they may consider appropriate.

### **3.4 Site assessments**

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Site assessments were also conducted of identified initiatives, programs and models. These models included analysing CD-Rom copies of courses and programs, including KIMSS and Rural Industry Training and Extension (RITE). A PowerPoint presentation was made by the Trailblazers' coordinator at the annual Northern Gulf Resource Management Group Pty. Ltd (NGRMG) meeting and workshop at Andarra Station (north Qld). Trailblazers is a small course supported by the NGRMG which encourages young people to stay on country and pursue a career in pastoralism. A summary presentation about the IPER project was also given at the NGRMG workshop.

Site assessments of properties supported by IPP and KIMSS as well as visits to their 'home range' and interviews with both coordinators and staff were conducted.

## 4. Results and discussion

### 4.1 Historical legacy – Aboriginal participation in the NPI

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The literature review and interviews conducted for the IPER strongly indicated the importance of understanding and acknowledging the history of Aboriginal involvement in the NPI. The historical events remain critical to the current situation of Aboriginal underrepresentation in employment in the NPI. The legacy of historical impacts, both positive and negative, should not be under-estimated by current pastoral managers and agencies operating in this field (see Young 2005). There are eight key historical points, briefly summarised below, that need to be recognised in framing future Aboriginal engagement and employment policies and programs. For a more complete historical overview see Appendix 2.

- **Importance of Aboriginal participation in the NPI**

Aboriginal participation in the NPI was operationally important from the earliest times, with Aboriginal labour sometimes being subsidised by state governments to help run cattle over vast areas of land dedicated to cattle production (McGrath 1987; Coombs 1994; May 1994). Pastoral-based development and colonisation of the north occurred from the east coast inland: westwards and northwards from Qld initially, with the NT and eventually the Kimberley region of WA being occupied under lease for pastoral (cattle and sheep) husbandry.

- **The development of the pastoral industry across northern Australia was not uniform**

The development of the pastoral industry in WA and Qld proceeded differently from in the NT, mainly because of legislative, policy and social differences. The main differences were that the NT was under Commonwealth administration until 1978, and the NT total population – and therefore taxable economic base – has remained very low compared with both north Qld and north WA.

- **There was a key shift away from open range pastoral management**

The early years of large scale cattle operations across the north employed what is now termed the 'open range' system of operation (Lewis 2002:20). During the 1960s and mid-1970s there was a shift from open range management, which favoured Aboriginal skills, to a more intensive use of fencing, wider use of motor vehicles and the introduction of helicopter mustering from the late 1970s on. May (1994:168–172) asserts that these changes in management practice contributed as much to the reduction in the use of Aboriginal labour as the equal pay decision of 1966.

- **Introduction of award wages in 1968**

When Aboriginal people were initially engaged in the pastoral industry in the nineteenth century, they were compensated for their work with the provision of basic shelter, clothing and food rations. Even until the late 1960s, Aboriginal people were being paid well below award rates. Smith (2003) states that: 'Low cost Aboriginal labour either paid or in-kind, at wages well below award rates, is what maintained pastoral station profit margins up until the late 1960s.' It is generally acknowledged in the literature that while wages (cash and in-kind) were low, many pastoral operations also supported extended family members of their Aboriginal workers (May 1994, MacLaren & Cooper 2001). This situation changed dramatically during the 1960s with the 1968 award of (equal) wages for Aboriginal pastoral workers, based on a 1966 decision of the then Arbitration and Conciliation Commission.

The payment of award wages, deferred until 1968 to give pastoralists time to adjust, was to mean large-scale unemployment, and by the early 1970s a considerable number of Aboriginal employees had been laid-off and they gradually drifted away with their dependents to settlements. More of the remainder would follow. This shift was consistent with the reduced economic capacity of the pastoral industry to shoulder this cost, given the economic downturn in beef prices, changes to stock and property management techniques and the increasing propensity to employ non-Aboriginal stockmen only (May 1994; McLaren & Cooper 2001:173).

- **Introduction of the *Aboriginal Land Rights Act (Northern Territory) 1976***

The advent of the *Aboriginal Land Rights Act (Northern Territory) 1976* and the subsequent implementation of the Act eventually gave traditional Aboriginal owners the ability to claim pastoral properties that they owned. The opportunity to achieve ownership was intended to recognise peoples' land rights and to provide the economic base which would herald an era of pastoral-driven employment and prosperity for traditional Aboriginal owners in the NT. Similarly in the Kimberley and Qld, pastoral leases and properties were being acquired, but as the map (Appendix 5) shows, the majority were in the NT.

Many of these northern pastoral properties were purchased by the former Commonwealth Aboriginal Land Fund Commission (established in 1974), and viewed as potential commercial enterprises. Unfortunately, the acquisition of these properties did not lead to the high level of employment and economic benefits that were originally envisaged. Commercial viability of these stations was threatened by a number of factors, including the low-levels of infrastructure on stations, low skill levels of Aboriginal pastoral owners in relation to governance and management, low operational capacity, poor markets and an absence or lack of competent and comprehensive support arrangements.

- **Emergence of Community Living Areas**

The combination of the 1966 equal wage decision and the later introduction of new technologies and cattle management methods lead to pools of jobless Aboriginal refugees in remote towns and on properties throughout the northern pastoral belt. The issue of continued Aboriginal residence on pastoral properties in the NT was significantly addressed by the Gibb Committee Report (Gibb 1972).

The Committee sought to manage the tension between now-unemployed Aboriginal people and their families living on pastoral properties, and the pastoral leases' managers and owners by establishing excisions from the pastoral lease to be used exclusively as living areas by Aboriginal residents. The matter of Aboriginal living areas on pastoral leases was not fully resolved in the NT until nearly a decade later with the introduction of the Community Living Areas legislation, although some pastoral excisions were negotiated prior to this.

- **Decline in the northern cattle industry**

By the mid-1970s, the northern cattle industry was in economic decline for a number of reasons. From the pastoralists' perspective these reasons were poor climatic conditions, declining domestic beef consumption and reduced overseas demand for Australian beef. The pastoralists were in a situation where costs had to be cut, and cheaper methods of managing cattle were sought (McLaren & Cooper 2001).

- **Substantial shortage of experienced stock workers**

There is now a reported shortage of experienced stock workers in northern Australia and the traditional source of local stock workers for the NPI – Aboriginal people – has massively declined over the past forty years.

This shortage is generally remarked on anecdotally by industry representatives, and is expressed by the National Farmers' Federation (NFF) to the extent that they produced a *Labour Shortage Action Plan* (2005) and suggested a greater engagement with Aboriginal people.

## **4.2 The extent of the NPI labour force problem**

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### **4.2.1 Context**

Under the headline 'Farming's Future Needs Support' the *North Queensland Register* reported that the NFF has identified the need for government support, focusing on what they consider to be the five budgetary pillars required to lay the solid foundations for maximising the sustainability of Australian agriculture beyond drought. These pillars are the environment, capacity building, supply chain efficiency, labour force and bio-security (*North Queensland Register*, November 3:2003).

The concern about labour force certainty cited above and the need to act are further evidenced in the NFF's *Labour Shortage Action Plan* (2005:78) which, among other things, aims to identify realistic solutions to help the agriculture industry resolve labour shortages. The NFF Strategy acknowledges that Aboriginal workers were historically 'the mainstay of the pastoral industry in remote ... Australia ... (and now) ... there is a significant potential to engage Indigenous people into the agriculture industry.'

There is also a significant and largely unemployed Aboriginal population in the rural and remote areas of north and central Australia, and much of this population is adjacent to operating pastoral properties. Chondur and Guthridge, in the publication *Population Data and the Northern Territory*, estimate that in 18 out of the 21 Northern Territory Health Zones the Aboriginal population either exceeded or almost equalled the non-Aboriginal population in rural and remote areas (2006:40).

While national unemployment levels rose sharply during the 1980s and remained high during the early 1990s, they have recently fallen to near record lows of less than 3%. Aboriginal unemployment levels, however, particularly in rural and remote areas, remain high. The 2001 Census revealed that the national Aboriginal and Torres Strait Islander unemployment rate would have been approximately 34% if the Community Development Employment Program (CDEP) was not factored in (Steering Committee for the Review of Government Service Provision [SCRGSP] 2007).

CDEP is effectively an enhanced Aboriginal and Torres Strait Islander work-for-the-dole scheme that provides institutional and administrative support for severely economically depressed regions. The scheme was modified as part of a suite of Aboriginal and Torres Strait Islander reforms announced by the Australian Coalition Government during 2007. The change to a Labor government in November 2007 heralds a new set of changes and an emphasis on Indigenous Economic Development, including the Indigenous labour market. The current indications are that a modified CDEP will be retained (Gartrell 2007). Notwithstanding the eventual outcomes of these changes, Aboriginal and Torres Strait Islander unemployment remains about 30% higher than the national average.

Despite the strategic location of a large pool of unemployed Aboriginal people in predominantly pastoral regions, Aboriginal engagement in the NPI remains low. The Australian Bureau of Agricultural and Resource Economics (ABARE) asserts that while Aboriginal people make up the majority of the population in the rural and remote regions of the NT, north Qld and north-west WA, they are not participating in the pastoral workforce in

the numbers that would be expected (2006:14). When Aboriginal people are engaged in work, it is usually on a part-time or casual basis.

The most recent Productivity Commission Report indicates that Aboriginal and Torres Strait Islander men in the labour force were almost twice as likely as non-Aboriginal and Torres Strait Islander men to be employed part time (24.2% compared with 12.9%) and less likely to be employed full time (65.3% compared with 83.3%); and that while participation has increased, this is in response to increased CDEP participants (SCRGSP 2007:11.11). The most recent and relevant RIRDC report states that Indigenous Australians accounted for 1.3% of all persons employed in the agriculture, forestry and fisheries sector in 2001 with the majority represented in the remote region of Australia (Herrera et al 2004:viii).

The Productivity Commission (SCRGSP 2005:11.5) defines full-time employment as 35 or more hours of work per week, and part-time employment as one hour or more, but less than 35 hours of work per week. Any upward trends in Aboriginal and Torres Strait Islander employment are generally attributed to greater uptake of part-time work, and the increase in the number of CDEP positions available (SCRGSP 2007). The level and type of modifications to the CDEP are unknown at the time of writing, but a removal of CDEP will result in increased unemployment, and, therefore, a greater pool of people available to be taken up for any local work that is available, but only if they are skilled, have transport, and are prepared to work.

The very low levels of Aboriginal employment in the primary industry sector (includes agriculture, pastoral, forestry and fisheries) across the regions covered by this IPER are demonstrated in the following summary:

- **WA:** Aboriginal people comprise 13% of the total primary industry workforce in the three Kimberley (WA) pastoral regions of Broome, Derby and Kununurra, but Aboriginal people comprise 33% of the total population in those regions.
- **NT:** Aboriginal people comprise 12.5% of the total primary industry workforce in the four pastoral regions of Jabiru (77% of total population), Katherine (50% of total population), Tennant Creek (47% of total population), and Apatula (80% of total population).
- **Qld:** Aboriginal and Torres Strait Islander people comprise only 5.6% of the total primary industry workforce in the five combined regions of Cooktown, Cairns, Mt Isa, Townsville and Rockhampton. Aboriginal and Torres Strait Islander populations in these areas ranged from a minimum of 10% between Normanton and Cairns (Croydon) but up to 55% for Cape York and 35% for the Carpentaria region.

Given that these figures also include Aboriginal agriculture, forestry and fisheries workers, the participation rate in the NPI by Aboriginal people in the pastoral component of the primary industry sector may be one third of the percentages shown above. This is in rural and remote regions where Aboriginal populations range from 10% up to 80% of the total population (Australian Bureau of Statistics data at 11.12.07, [www.censusdata.abs.gov.au](http://www.censusdata.abs.gov.au)).

While the pastoral industry historically employed high numbers of Aboriginal people, it has not done so for the past 30–40 years. For a number of important reasons, it is not a simple matter to revert pastoral economies and labour markets to the high historical levels of employment. These reasons include low skills base, other more attractive career options for skilled people and a range of complex social and cultural barriers (Young 2005). These particular issues and solutions are discussed later in the IPER. However, the Productivity Commission Report identifies the IPP as one of the ‘things that work’ stating that it ‘aims to generate 1000 new Indigenous jobs in the pastoral industry over the next 10 years’ (SCRGSP 2007: 11.27).

While it is true the IPP aims to meet some of the labour and staffing shortages the NT pastoral sector is currently experiencing, it will be challenged in providing skilled workers both initially and until comprehensive mentoring and skills development has occurred. Both the Darwin and Alice Springs Pastoral Industry Surveys identify the 'limited availability of experienced permanent staff as the major hurdle facing pastoral producers' (DPIFM 2004a). Two TAFE Training Managers based in north Qld reported that:

*... overall training enrolments are down in agriculture ... planning on numbers in agriculture never returning ... 97% of graduates get a job, but not necessarily in agriculture ... there is no money in agriculture compared to the mines ...* (Telephone Interviews 2007).

The nature and broader extent of this shortage is highlighted by a recent rural newspaper advertisement in a north Qld newspaper seeking station-hands: 'Must be able to ride horses, would prefer experience' (*North Queensland Register*: 23 November 2006). The work is for a cattle station in the west Kimberley, indicating that the station manager is currently unable to fill the positions using local people, despite being in a region where Aboriginal people comprise 30% of the total population and experience upwards of 30% unemployment.

While there are disconnected pieces of localised employment data available about the pastoral labour availability situation, and most of it is anecdotal, there are no comprehensive or comparable data available about the exact extent of the pastoral labour shortage, or in fact about the numbers of people employed in the NPI specifically. A key finding of this review is that there is no database about pastoral industry employment statistics across the northern pastoral region, and because of this no way of establishing reasonable employment targets.

#### 4.2.2 Why aren't more Aboriginal people employed in the NPI?

*... there is a prevailing belief that welfare destroyed Aboriginal peoples' initiative, work ethic and hope, and that a culture of paternalism dominates and spoils rather than supports work activity.*

(Interview: Pastoral Industry support worker and stockman, WA, 2007)

No matter how it is looked at, the reasons underlying the perceived shortage of Aboriginal pastoral workers are complex. It is well documented that a significant part of Aboriginal disadvantage relates to unresolved health, communication and social matters that have negative effects on employment outcomes in terms of both recruitment and retention (Taylor 2005; SCRGSP 2005, 2007; Howard 2007).

The literature in the field of Aboriginal employment asserts, and it is also often stated anecdotally, that low participation of Aboriginal people in the pastoral industry across the north is because potential Aboriginal pastoral workers are insufficiently skilled, there is a low work ethic because of welfare dependence and family matters preclude people from staying in a job that is remote from home. These reasons are explored in greater detail in Section 3.

The Agrifood Industry Skills Council supports this contention for the wider population as well, where it states that:

*... worker attraction and retention within the agrifood industry, as in all industries, is influenced by many factors such as remuneration, employment entitlements and working conditions, the availability of career pathways and training, and the image of the industry.*

*Many of the jobs offered in the agrifood industries are hard, involve long hours, are sometimes dangerous, are seasonal and offer low pay.*

*Coupled with the regional location of the jobs and the perceived lack of a career path in many of the sectors, attracting and retaining workers in a competitive employment market is challenging.*

(AISC 2005:25).

Broadly, the literature points to five main factors, detailed below, that contribute to the very low Aboriginal representation in the workforce generally and which can be extrapolated into the pastoral industry specifically.

#### **a. Historical legacy**

*Younger Aboriginal people need education and knowledge about the work ethic ... how to get up, get ready and go to work is essential.*

(Interview: Station manager, NT, 2007)

It is asserted by McLaren and Cooper that the causes of the decline in Aboriginal employment are largely historical and started with the introduction of award wages and welfare payments. This destroyed Aboriginal prospects for pastoral work into the future, and is a key reason why there are relatively so few skilled Aboriginal pastoral workers now (McLaren & Cooper 2001:164–170).

Overall, for Aboriginal people, the 1968 introduction of award wages on one hand, and of new management methods on the other, meant they were no longer needed in the same way or numbers as they had been during the post-war period when labour was in short supply.

As stated earlier in the review, with changes to station management from open range to more intensive and technical operations there were not as many jobs as there had been before, and the unique bushcraft skills of Aboriginal people were not in high demand.

Aboriginal people with extended families were no longer wanted on the properties as they were seen as an unnecessary economic burden, many were labelled as inferior workers to their non-Aboriginal counterparts, and they were perceived as difficult to manage when compared with non-Aboriginal workers (McGrath 1987, May 1994, Coombs 1994, McLaren & Cooper 2001).

#### **b. Tight labour market**

Another reason for low Aboriginal participation rates in the NPI is that nationally, and particularly in the north, there is an overall tight labour market which includes a high demand for skilled and employable Aboriginal people. So while there are many Aboriginal people who would like to work, there is an extreme shortage of Aboriginal people with the skills required by various industries (Young 2005).

*Station owners don't think Aboriginals can work and don't give young Aboriginals a chance. Also younger Aboriginals don't have the old skills or the new cattle management skills.*

(Interview: Support worker and stockman, WA, 2007)

As well as this negative perception, there is a commensurately higher uptake of talented and willing individuals by other employers such as the community services, mining or tourism



sectors in the current strong employment environment (SCRGSP 2007). These sectors pay more, and are perceived by potential employees as having better working conditions than the pastoral industry.

### **c. Social factors**

The Australian Indigenous Health InfoNet selected social indicators data sheet ([www.healthinfonet.ecu.edu.au](http://www.healthinfonet.ecu.edu.au) 2006) finds that reluctance by non-Aboriginal employers to employ Aboriginal people is a factor contributing to low Aboriginal employment. Howard reports that there are a broad range of social factors that contribute to this, including a lack of cross-cultural skills among managers. Howard states that:

*Some of the negative attitudes and judgements which emerge among both groups [Aboriginal and non-Aboriginal] appear to be the result of important differences in communication styles.*  
(Howard 2007:7).

Equally, other factors such as substance misuse may reduce workers' chances of successfully training or operating to workplace occupational health and safety requirements. As with many contemporary workplaces, pre-work drug testing may provide the support potential workers need to overcome peer pressure to use drugs or alcohol.

The Australian Indigenous Health InfoNet has also indicated that the relatively low educational levels of many Aboriginal people are also a barrier to employment ([www.healthinfonet.ecu.edu.au](http://www.healthinfonet.ecu.edu.au) 2006). Other reasons for this low participation of Aboriginal people are that 'industries such as agriculture ... are declining in terms of employment shares in the Australian economy' (SCRGSP: 2005).

### **d. Medical factors**

Medical factors such as hearing disability or other health issues such as diabetes are highly prevalent among Aboriginal and Torres Strait Islander Australians. The untreated or undetected presence of ailments such as these may negatively impact on the ability of workers to hear instructions, operate effectively or operate to full capacity (Howard 2007).

The clear solution to this situation is to ensure workers are able to access pre-employment medical assessments and treatment in the context of becoming work ready, and staying healthy. The role of job providers may need to extend to facilitating medical checks for people presenting for work.

### **e. Personality of station managers and supervisors**

The nature and management style of station managers and supervisors has been described as a key factor in the ability to attract and retain workers in the pastoral industry (Davis 2004). This factor was also raised consistently during the interviews by people working at all levels of the NPI, including stock workers, managers, and government and non-government agency support workers. Some people are simply more suited to human management and supervisory work than others. Parts of the mining industry have recognised this factor and put human relations strategies and protocols into place, with the resources to implement them, aimed at overcoming Aboriginal disadvantage in the workplace.

A core part of this approach includes a commitment to maintaining honest and transparent relationships run by qualified, skilled, informed and committed personnel in training and liaison positions, who are respected by the local Aboriginal community (Tiplady & Barclay

2007). The call for more effective mentoring and the training of managers in handling people, particularly in a cross-cultural context, was also made very clearly in interviews conducted for this IPER.

#### 4.2.3 Culture of training: does it lead to employment?

Stock workers have traditionally been trained in the workplace. Historically, the jackeroo/jillaroo system and the successful recruitment and retention of younger Aboriginal workers by appropriate kin relied on the presence of a workplace mentoring capacity. This was usually achieved by older, more experienced workers teaching newer workers how to carry out pastoral work over the course of a season. The earliest training in the pastoral industry was typified by hands-on learning of skills and by observation and practice, reinforced by daily engagement from a very young age, with 'most starting work as children of nine or ten' (McGrath 1987).

During the late 1940s, Beswick Station (now part of Beswick Aboriginal Land Trust), south of Katherine in the NT, was purchased by the Welfare Branch of the NT Administration to train young Aboriginal stockmen for the broader NT cattle industry. It was equipped and stocked by the Welfare Branch of the NT Administration and operated as a small-scale cattle station. Beswick was used for this purpose until the late 1970s, when some stations were literally being abandoned in the area because the cattle industry was not performing well economically. Those stations that were viable employed experienced people they knew; while this suited individual stations, the industry was not in a sufficiently strong position economically, at that time, to take advantage of the opportunity to employ skilled stock workers.

The DPIFM Pastoral Industry Survey (2004a: 21, 25) reported that staff training occurs on 78% of central Australian, and 68% of Top End pastoral properties, with 56% and 32% of the properties respectively including on-the-job training. The balance of training occurred in specialised areas such as Chemical Handling Certificate and low stress stock handling.

The more recent past is characterised by the presence of Aboriginal-specific training programs that are usually funded by governments, either state or Commonwealth, delivered by Registered Training Providers and aimed at training people in specific skill sets so they can engage with the system and apply for jobs, undertake on-the-job training and take up local community positions. The best known of these programs is the Community Development and Employment Program (CDEP) which has been operating for thirty years and is in a process of change. Some elements of the CDEP may be replaced by the Structured Training and Employment Program, Employment Related Services (STEPERS), although at the time of writing this review details about the nature of changes to the CDEP have not been published.

Many Aboriginal-only training initiatives have created a culture of training and being trained without the trainee ever achieving a job. Often, training was aimed at encouraging Aboriginal participation and was not focused on generating solid vocational outcomes. The exceptions were when people were apprenticed into a job, or, as with the pastoral industry, actively mentored on the job (pers. comm. Training and Jobs Manager, Darwin 2006).

The situation of Aboriginal training and employment remains one of private training and employment providers negotiating work placements with potential employers and conducting courses, usually financially facilitated through the Commonwealth (Department of Education, Employment and Workplace Relations – DEEWR), or State or Territory Departments of Employment, Education and Training (DEET), as part of the employment package. While this may work – and statistically has worked for many non-Aboriginal clients – it has not

proved a reliable method of successful and sustainable job placement for many Aboriginal clients, and particularly in remoter areas (SCRGSP 2005, 2007).

*Setting goals too high creates unattainable expectations and defeats the purpose of setting goals in the first place. It creates a situation where the person being supported ends up being blamed for failing to achieve what in the first place was an impossible goal, and one they possibly did not set anyway.*

(Interview: Station manager, NT and Qld, 2007)

The Northern Land Council (NLC 2005) has developed a training and employment model that is described in their *NT Pastoral Industry Employment and Training Strategy Final Report*. They consider this model to be 'unique and groundbreaking' because it avoids the pitfalls of virtually all previous approaches. This model is incorporated within the IPP training and employment arrangements as part of the NLC contribution to the IPP.

While the NLC believes that previous approaches did not achieve good outcomes in terms of successful long-term job placements, the NLC's '5P' Model (see below) has as its cornerstone a failsafe that relies on 'the commitment ... [by employers] ... to specific, identified jobs and a long term industry strategy as preconditions before the NLC Jobs and Career Service would be involved' (NLC 2005:11).

The NLC 5P Employment and Training Model is comprised of:

- **provision of jobs** through negotiated job guarantees with employers
- **partnership formation** based on agreement between NLC and pastoral companies' representatives
- **preparation** by understanding the companies' needs, and to inform and prepare the candidates
- **planning** by designing a project specific employment training and mentoring plan, including pre-employment factors so employee is job ready
- **project management** includes implementation of the employment training and mentoring arrangements, and support for the candidate through all on- and off-the-job training.

The need for commitment by employers is a feature of successful engagement that the mining industry is also developing. It is discussed in section 4.5 of this IPER.

### **NLC approach, model and employment initiatives**

In 2005, the NLC negotiated the support of the major pastoral companies operating in the NT, through their respective human resources managers. This negotiation was prompted partially on the basis of a report to the NLC by a senior pastoral company executive saying that his company had 'a high level of turnover, difficulty in attracting suitable applicants ... other companies are in a similar position so the demand for skilled staff certainly exists' (NLC 2005).

This view was supported by Rural Skills Australia when they asserted that there was:

*... high demand for labour and very limited participation by Indigenous people in the industry ... [and it] has a shortfall of 300 people per year and the shortfall is expected to increase.*

(NLC 2005:11)

The NLC (in their pastoral industry final report) concluded that employment and training programs which have been conducted in the past have been significantly under resourced, and summarised the situation as one where:

- there is a major demand for suitable staff
  - companies have major difficulties attracting and retaining staff
  - participation by Aboriginal people is low
  - there has been no long-term, coordinated industry strategy developed and implemented
  - the programs that have been implemented have been significantly under resourced, resulting in less than satisfactory outcomes for employers and job candidates in many cases.
- (NLC 2005:11)

This illustrates the generally failed nature of Aboriginal workplace engagement and also gives very useful insights into past programs, and some key reasons for their failure: no long-term coordinated strategic by industry and lack of a suite of resources, in turn creating a negative self-fulfilling prophecy. The NLC model offers a way forward that includes a mentoring framework model that if properly resourced could provide a basis for negotiating a strategic approach to improving Aboriginal employment and retention in the NPI.

It is important to note that the IPP is incorporating recent experience into their operations, such as the recognition that mentoring needs to be implemented with managers and new employees, and the need to include managers and staff in cross-cultural training.

It is also noted that the provision of mentoring requires a considerable logistical effort, and a high degree of coordination. Effective mentoring cannot happen in an ad hoc environment, and it is only the advent of services such as KIMSS and IPP that have begun the task of facilitating a concerted mentoring effort.

The corollary to the current negative situation is to rectify the barriers identified at the last two dot points above by providing resources in a coordinated and strategic way; and to change the NPI management environment to one that facilitates a positive recruitment and retention environment and increases the quality and quantity of Aboriginal participation. The details about how to achieve these first steps are shown in subsequent sections.

### **4.3 Aboriginal pastoral employment and support programs**

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#### **4.3.1 Specific to the pastoral industry**

There are a number of programs aimed at providing Aboriginal employment and pastoral support. This section focuses on those employment programs or arrangements that are still operating. The programs listed and discussed below may be able to provide assistance to participants in the NPI in employing and retaining Aboriginal workers.

It is important to note here that the major pastoral managers and operators with a substantial presence in the north, such as the Indigenous Land Corporation (ILC), S. Kidman and Co., North Australian Pastoral Co., Consolidated Pastoral Co., Australian Agricultural Co., OBE Beef, Stanbroke Pastoral Co. and Heytesbury Beef have substantial pastoral employment and on-site training arrangements in place.

A review of each of the companies' websites shows that the ILC, Kidman and Co. and Heytesbury refer to and operate specific Aboriginal employment programs. The others do not specifically invite or encourage Aboriginal recruits in this way, but they do have a general on-the-job training capacity. OBE Beef has a substantial social justice protocol, and their website refers specifically to Aboriginal pastoral workers and features images of Aboriginal people.

One private program that no longer operates is also worthy of mention. A private bore and mustering contractor extended their operation and offered considerable assistance to Aboriginal people in pastoral property-based training, mentoring and business support. For a time they operated from Juno, a small property near Tennant Creek, NT.

With this model, skilled people were invited to remote pastoral communities so they could give hands-on help to locals starting up their own businesses (e.g. contract mustering or fencing). It is understood that the future of this enterprise is now in doubt as Juno has been sold.

In Qld, Agforce is seeking to enhance and develop an increased labour supply through school programs and increasing young peoples' awareness of career opportunities in agriculture. The NT Cattlemen's Association is an active partner in the Indigenous Pastoral Program, and now employs a project officer who operates under the auspices of the IPP.

In Western Australia, the Kimberley Division of the Pastoralists and Graziers Association's (PGA) Corporate and Leadership Plan asserts a need to encourage investment in employment and skills development, including the facilitation of productive working relationships between Aboriginal and non-Aboriginal pastoralists. It could improve the PGA's chances of fulfilling their plan's vision if they coordinated their activities more closely with the KIMSS.

There are also State government programs that offer a range of assistance. For example, the Qld Department of Employment and Training (QDET) operate a number of Aboriginal Employment Programs that help job seekers enter the workforce by assisting them to build work skills.

The QDET also employs support officers who provide mentoring and support to Aboriginal apprentices and trainees. The approach of these programs appears to be generic, judging from the web site data, the Qld Government brochure *Breaking the Unemployment Cycle* (Qld Govt nd), and interviews with experienced training and job provider staff.

The IPP and KIMSS experience shows that programs need to be tailored to local conditions, and must facilitate the establishment of strong personal relationships with mentors and extension workers to have a chance of success.

At the national level, the NFF (2005:78) sees the:

*Way Forward ... as taking up opportunities to work with Indigenous communities to assist with ... (filling)... labour shortages; planning and implementing suitable programs ... immediately ... and learning lessons from the IPP, including mentoring, service delivery and timing, management training and cross cultural training.*

As discussed earlier in this Review, it is important that this opportunity is taken up and resourced. The following information is a guide to what funding and support is available and accessible to the NPI as part of facilitating and improving Aboriginal employment and engagement. Additional details of support arrangements and programs are also provided in Table 4 (Appendix 3).

## **1. Indigenous Land Corporation (ILC)**

The ILC employs a Training Coordination Manager. The role of this section of the ILC is to generate real jobs on ILC-held properties throughout the northern pastoral regions covered by this IPER. There is a high degree of supervision of the managers on ILC properties.

There is an important distinction between ILC-owned properties such as Roebuck Plains and other Aboriginal-owned properties. On ILC properties there is a hierarchy of on-site management and ILC business managers who oversee the operation and report to more senior ILC management, the ILC Board and ultimately Parliament.

Some respondents to the IPER commented that the ILC needs to develop an expanded pastoral inspection capacity. This need was expressed in relation to the perceived gaps in the monitoring of these other Aboriginal-owned properties. The ILC does not have any statutory role or power unless invited on to these Aboriginal-owned properties. KIMSS and the IPP in some cases do provide an inspection component, and it is worth exploring their future role in this area.

The ILC's predominant investment in employment outcomes in the pastoral industry is its substantial funding contributions to both the IPP and the KIMSS, and the more than 110 Aboriginal people it employs directly across its northern pastoral operations in 2006/07. The ILC investment in the IPP and KIMSS exceeds \$1m per year and covers facilitation, employment and training support services. These services operate in the NT and WA (Kimberley) respectively. As mentioned elsewhere in this IPER, the services are currently being evaluated.

Queensland does not have a similar service or program to the IPP or KIMSS, and Aboriginal and Torres Strait Islander employment and support arrangements are far more diverse and ad hoc than the NT or WA. Employment arrangements in the Qld pastoral industry, in 2006 and 2007 at least, are far more reliant on Structured Training and Employment Projects (STEP) facilitated, in many cases, through the ILC.

The ILC has entered into a partnership with the traditional owners of the Laura region, in far north Qld, to develop a sustainable cattle operation on Welcome and Crocodile Stations. This project aims to employ two Aboriginal and Torres Strait Islander people as mentors and provide employment and training in cattle station management for 16 local Aboriginal and Torres Strait Islander workers currently on CDEP.

The ILC has developed the Indigenous Employment and Training Strategy. This is in response to the increasing need for skilled pastoral workers. As part of this initiative, the ILC is investing \$1.4m into Roebuck Plains Station for training facilities to accommodate up to 12 people. Staff will include a resident TAFE trainer, as well as a support/supervisory worker.

The Roebuck Plains trainees will be fully employed, completing a six-week Certificate I in Agriculture Beef Production, and, if successful, will continue on to a Certificate II in Agriculture Beef Production residential course. There will be a job guaranteed for successful candidates. The ILC, like Argyle mine, are not concerned if graduates find employment outside the NPI; they are simply keen to increase the capacity of the local Aboriginal community to successfully engage in work.

The ILC is a major employer of Aboriginal people on properties it owns, leases, or has land use agreements (LUA) and grazing licences over. For example, in 12 months of negotiating a LUA with the traditional owners of Hodgson Downs Station, up to 15 local Aboriginal people have been employed as stockmen, two in permanent positions. The ILC has also made a substantial commitment to developing and implementing a local training plan that will extend skills and employment opportunities for locals into other business areas such as butchery, fencing and heavy machinery operations.

## **2. Indigenous Pastoral Program (IPP)**

The IPP is a partnership between the ILC, the Northern and Central Land Councils, the NT Cattlemen's Association, the Department of Primary Industry, Fisheries and Mines and the Department of Employment and Workplace Relations (DEWR). All are signatories to a Memorandum of Understanding and have committed funds and in kind support aimed at increasing:

- Aboriginal employment and engagement in the NT pastoral industry
- the productivity of Aboriginal-owned pastoral properties.

The key measurable outcomes of the IPP include the need to:

- be able to track individuals over time to know how successful their employment placements and methods are
- know how many jobs there are in the NPI, how many people are employed and on what basis.

The IPP operates under the following arrangements:

- locate, assess and mentor workers
- identify and mentor employers under the auspices of the NT Cattlemen's Association and Department of Primary Industry, Fisheries and Mines
- on-the-job training, with OH&S and basic skills provided by Charles Darwin University's Katherine Rural Education Centre (KREC)
- the need to carefully select potential employers.

As part of its commitment to the IPP, the Northern Territory Cattleman's Association has employed a project liaison officer whose job is to look after Aboriginal workers' safety, ensure workplaces are harassment free and that workers are in appropriate jobs. This project liaison officer position has been recently filled by a person who is experienced in working cross-culturally and in the cattle industry.

The project liaison officer is developing and strengthening linkages with properties and potential employees, as well as 'troubleshooting' and ensuring appropriate Aboriginal workers are placed on properties. The main issue is that there is only one position and, while it is a positive step, the lessons of the past indicate that similar support programs have failed to deliver long-term outcomes, even though these types of programs have started off well.

The project liaison officer explained that ongoing mentoring and support roles have not continued for a number of reasons, including program under-funding, problems with timing of funding and workers lacking the high degree of experience required. These problems have contributed to an increase in pressure on staff, the loss of staff and eventual failures with support programs.

Dedicated teams of mentors and support staff are needed, as the pressures associated with the extended roles required of mentors operating in a complex cross-cultural environment are too great for a few individuals to sustain, regardless of their commitment and experience. The extensive travel and time requirements involved in these support jobs compound the pressure placed on support workers.

The argument put by existing support workers for employing higher numbers of experienced staff is compelling. The evaluation of pastoral support services (IPP and KIMSS) will give a clearer indication of how to strengthen support services' staffing arrangements and an

indication of what the optimum staff numbers should be set at in relation to the level and types of support services offered.

The IPP operates the Northern Territory Indigenous Pastoral Trainee Scheme (NTIPTS). The first intake (early 2006) had ten starters completing their initial six-week basic skills course at KREC and being given two weeks' work experience in the Barkly district of the NT, followed by a final two-week training and assessment at KREC. The graduates were then placed in jobs at properties owned by Kidman, Heytesbury and NAPCo. At the time of the interview in late 2006, three of the original ten starters were still employed in the pastoral industry.

The lessons learned by the IPP from this employment facilitation experience were:

- That there is a need to apply rigorous and effective pre-selection and assessment testing, including the need to test for drug or alcohol misuse
- That communication links need to be rigorously maintained between the IPP, the mentor and the employer
- That a reliable and skilled mentor is essential, as is continuity; the mentor is needed on location at the right times
- Industry want labour to be available when it is needed
- Industry want assurances that it will be supported by the IPP
- Trainees need to be prepared and able to work in a stock camp comprising non-Aboriginal men and women.

In order to fulfil the desired outcomes of filling job vacancies and retaining those workers there is a need to target individuals (at school level) who are interested and capable of working in the pastoral industry. Rigorous candidate pre-selection is critical as failures demoralise everybody. One station manager commented that:

*IPP didn't work very well and employees appeared unskilled in many ways. Increased initial training in basic stock work skills and increased ongoing mentoring and support may have reduced these problems.*

(Interview: Pastoral manager, NT, 2007)

The general response of pastoral managers is that they are prepared to be flexible as long as lessons are learnt and remedies applied. It is understood that the lessons learnt are being applied and that the IPP is structuring its responses to match these lessons. For example, the IPP intends to run cross-cultural courses for managers and staff, and, despite logistical difficulties, are endeavouring to implement mentoring for both managers and workers.

### **3. The NLC's Jobs and Career Service**

The main objectives of the NLC's Jobs and Career Service Strategy are to create long-term sustainable jobs and career pathways for Aboriginal people through land use agreements and bridge the gap between employers and Aboriginal job seekers by listening to and supporting both sides. In the context of the NT pastoral industry, it aims to target pastoral jobs for Aboriginal people working on properties linked to the IPP. The strategic approach is also strongly linked to the mentoring model used by the mining sector.

The key principle is that the employer needs to guarantee jobs, and then the NLC takes a strategic approach to fill that need over a relatively short-term period. This approach requires resources and a long-term relationship. The main factors are that there must be jobs at the end, not the 'training first and then we'll find a job' scenario.



The Jobs and Career Service Strategy has incorporated the '5Ps Model' (See Section 4.2.3 above), which aims to achieve long-term, real jobs. This active approach relies on formulating and implementing a pastoral employment strategy with agreed job targets coupled with the resources to achieve them. As with other successful approaches, the NLC Jobs and Career Service insists that the right people must be doing the work as workplace mentors, and training and long-term jobs are linked.

The lessons learned through implementation of the IPP and the NLC Jobs and Career Service Strategy could be used as a guide for formulating and implementing a coordinated approach across the wider NPI. The summary of NLC Principles for successful engagement outlined below bear a striking similarity to the lessons learnt by the IPP, and similar principles have also been successfully applied to Aboriginal labour market strategies by some sections of the mining industry.

**Summary of NLC principles for successful engagement:**

- Employers must provide jobs on the basis of a planned and long-term approach (at least five years) (*Jobs and Career Service Strategy 2007–2011*, NLC 2007)
- Adherence to the 5P Model
- Resources are needed and provided to facilitate people into the process and to drive the Pastoral Employment and Training Strategy (NLC 2005)
- In all negotiations, there must be Aboriginal representatives on the supply side, and employer representatives on the demand side
- Need project managers on both sides and they must be the right people with the right skills, and with the necessary executive support, delegations and authority
- Need to build community support through solid, two-way relationships
- Implement a good candidate 'vetting' process, and emphasise the need for all candidates to be able to access useful and comprehensible information about the training and work, so they know what they are getting into.

**4. Kimberley Indigenous Management Support Service (KIMSS)**

The KIMSS is an initiative of the Department of Agriculture and Food WA and the ILC. The major objectives of the KIMSS are to support Aboriginal properties to become viable in terms of technical expertise and governance, and to act as a catalyst for motivated Aboriginal people who are or who wish to become involved in the Kimberley pastoral industry.

KIMSS also provides the support (through brokerage of positive linkages with the wider industry and government agencies, and direct knowledge and technical inputs) to Aboriginal managers and workers to achieve a positive outcome of well-managed Aboriginal-owned and -operated properties that can stand alone. The properties are well managed in terms of best practice; increased productivity; and effective, independent decision making.

The KIMSS project outcomes outlined below are sourced from the Kimberley Snapshot (Department of Agriculture 2007a). The data is a compilation of the progress of the KIMSS project to date, and figures apply for 2005–2007 only. The project will be fully staffed, with five full-time staff and two trainees, for the first time in 2007.

The KIMSS Snapshot at April 2007 shows that:

- 15,400 square kilometres of Aboriginal leased or Native Title land is under effective pastoral management
- An additional 18,000 square kilometres is expected to come under some form of management during 2007

- Herd size on the six leases receiving support from KIMSS has increased by 174%
- Herd value has increased by 200%, and the current herd value for all leases is estimated at \$14,656,000
- Despite a downturn of 67% during 2006, herd turn-off has increased by as much as 242% in 2006 from the turn-off prior to the introduction of KIMSS support
- 85 people have participated in training, with one Diploma graduate, and five graduates of Certificates III and IV level
- Across the six leases initially supported, 17 full-time jobs and 49 part-time jobs were created by the end of 2006.

During the IPER, a number of comments were made about KIMSS by some of its Aboriginal clients, including pastoral industry support workers and Aboriginal pastoral Corporation Directors.

Some of their comments, which characterise what they perceive as the positive elements of KIMSS, are included below:

*KIMSS is a good thing because they are trying to get people back into working on their own properties and also it facilitates good mentors – but must always be hands on, for real, that is what works ... KIMSS supports and acts as a catalyst for already motivated people to become involved in the NPI.*

(Interview: Aboriginal pastoral support worker, Kimberley, 2007)

*KIMSS provides the 'cultural oil' between Indigenous operated pastoral properties, the wider industry and government agencies to achieve a positive outcome being eventually well-managed, 'stand alone' Aboriginal run properties.*

(Interview: Aboriginal pastoral support worker, Kimberley, 2007)

*KIMSS helped do planning and extension for development.*

(Interview: Aboriginal Pastoral Corporation Director, Kimberley, 2007)

*KIMSS is good because it only gives advice, but it is up to TOs [Traditional Owners] to decide what to do and make the choices.*

(Interview: Aboriginal Pastoral Corporation Director and Manager, Kimberley, 2007)

*KIMSS works in with the TOs and gives them responsibilities, not KIMSS taking over but supporting what TOs want to do.*

(Interview: Aboriginal Pastoral Corporation Director, Kimberley, 2007)

Aboriginal cattle managers are assisted by KIMSS staff to develop cattle and station management operational skills, governance and more complex marketing skills. All of the KIMSS support is aimed at achieving on-property outcomes, with an emphasis on sustainable Aboriginal self management. KIMSS staff are expected to have and be able to apply sound cross-cultural skills to the workplace. They are also expected to have relevant and expert knowledge about cattle and pastoral management.

The success of the Kimberley engagement has encouraged the Department of Agriculture and Food WA to expand the same kind of intensive pastoral support model into the Pilbara (i.e. PIMSS). The Evaluation project discusses in detail the strengths and areas that need strengthening in the KIMSS operations.

#### 4.3.2 Australian Government Aboriginal employment and related programs

The following information regarding relatively accessible Australian Government pastoral support programs aimed at facilitating Aboriginal employment and engagement in the pastoral industry generally are sourced, and, where shown, cited directly from the

Department of Agriculture, Fisheries and Forestry (DAFF); and the Department of Employment and Workplace Relations (DEWR) web sites.

The impacts of the former Government's partial decommissioning of the **Community Development and Employment Program** (CDEP) are yet to be fully ascertained. The new Labor Government has pledged to retain the CDEP, but the details are as yet unknown. CDEP is seen by many as a driver that supports the development of a work ethic, and fills real but unfunded gaps in the workforce (e.g. teaching assistants, health workers, rangers, and pastoral workers) in rural and remote Australia. Conversely it is also viewed as a system that has acted as a disincentive for the development of an economy with 'real job' outcomes.

The CDEP has given Aboriginal people an alternative to unemployment benefits (also misleadingly and wrongly called 'sit down' money) in areas of high unemployment and insufficient jobs. As shown in the Noonkanbah case, CDEP has also been used as seed money to drive the development and capacity-building stages of a slowly developing but eventually viable Aboriginal pastoral enterprise.

The program provided government agencies, Aboriginal organisations and private businesses – including pastoral operations – with subsidised labour, but little or no incentive to reinvest in the creation of real jobs. Irrespective of whether CDEP is retained or not, a transition from CDEP to other economically viable sources of income to pay wages is a necessary part of restructuring the rural and remote labour market in north Australia.

Irrespective of the changes planned for CDEP, those businesses in the NPI that are reliant on CDEP for labour will need to develop new approaches to pay for their labour force in the longer term. The previous government announced that Work for the Dole and STEP will provide an interim arrangement for remote businesses reliant on CDEP, but long-term economic planning is critical to make an effective transition to real jobs. This shift to full commercial capacity will require strong investment in capital, infrastructure and the skilling of labour so that the necessary income can be generated to repay loans, pay staff, and reinvest in their businesses.

This situation of mutual need (i.e. the need for jobs and the need for workers) may offer an opportunity to negotiate beneficial partnerships between Aboriginal and non-Aboriginal neighbours by exchanging management expertise and support held by non-Aboriginal businesses for Aboriginal labour. This type of arrangement could offer the added bonus of having this labour being initially supported by Wage Assistance or a similar scheme during the skills acquisition period.

The **Rural Indigenous Engagement Pilot Program** is a new initiative by the Department of Agriculture, Fisheries and Forestry that will target activities with direct benefits to, and positive impacts on, the level of participation of Aboriginal people in the agriculture, fishing and forest sector, such as:

- Communication, leadership and/or practical skills development
- Opportunities for Aboriginal people to improve their knowledge of and interaction with industry, government and community leaders
- Mentoring or coaching sessions/workshops for the representatives of rural industries (both Aboriginal and non-Aboriginal)
- Innovative information sharing and awareness raising activities.

The former Department of Employment and Workplace Relations (DEWR), now DEEWR, drives the **Indigenous Economic Development Strategy**, which builds on the Indigenous Employment Policy (see below), and recognises the particular disadvantage experienced by Aboriginal and Torres Strait Islander people in the labour market, and that special measures are required to achieve improved outcomes (see: <http://www.workplace.gov.au>). While the opportunities offered to corporate entities to benefit their clients and employees through the DEEWR programs are welcomed, some criticism was also made in relation to the implementation of these programs.

These critical comments have been made by several corporate respondents. The respondents said that the Department has been a substantial barrier to the effective implementation of state- and territory-level agreements relating to the achievement of employment outcomes. This criticism is based on the view that slow bureaucratic processes prevent timely funding payments, which may jeopardise the achievement of successful employment outcomes:

*[The Department is] a primary barrier to jobs in the pastoral industry as they have no idea of commercial timeframes and they delay workplace arrangements. MLA need to lobby government to make DEWR timely in their responses and also to provide adequate funds to do the job properly; that is, to get more Aboriginal people into work.*  
(Senior Job Network Manager, NT, 2007).

The **Indigenous Employment Policy** focuses on creating opportunities for Aboriginal and Torres Strait Islander people in the private sector and provides a flexible package of assistance including:

- The Indigenous Employment Program
- Initiatives to support Indigenous business development
- Measures to improve employment services and outcomes for Indigenous Australians (see: [www.workplace.gov.au](http://www.workplace.gov.au)).

The **Structured Training and Employment Project (STEP)** provides flexible funding for projects that are intended to lead to lasting employment for Aboriginal and Torres Strait Islander job seekers. Assistance is tailored to business needs and could, for example, include funding for apprenticeships, mentoring and other innovative approaches. STEP is currently a significant funding source for Aboriginal and Torres Strait Islander engagement in Qld's Agriculture industry (see: <http://www.workplace.gov.au>). STEP is particularly relevant to one-off arrangements, and accordingly is very suitable for smaller operations that need support in obtaining and developing a specialist workforce.

The **STEP, Employment and Related Services (STEPERS)** arrangements aim to provide, through selected providers, pre-employment support services, employment placement services and mentoring services (see: <http://www.workplace.gov.au>). Engagement with this program can be obtained by request to DEEWR, which has engaged a panel of expert employment and training providers whose job it is to provide tailored on-ground outcomes to clients, on a fee-for-service basis, payable by the Department.

The **Corporate Leaders for Indigenous Employment Project** is a flexible package of funding available to major private sector companies employing Aboriginal and Torres Strait Islander Australians (see: <http://www.workplace.gov.au>). This project is relevant for larger agribusinesses and could assist them to make a transition to increased Aboriginal employment.

The **National Indigenous Cadetship Project (NICP)** can help businesses to find a cadet. Aboriginal and Torres Strait Islander university students can gain professional work

experience and financial support (see: <http://www.workplace.gov.au>). This project may be more relevant for larger agribusinesses as part of them shifting to a more comprehensive and integrated professional-level participation by Aboriginal people in their overall operations, and not limited to cattle station work.

**Wage Assistance** provides financial assistance to employers who employ Aboriginal and Torres Strait Islander Australians (see: <http://www.workplace.gov.au>).

The **AAA FarmBis** program is a part of the Australian Government's Agriculture Advancing Australia (AAA) package and is jointly funded by the Australian Government, participating states and the Northern Territory. FarmBis promotes the benefits of business and natural resource management education and training, fostering a culture of ongoing learning that is vital to the success of a modern business.

FarmBis is flexible and offers a wide choice of courses and training activities. WA, Qld and the NT are all participants in FarmBis. Each state has a website with details about courses, training providers and training locations (see: <http://www.farmbis.gov.au>).

The FarmBis program has provided a significant role in supporting Aboriginal pastoral training – for example, through KIMSS – and offers a flexible funding regime suitable for remote and Aboriginal settings. It is able to complement existing funds and provides an opportunity to undertake critical on-the-job training.

**Rangelands Australia** (RA) is an Australia-wide initiative, committed to building capacity for a strong future for Australia's rangelands, and involving industry, community and government. RA was established as a strategic response, by Meat and Livestock Australia and The University of Queensland (UQ), to a national need identified in a Meat Research Corporation-funded study of education and training to support sustainable management of Australia's pastoral industries.

RA research capacity and the body of knowledge it encapsulates is a valuable element of any move towards changing attitudes and co-opting the support of the NPI to embrace a more holistic approach to Aboriginal engagement specifically in the pastoral industry. Taylor (2003:1807), in a paper delivered to the International Rangelands Congress about building capacity in Australia's rangelands, found that there are:

*... a number of knowledge and skill deficiencies identified in most producers and support staff that could limit their capacity to be more responsive to ... community expectations, and more proactive about change. They include recruiting, managing and coaching people; communication, negotiation and conflict management ... Of greater concern are the deficiencies in key personal qualities that will limit learning and the effectiveness of participatory activities such as communication skills, open mindedness, sensitivity to other values and cultures, and interpersonal skills.*

Rangelands Australia works in partnership with people in the rangelands to provide relevant and practical learning opportunities for the people who will be using and managing the rangelands, and those who will be supporting them such as advisors, facilitators, and consultants. It is supported by industries and communities in Australia's rangelands and is located in the School of Natural and Rural Systems Management at the University of Queensland, Gatton Campus.

#### **4.4 Economic impact assessment of Aboriginal pastoral employment programs for the NPI**

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The pastoral industry has acute labour shortages. A recent report by the NFF (2008) cited a shortfall of 96,000 people over the next six years in the top seven types of agricultural jobs, including 21,000 station hands, farm hands, livestock farmers, shearers and heavy farm equipment operators.

Labour shortages are driven by a number of factors. The industry faces limited opportunities for automation, unemployment in Australia is historically low at 4.3% (National Farmers Federation 2008) and the pastoral industry competes directly for labour with the relatively well-paying mining industry. The industry also has a poor perception, with the NFF citing poor marketing of agricultural jobs and incorrect perceptions of them; a lack of incentives for farmers to undertake training and a 'major deficit' in training and equipment allowances for tradespeople; and perceptions about agricultural wage rates.

Low and declining availability of labour has now been identified as 'a major constraint in the Australian beef industry, with low job application rates, high staff turnover and shortages of experienced labour combining to reduce enterprise efficiency' (NFF 2008). The NT-Wide Industry Survey 2004 (DPIF&M 2004a) asked producers to identify hurdles in running or managing their enterprise. The recruitment and retention of staff was consistently identified as the single biggest impediment by respondents, except in the Alice Springs region. In addition to this, the Northern Territory is expected to increase carrying livestock capacities through increases in station infrastructure. Estimated increases are 29% by 2009 and 54% by 2014. This will place additional pressure on pastoralists to recruit and retain staff.

Denita Wawn, NFF general manager of workplace relations, said labour shortages had already forced some farmers off the land, lowered farm production and consequently hurt economic growth (NFF 2008). The NFF was particularly concerned with shortages of managers, administrators and overseers, who account for 53% of the agricultural workforce. The labour problems were considered at least a medium-term problem that is likely to intensify.

Labour shortages are also an issue in the mining industry. In 2006, the mining industry provided direct employment to 127,500 and indirect employment to 200,000 people. Of direct employment, estimates indicate that 2.34% of employees were Aboriginal (Australian Bureau of Statistics 2007).<sup>1</sup> In 2006 the Minerals Council of Australia (MCA) launched a national skills strategy to attract and retain highly skilled human resources. The strategy centred on careers promotion and targeted marketing; reforms to Australia's vocational and technical education and training arrangements; continued reforms of, and financial support for, higher education core disciplines; and flexibility and capacity in skilled immigration. In addition to MCA-driven employment strategies, Argyle Diamond Mines and Century Mines already have successful Aboriginal employment programs implemented and represent the industry benchmark in terms of Aboriginal engagement, with 24% and 20% Aboriginal workforce respectively (Brereton & Parmenter 2008). With well-developed engagement programs and relatively sophisticated organisation support systems, the success at these mines offers an insight into the potential that exists elsewhere, including the pastoral industry, to partially overcome labour shortages by tapping into the underemployed and often local Aboriginal workforce.

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<sup>1</sup> Note, the figure used from this catalogue is considered by some an underestimation. ABARE estimated that at 2002, 2460 employees (or 4.6% of the total workforce) were Aboriginal. If this proportional representation were carried through the resources boom it can be estimated that 4883 Aboriginal workers were employed at mines sites by 2006, not 2488 (2.34%).

Argyle's employment policies and practices that have enabled them to achieve higher than average Aboriginal engagement include:

1. Employing locally, and being particularly committed to providing training and employment opportunities for Aboriginal people, including pre-employment assessment programs, fast-track training, creation of new entry points into the organisation and an agreement with the department of Employment and Workplace Relations to create 150 new traineeships and apprenticeships with the organisation by 2008.
2. Significant investment in training and development of employees, that also delivers long-term benefits to individuals, their families and communities.
3. Clear career path with opportunities to gain knowledge and experience to progress through the different levels of their trade or profession and/or to explore other career options.
4. Supporting external study, such as TAFE diplomas, undergraduate or graduate degrees, with time off granted for staff to study and assistance provided with fees.

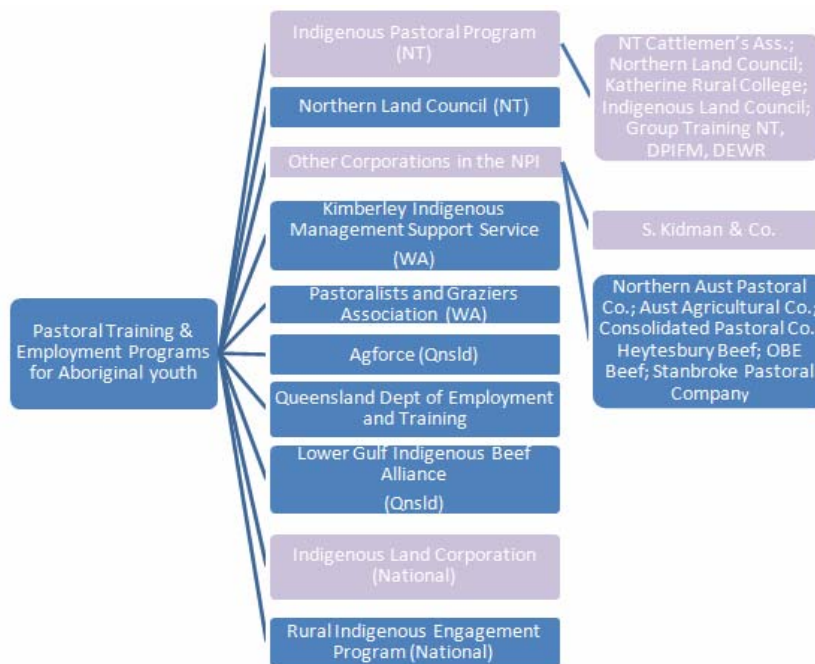
Supplying training programs for Aboriginal people in remote areas provides a local workforce. The increased workforce has the potential to enhance the industry's economic impact. The NT pastoral industry alone employs more than 1600 people, with total employment, including part-time and seasonal work, believed to total between 2000 to 3000 positions. This employment generates a direct economic impact of \$330m and an indirect economic impact of \$880m (IPP 2007b). Indirect benefits include expenditure on transport, stockfeed, wages, port charges, quarantine inspection, veterinary requirements and abattoir sector benefits.

### **NPI Training Programs**

A number of training programs are in place to foster Aboriginal employment in the pastoral industry. Three NPI training programs have been assessed to quantify their economic impact to the NPI and Federal Government. The selected programs were:

1. the Indigenous Pastoral Program (IPP)
2. training programs provided at Roebuck Plains by the Indigenous Land Corporation (ILC)
3. the program run at S. Kidman and Co., a large pastoral corporation, that trains and recruits Aboriginal and non-Aboriginal applicants.

Figure 1 provides an overview of national programs providing pastoral training, employment and support. Those in purple indicate programs and organisations included in this review.



**Figure1: National program overview**

Data for the three programs was collected via desk-based research and interviews.

The following is a list of people interviewed and their organisation:

**ILC:**

1. Stephen McCarthy, Indigenous Land Corporation

**IPP:**

2. Mark Ford, Indigenous Pastoral Program
3. Brian Heim, Katherine Rural College
4. Mick Armstrong, Northern Land Council
5. Tony Freshwater, NT Cattlemen's Association
6. Alister Trier, Department Primary Industry, Fisheries and Mines
7. Jane Jackson, Department Primary Industry, Fisheries and Mines

**S. Kidman and Co.:**

8. Terry Omond, HR & IT Manager, S. Kidman and Co.

**General investigations:**

9. Ross Manthorpe, SA office for Rural Skills Australia

**Data collected for each program included:**

- The number of 2007 and 2008 trainees completing their training and gaining employment in the NPI
- The estimated cost of the training programs
- For the ILC, the number of trainees completing the training and gaining employment in an industry other than the NPI.<sup>2</sup>

<sup>2</sup> These figures were included as the ILC Business Employment and Training Director believed the training program was integral in providing the necessary 'job ready' skills enabling employment. The IPP and S. Kidman and Co. did not experience similar scenarios where trainees were employed in industries other than the NPI and therefore this was not included in analysis of these programs.



This data was used to estimate the economic impact to the Federal Government and the productivity gains to the NPI. The economic impact has been calculated using a Net Present Value (NPV) approach. The NPV of each program was calculated to assess the return to the Federal Government by calculating the difference between the program expenses (training, mentoring and recruitment but excluding estimated PAYG tax paid by employees directly involved in program delivery); and benefits to government, which included estimated savings in welfare and PAYG revenue from employed trainees. The current 10-year Government bond rate of 5.25% was used as the discount rate to take account of the opportunity forgone by investing in these programs rather than making an alternative investment.

Based on access to staff, the NPI's productivity gain was calculated using the average employee cost at the farm level (small, medium or large) estimated at \$33,500 (+/- \$1300) (Holmes Sackett 2008).

Appendix 4 outlines the estimated cost and benefit for each program and the supporting assumptions.

A brief description of each program is provided below, including its economic impact and productivity gain.

#### Indigenous Land Corporation

The Indigenous Land Corporation (ILC) was established in June 1995 with land acquisition and land management functions. In 2006 the Business, Employment and Training Committee (BETC) was established, replacing the former Business Enterprise Committee. The change reflected the governing committee's diverse role in training, employment and land management, with key areas of focus being:

1. Expanding employment and training outcomes for Aboriginal people on ILC-owned businesses
2. Continuing improvement in the quality and size of the cattle herd on ILC-owned businesses
3. Negotiating the commercial lease of the ILC-owned property Carranya, WA
4. Establishing new ILC-owned businesses, through leasing arrangements at Hodgson Downs in the NT as well as the Urannah and Bulimba stations in Qld.

The BETC developed a strategic approach to ensure sustainable Aboriginal training and employment projects in ILC-owned businesses. One outcome from this was the construction in 2006–07 of a purpose-built facility with accommodation located on Roebuck Plains Station in WA to support enhanced pastoral training programs.

In 2007 the ILC training program at Roebuck Plains Station provided training to 15 Aboriginal people at a cost of \$30,000 per trainee, totalling \$450,000.

Employment in the NPI was provided to 10 participants with three others employed in other industries, resulting in benefits of \$187,860, which includes Government welfare savings and PAYG revenue.

Training and employment figures beyond 2007 were unavailable, therefore all future forecasts were based on 2007 figures and re-employment in subsequent years was based on figures obtained for the IPP.

Projecting available data shows that by 2009 the program provides a positive return of \$71,841 to the Federal Government with expenses totalling \$409,744 and benefits totalling

\$481,585. Discounted cash flows from 2009 to 2019 generate an accumulated return of \$3.4m over the accumulated investment of approximately \$4m.

In addition to financial returns to the Federal Government are productivity gains to pastoralists. Although precise productivity gains are difficult to calculate, it is clear that in an environment of acute labour shortages, additional and trained labour would prove valuable. The average employee cost at the farm level (small, medium or large) is estimated at \$33,500 (+/- \$1300) (Holmes Sackett 2008). Given the training program will not fully meet pastoral labour demand, the value of this lost production for each worker must be at least equal to their cost of employment. Using this logic the minimum productivity gain provided from the employment of these trainees can be calculated as \$33,500 per employed trainee. Therefore in 2007 and 2008, the ILC program contributed to a minimum increase in NPI productivity by \$335,000 and \$603,000 respectively.<sup>3</sup>

#### Indigenous Pastoral Program

The IPP aims to increase the participation of Indigenous people in the Northern Territory's pastoral industry through partnerships between Government, non-government and the community sector. In 2006 a new MOU extended funding to the IPP for five years and enabled establishment of the Indigenous Trainee Scheme, which commenced in 2007. A pilot program was conducted in 2006. The program's aims are to train, employ and mentor 60 Aboriginal trainees in the Northern Territory pastoral industry over the next three years.

During 2007, 24 Aboriginal people were recruited to achieve their Certificate 1 in Agriculture, with 13 gaining employment in the NPI. The 2007 investment in training, recruitment and mentoring totalled \$847,560. This was based on \$20,315 per person with additional expenses of \$360,000 incurred from employee-mentoring services and cross-cultural training programs for employers. This program was the most expensive; however, stakeholders believed the mentoring and cross-cultural training component was integral to the program's success, fostering greater longevity in employment and tackling lack of 'job readiness' in NT recruits.

In 2008 the IPP provided training to 12 Aboriginal people at a total cost of \$603,780. Estimates indicated that eight would be employed in the NPI and that 80% of 2007 trainees would continue to be employed. The number of future participants for the program was forecast using the 2007 data. To forecast the number of successful employment outcomes the program achieved the 2007–2008 data were used.

Given the time-intensive nature of this program a positive return is not achieved until 2012, with accumulated investments in training, recruitment and mentoring totalling \$2.26m, and benefits from welfare savings and PAYG revenue totalling \$2.3m.<sup>4</sup> Based on the discounted cash flow of extrapolated numbers, the accumulated return by 2019 is strong, at \$2.7m.

Based on the logic used in the ILC discussion, the productivity gains for the NPI from the 2007 and 2008 employment of station hands is \$435,500 and \$616,400 respectively.

#### S. Kidman and Co. Ltd

S. Kidman and Co. Ltd is one of Australia's largest beef producers with pastoral leases covering 120,000 km<sup>2</sup> in three states and the Northern Territory. Each year an introductory station-hand course is run in conjunction with the Port Augusta TAFE College. Selected participants receive training and basic skills over a four-week course, followed by a two-week station placement. Suitable trainees are offered a position on a Kidman station and

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<sup>3</sup> Figures are exclusive of inflation

<sup>4</sup> Based on discounted cash flow

can continue to complete Certificate II in Agriculture. The training program is open to applicants selected by S. Kidman and Co. for their demonstrable job readiness.

Of the three programs assessed, this was the least expensive, costing \$2,500 per person in 2007. Two courses were conducted during 2007, each recruiting 12 students. Fifty percent of the students were Aboriginal, half of whom gained employment. Total training costs were \$60,000 with \$40,000 funded by S. Kidman and \$20,000 by Mission Australia and the Northern Regional Development Board. The program was not eligible for wage assistance grants under the Federal Government.

The lower cost of the program can partly be explained by the absence of a formal mentoring program and cross-cultural training. S. Kidman already has significant levels of Aboriginal employees, including an experienced head stockman and his wife who act informally as mentors.

As S. Kidman do not recruit specifically for Aboriginality the forecast figures have been based on the 2007 and indicative 2008 figures. S. Kidman employ staff from local communities to help develop positive relationships between the company and communities, and as a result now have good working relationships with local communities in SA and the Kimberley. The company has a preference to employ from local communities because they have noticed that local people stay longer.

Although the investment in S. Kidman's program is not through government funding, a return to the Federal Government has still been calculated. Of the three programs, this is the only one that provides a positive benefit to the Federal Government in the first year (2007) assessed. Of the \$60,000 training investment, \$27,500 was attributed to the Aboriginal trainees. Benefits from PAYG revenue and welfare savings totalled \$101,156, providing a positive benefit of \$81,906. Accumulated investment from 2009 to 2019 was estimated at \$185,587, benefits were \$2.9m and the overall return was \$2.7m.<sup>5</sup>

Excluding recruitment and training costs, S. Kidman and Co. would have achieved a productivity gain in 2007 and 2008 of \$234,500 and \$321,600 respectively.

### **Consolidated impact of the assessed programs<sup>6</sup>**

Aboriginal pastoral employment programs are relatively new, with 2007 being the first year of the IPP's Indigenous Training Scheme and the ILC's dedicated training strategy. The first 12 months did not produce economically viable outcomes, but forecasts indicate that economic and social benefits will be achieved in the longer term as the ongoing benefits of higher productivity, reduced welfare payments and higher taxes continue well after the training costs have been incurred. NPV calculations from 2009 indicate the three programs will generate a positive return of \$361,780 during 2010 with accumulated investment from 2009–2010 totalling \$2.10m and benefits from welfare savings and PAYG revenue totalling \$2.46m. By 2019 the NPV is estimated at \$42m from an accumulated investment of \$9.1m.

Table 2 provides the NPV for each of the three programs analysed, starting from 2009<sup>7</sup> and based on the above assumptions and those outlined in Appendix 4.

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<sup>5</sup> Based on discounted cash flow.

<sup>6</sup> Margin analysis of the staff was not calculated as it is assumed that the qualified staff generated from the three training programs will not meet the demand for station hands in the NPI.

<sup>7</sup> Investment and benefit figures are based on calendar year.

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**Table 2: NPV of three NPI training programs**

NPV of 3 NPI training programs											
Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>IPP</b>											
Investment (DCF)	726,297	523,149	509,480	496,168	483,204	387,747	377,615	367,749	358,140	348,783	339,670
Benefits (DCF)	436,038	546,715	627,536	685,235	725,059	751,090	766,506	773,778	774,830	771,156	763,918
<b>Accumulating NPV</b>	<b>-290,259</b>	<b>-266,693</b>	<b>-148,637</b>	<b>40,430</b>	<b>282,285</b>	<b>645,629</b>	<b>1,034,519</b>	<b>1,440,549</b>	<b>1,857,239</b>	<b>2,279,612</b>	<b>2,703,860</b>
<b>ILC</b>											
Investment (DCF)	409,744	399,038	388,612	378,458	368,569	358,939	349,561	340,428	331,533	322,870	314,434
Benefits (DCF)	481,585	567,415	629,263	672,558	701,526	719,456	728,907	731,871	729,896	724,185	715,671
<b>Accumulating NPV</b>	<b>71,841</b>	<b>240,219</b>	<b>480,870</b>	<b>774,971</b>	<b>1,107,927</b>	<b>1,468,443</b>	<b>1,847,789</b>	<b>2,239,233</b>	<b>2,637,597</b>	<b>3,038,911</b>	<b>3,440,148</b>
<b>S. Kidman and Co.</b>											
Investment (DCF)	19,437	18,545	18,247	17,680	17,262	16,789	16,361	15,929	15,515	15,108	14,714
Benefits (DCF)	200,104	226,132	249,976	263,995	274,388	280,067	283,062	283,554	282,362	279,793	276,246
<b>Accumulating NPV</b>	<b>180,667</b>	<b>388,254</b>	<b>619,983</b>	<b>866,298</b>	<b>1,123,424</b>	<b>1,386,701</b>	<b>1,653,402</b>	<b>1,921,028</b>	<b>2,187,875</b>	<b>2,452,559</b>	<b>2,714,091</b>
<b>Consolidated</b>											
Investment (DCF)	1,155,477	940,732	916,339	892,306	869,035	763,475	743,538	724,105	705,188	686,761	668,818
Benefits (DCF)	1,117,726	1,340,263	1,506,775	1,621,788	1,700,973	1,750,613	1,778,476	1,789,204	1,787,088	1,775,134	1,755,835
<b>Accumulating NPV</b>	<b>-37,751</b>	<b>361,780</b>	<b>952,216</b>	<b>1,681,698</b>	<b>2,513,636</b>	<b>3,500,773</b>	<b>4,535,711</b>	<b>5,600,809</b>	<b>6,682,710</b>	<b>7,771,082</b>	<b>8,858,099</b>

Given different goals and objectives it is unreasonable to compare program costs and outcomes. For example, the IPP mentoring and cross-cultural training expenses are required for the program to meet its objective of increasing Aboriginal involvement in the NT pastoral industry. Some anecdotal comments made by interviewees noted that the Aboriginal youth from the NT were less 'job ready' than Aboriginal youth in other parts of the northern pastoral region with one interviewee, not part of the IPP, stating that 'mentoring is essential in the Territory'. The IPP plays a significant role in providing trained staff to individual and privately owned stations, without them incurring significant expenses. Privately owned and individual stations do not have the resources to conduct the training and recruitment programs which large corporations can, having multiple stations, a HR department and links to training facilities.

The ILC training program recruits Aboriginal people to work on ILC-operated stations that receive management and governance support through other programs not assessed in this context. Their training program utilises the upgraded Roebuck Plains training and accommodation facility. This was a significant capital investment but has not been included in the training program costs as it also provides for worker accommodation. The facilities include male and female living units, kitchen and dining area, classrooms and recreation facilities, including a swimming pool and basketball court. A resident Aboriginal trainer from Kimberley TAFE and an Aboriginal trainee supervisor coordinate the workers on a daily basis and ensure they are fully integrated into operations on the cattle property.

What can be compared, however, is the program structure. A limiting factor of the IPP trainee scheme's long-term success is the milestone payments, which reward immediate employment of trainees upon completion of the course, but not longer-term employment. Given the absence of funding, staff do not have the time to provide ongoing mentoring to their trainees beyond the first 12 months. A reward scheme that provided milestone payments for employment longevity and employment gained some period after completing training would potentially be supported by stakeholders and would encourage the re-engagement of already trained Aboriginal people.

### Economic justification for employees

The economic justification from an employee's perspective in participating in these programs is not strong in the initial years. Annual welfare payments would typically be \$11,175. Trainee station hands earn between \$20,800 and \$26,000 per year, dependent upon age, with approximately \$9 per day pre-tax deduction for food and board. Some interviewees noted that with tax deductions and other expenses, employees sometimes cleared just an additional \$7–\$20 per week above welfare payments. This net income gain was not seen as

adequate compensation for participation in full-time pastoral employment and the associated dislocation from their community.

This net gain was also not competitive with salaries offered by the mining sector. This was a significant impediment to the attractiveness of the programs to unemployed Aboriginal people, which is further compounded by:

- Incomes often being shared among their community
- Career paths for station hands being poorly defined
- Many Certificate I holders lacking literacy and numeracy skills which are required to achieve higher qualifications in Agriculture studies, despite little need for these skills while on the job
- Certificate II qualifications providing only modest increases in gross salary with a 21-year-old Certificate II holder receiving \$27,352 per year.

However, those employers who were able to define a career path for their staff were rewarded by improved retention and more satisfied employees. A career structure can enable ringers, who start on approximately \$24,000 per year to progress to head stockman in 2–3 years; assistant manager in 4–5 years and manager in 5 or more years. A bore runner or manager can earn \$50,000–\$70,000, with free board, fuel, food and utilities. This type of salary package is competitive with employment opportunities presented by the mining industry.

#### Socio-economic factors

Many Aboriginal people live in conditions of clear social and economic disadvantage (Health Infonet 2008) As stated by the Australian Institute of Health and Welfare (ABS & AIHW 2005), employment and the income gained is important for the wellbeing of people. Much research has been conducted in this area although not specifically for Aboriginal populations; however, the relationship between socio-economic circumstances and overall health status is clearly established. International research has established that higher levels of educational attainment are associated with better health outcomes, with evidence of a clear relationship between an adult's level of education and their risk of heart disease, stroke and diet-related illnesses (Australian Bureau of Statistics 2005). Since 1994 there have been a number of improvements in the social and economic circumstances of Aboriginal and Torres Strait Islander people. These include gains in educational attainment, improvements in employment with reduction in unemployment and increase in home ownership. There has been little investigation into how educational attainment affects health in the Aboriginal population; however, the likelihood of engaging in health-risk behaviours decreased with higher levels of schooling.

A figure cannot be placed on the socio-economic value of increased employment in the NPI from the remote Aboriginal populations; however, indications suggest that the benefits are significant and could include improved health, reduced health-risk behaviours, increased school attendance by children of employees and exposure to children of positive role models.

#### **4.5 What can be learned from the mining industry?**

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Some parts of the mining industry are successfully using intensive employment support and mentoring programs with Aboriginal workers and trainees in their workplaces. Increasingly, the industry perceives all employment outcomes – whether they are in the mining industry specifically or in other sectors such as agriculture, the public service, or construction – as being positive. Traditionally, the mining industry has relied on an integration and liaison model to engage with Aboriginal people, and generic government programs as a way of

bringing people into the workforce. The focus has been on the workplace and has not included the social, cultural and built environment the worker is living in.

The mining industry, through the University of Queensland's Centre for Social Responsibility in Mining (CSRM), has recently released a report titled *Indigenous Employment in the Australian Minerals Industry* (Tiplady & Barclay 2007). This report shows that innovative methods of Aboriginal engagement are working because they go beyond the workplace and acknowledge that Aboriginal people experience different barriers from non-Aboriginal people in entering the workforce.

The report's key findings include information about the changing employment and economic landscape in areas where the mining industry operates; areas where, in many cases, the NPI also operates. The report also identifies obstacles to employment, but the most important finding of the CSRM study for the NPI is that:

*... when operations give the same commitment to Indigenous employment initiatives as other business activities, good outcomes can be achieved in relatively short timeframes.*  
(Tiplady & Barclay 2007:3).

The evidence supplied by Tiplady and Barclay shows that the mining sector has developed some useful methods and corporate-level assessment tools towards achieving positive employment outcomes and Aboriginal engagement. These methods and tools are of particular relevance to the larger corporate businesses in the NPI if they want to increase Aboriginal employment and participation in their sector. These assessment tools are also of relevance and potential application to smaller pastoral businesses.

A decision support tool is provided in this IPER, which is aimed at helping pastoral businesses make the first management transition into a more mature organisation in terms of improving their ability to employ and retain Aboriginal workers.

The CSRM report contains a specific Organisational Maturity Chart that allows any larger organisation to evaluate and understand its commitment and practical ability to engage with Aboriginal people at all levels (Tiplady & Barclay 2007:61–63). Applying the Organisation Maturity Chart can help organisations understand how they are operating in relation to facilitating effective Aboriginal engagement, and help support change management in relation to their Aboriginal employment practices. Critically, the purposes of the Chart are to evaluate the performance of a company against established practices and standards, enable comparison between companies against a consistent frame of reference and to provide a tool that allows for an easy identification of strengths and weaknesses, and in particular areas (Tiplady & Barclay 2007:61).

The chart plots the level of organisational maturity achieved by the organisation across its horizontal axis, ranging from: 1. No Interest, 2. Token, 3. Committed, 4. Committed, Capable, 5. Committed, Capable, and Consistent.

The vertical fields these levels are measured against include: Leadership, Policy, Standards, Agreement, Targets, Planning, Competent People, Readiness/Recruitment and Retention Systems, Cultural Awareness, Recognition and Reward, Measurement, Document Control, Corrective and Preventative Action, Assessment, Partnerships, Indigenous Employment (Tiplady & Barclay 2007:61–63). The organisation must be able to demonstrate that it has not only the policies in place, but the means and will to implement the policy or action, and evidence that it is taking action.

The chart could be adapted as necessary with the agreement of the CSRM, and then applied to the pastoral industry on a company-by-company basis. The success of such a move would rely on the identification of a 'Champion' from within the larger pastoral operators who would, firstly, take on an organisational maturity assessment, and secondly, implement the necessary changes to facilitate the corporate, human and policy change management required to make it a success.

A predicted outcome of adapting the Organisational Maturity assessment measures is that the NPI would be better positioned to increase the uptake and retention of Aboriginal workers. The industry would also be sending a strong signal that it was prepared to compete for skilled labour, and is prepared to invest in the communities where it operated. The larger corporate businesses operating in the NPI could become the foundation participants and beneficiaries of an organisational maturity assessment. They could be drawn from the Indigenous Land Corporation as well as from the other major pastoral companies located in northern Australia.

There is no point in recruiting into any workforce if recruits cannot be retained. This CSRM tool could be applied to corporate pastoral operations and could help them transform their stated need for reliable labour (NFF 2005) into a practical and implemented commitment that will improve labour recruitment and retention as well as reducing ongoing recruitment and management on-costs. The ILC and MLA could negotiate with selected pastoral corporations to be evaluated against the CSRM-developed Organisational Maturity Chart as a pilot. The pastoral corporations could then opt to agree to undertake the necessary practical steps over a sensible timeframe to achieve at least the 'Committed, Capable' level on the CSRM chart.

The rationale underpinning this top-down approach is that smaller operators are possibly operating on a tighter budget and are employing on a casual basis, or retaining family members as workers to keep costs as low as possible. It is anticipated that such an approach, if successfully used, would have a flow-on effect even to the smaller operators, if for no other reason than the pool of available skilled workers would increase in a given area.

Even if the benefits of increasing the organisational maturity and capacity of the bigger pastoral companies to recruit and retain Aboriginal staff did not flow on to smaller pastoral properties, the impact of implementing such a move among the corporate pastoralists would realise an overall increase the numbers of Aboriginal employees both recruited and retained into the NPI, and generally enrich the local community with a bigger pool of skilled and more confident people available for other vocations.

Increasing the pool of skilled workers for all sectors operating in rural and remote Australia where Aboriginal populations and unemployment are substantially higher than in non-remote areas could improve outcomes not only in terms of economic benefits, but also in terms of social cohesion and human capital. The case for implementing and adapting lessons from the mining sector into the pastoral sector is a strong one, and offers a pathway to overcome Aboriginal disadvantage through the achievement of higher recruitment and retention. The adaptation and adoption of mining industry approaches could form part of a strategy to tackle chronic rural and remote labour shortage in the NPI. The other component of the strategy could build on the support and the goodwill of the existing Aboriginal pastoral support services (IPP and KIMSS).

Further insights into the mining perspective were elicited during an interview with Ray Chamberlain, Superintendent Community Relations and Work Readiness at Argyle Mine in the Kimberley of WA. He said that the single most important element or need for good

management is to have managers 'who know the whole business, that includes both the technical side of the work, and the people management side' (Interview: 2007).

The Argyle approach to Aboriginal liaison and employment is focused through the position of Superintendent Community Relations and Work Readiness. Their approach maintains the principle of not spreading support people too thinly, as they are unable to pay the necessary attention to detail to be effective. These support people must maintain a capacity to evaluate, monitor and improve their work performance in terms of outcomes.

To successfully engage with Aboriginal people in the workplace, there is a need to apply a cultural understanding that embraces an appreciation of extended families, cultural issues and an in-depth knowledge of where each person is from: culturally, socially and geographically. The other key component for successful employment outcomes is to nurture:

*... an appreciation of the concept that everybody is employable – employers and supervisors must believe this and have the ability and tools to act it out. Low retention of workers usually always relates to things outside the mining industry, it is rarely due to inside factors...*

(Interview: Ray Chamberlain, 2007)

The Superintendent Community Relations and Work Readiness is a position that currently operates under a number of key principles and optimal operational conditions. These arrangements are summarised as:

- ability to be accessible to workers at all times and places, and on a continual basis
- ability and need to work outside the constraints of standard employment practice
- the confidence of both business and leaders, and the ability to 'make things right'
- a very good budget and as a Supervisor the delegation to go to 'extremes' to encourage and support Aboriginal employees
- employees must have a career path no matter what the industry, and employees and trainees need to know where they stand in relation to job security and support
- all supervisors need well-developed skills in people management.

The Superintendent Community Relations and Work Readiness made the salient comment that:

*Possibly some pastoralists don't know how to do it [i.e. employ and retain Aboriginal workers], and they are in the heartland of Indigenous people but can't get them to work for them.*

(Interview: Ray Chamberlain, 2007)

One approach to solving this problem may be to access suitably skilled human resource expertise from relevant parts of the mining industry to mentor pastoral executives, managers and supervisors in the change management necessary to achieve successful cross-cultural human resource management systems.

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#### **4.6 What can be learnt from the case studies?**

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Two 'thumbnail' case studies are included in the IPER to provide a broad comparison about needs, inputs fulfilled or not and relative employment and retention outcomes. The two examples are:

- Fully Aboriginal-owned and -controlled stations: Noonkanbah and Millijidee Stations
- Non-Aboriginal-owned and -run station.



The discussion in this section involves analysis of the various key factors contributing to, influencing or mitigating Aboriginal employment and engagement in the NPI. These thumbnails are used to characterise and highlight matters where lessons can and have been learnt and to serve as examples of best practice, or of where things could be improved.

These case studies are intended to help organisations such as the MLA and ILC to increase their understanding of how particular inputs and approaches affect different situations, and to assist them in making strategic decisions about courses of action and levels of support they may consider appropriate. The preferred outcomes from these inputs are:

- Increased numbers of jobs available for Aboriginal people in the NPI
- Increased Aboriginal capacity to run successful businesses
- Increased Aboriginal jobs and engagement in all sectors including mining, tourism, administration and transport or infrastructure development.

### **1. Case study: Noonkanbah and Millijidee Stations**

Both Noonkanbah and Millijidee Stations are owned and controlled by their traditional Aboriginal owners, and incorporate the small towns of Yungngora and Kadjina within their respective boundaries. The properties are approximately 400 kilometres east of Broome, in the west Kimberley region of WA. The majority of residents of both properties, which adjoin, are the traditional owners who share the same language and cultural traditions. The two properties currently run about 8000 head of cattle between them, and together have a potential to carry up to 18,000 head. The two stations are combined in this study because they are so closely aligned, and the cattle operations are linked at all levels: culturally, operationally and, as can be seen below, they are inextricably linked at a corporate level, with Directors sitting on both Boards.

The following thumbnail case study is the result of interviews held with:

- Dicky Cox: Managing Director Noonkanbah Rural Enterprise Aboriginal Corporation (NREAC) and Director Millijidee Cattle Company (MCC)
- Sammy Constain: former Manager Millijidee Station and Director NREAC
- Benji Laurel: Director MCC
- Phillip Skinner: Director NREAC, Former Head Stockman Noonkanbah Station
- Dennis Boke: Director NREAC
- Ronny Lormada: Manager Millijidee Station and Director MCC
- Steven Laurel: Director MCC
- Quentin Wallaby and Roy Laurel: stockmen at Millijidee Station.

All of these people were keen to be identified in the IPER because they said they are proud of their achievements and wanted younger generations to know about their work. Noonkanbah and Millijidee are neighbours and have created a cross-Director arrangement where they cooperate in pastoral management and operations, as well as in the use of their pastoral management extension worker. These stations each purchase 50% of the pastoral management extension worker's time from the WA Agriculture Department through KIMSS.

Noonkanbah and Millijidee are owned by Yungoora people and they now have exclusive Native Title to Noonkanbah and are seeking a similar determination for Millijidee. Noonkanbah has a population of approximately 300 people, and Millijidee approximately 100 people. Noonkanbah CDEP employs 10–11 people in pastoral work. The stock workers are all on CDEP with a bonus top-up paid at the end of the year, before Christmas. The amount depends on the amount made at the end of year dividends from the cattle businesses.

The traditional owners of Millijidee have had control of Millijidee station through a lease arrangement with WA government since 1976, the same time as Noonkanbah. Millijidee employ approximately five people under CDEP in pastoral work but more during muster. They actively encourage local employment. Like Noonkanbah, the only time top-up paid is at end of year in a lump sum after the bills are paid.

The respondents said the good things about running their own property are:

- *Working on our own country and working for ourselves.*
- *Planning for station, we work by our plans.*
- *Working together and support one another because we are family and know how to work together; 'we are all in one' (i.e. Noonkanbah and Millijidee).*
- *Kimberley Indigenous Management Support service (KIMSS) is good because it helps us get support from Department of Agriculture WA and ILC. Support like training, setting up good management, we want to include technical skills like cattle pregnancy testing into our plan and we want to do it.*
- *On-the-job training is especially important.*
- *Building up the cattle work and the cattle business because it is the future. We got to give young people a training course so they can get a certificate ... not just working in the yards. They have to get a Certificate in Beef Cattle Production II, III, and IV. Not like old days, now you have to have a certificate.*
- *Before they get jobs on any other stations – or here – they got to do training here first.*
- *The station is covering all our costs and it is good to be independent.*
- *Noonkanbah and Millijidee stations support each other and we have Dicky and Sammy who sit on both boards to make sure we can support each other.*
- *If we have good grounding (training and experience here) for our young people then they can move to other places.*
- *We have done governance training and it is good. Everyone should have an understanding of how to act in a proper way as a Director. We can then give advice to younger people.*
- *We not bringing in outside people, like contract musterers, to do our jobs, and that is why we are training our own young people and want to employ and keep them here.*
- *Our Agricultural Academy is very important to supporting our people, we believe it is important to support and train our people here on our own country. The Academy needs to be supported. Even people already working can do training.*
- *Grog and drug issues are not so big at Noonkanbah and Millijidee stations.*

(Group Interviews with Noonkanbah and Millijidee Directors, WA, 2007)

The respondents said the negatives aspects of running their own property for them are:

- *When we do cattle work, neighbours don't give our cattle back but we give their cattle back.*
- *Jealousing of country: we half-way through running the business, others are trying to get us out of the business and 'they' trying to come in but have no skill in running the station, they just want to come in and get what they think is the big money. They think we making the big money, but we not! Then we feel slack about working but we feel hurt about the pressure put on us.*
- *Sometimes fires get lit at the wrong time of the year and it makes us get upset and angry.*
- *People sometimes make a mess on country, or cutting fences; and some people sneak in and take a killer [animal destined for slaughter] without paying for it. All of these things affect our profit level and make it harder to pay workers top up at the end of the year.*

- *Local government (shire) not assisting with transport, public road to Noonkanbah and Millijidee stations ... they won't help with access even though we pay big rates money each year. We need this to be good to support our business and employment.*
- *When elections start government makes promises but after election it is back to where we started.*
- *The 'Job Future' mob (Government-sponsored training agency) come out but it didn't work out, we don't know what's going on with that new system, but same people working, they don't seem to do anything for us.*
- *ILC are good and are helping us but these other people in the government are not helping, we don't want that government making plans to replace our people with outside people.*

(Group Interviews with Noonkanbah and Millijidee Directors, WA, 2007)

## **2. Privately owned station (Non-Aboriginal)**

The comments below are intended to give 'voice' to the private station operators, all of whom are trying to work a property and manage staff without necessarily being able to access support. Frequently, independent support is lacking in crucial areas of human resource management, and it is in this area that the IPP is building its own capacity to better support both Aboriginal workers and their supervisors, particularly in the field of mentoring. Comments made by Aboriginal stockmen working on privately owned stations are also included to give their perspective and to show why they like working in an industry that does not necessarily offer the same working conditions of a mining or municipal job (in terms of hours, higher wages and, in the case of mines, accommodation).

The IPER found that managers' employment criteria for workers was that they had basic pastoral skills, a positive work ethic, ability and willingness to learn, and a propensity to stay on the job. However, some managers expressed a lack of confidence about support and selection arrangements for Aboriginal workers, although many pointed out that recruitment and retention of workers generally was not easy.

A range of comments were elicited during the interview component of the IPER and some of these are shown below to give a representative voice to pastoral workers at the operational level, whether manager or stockman.

### **Summary of pastoral managers' perspectives (Interviews: 2007)**

- *To be fair to the Aboriginal employees and the station employing [them], screening and training needs to go into those chosen to enter program. Screening needs to occur to ensure the management are aware of any issues that interfere with station operations and accommodation arrangements. Training needs to cover all of the basics relating to employment covering areas including punctuality, basic station hand/stockman skills, etc.*
- *Aboriginal employment programs need to accept that not all who enter the program will be successful in it and have alternative programs available other than the pastoral industry. A lot of management/mentoring time is spent on individuals who were never interested at the expense of those who are.*
- *Access to a pool of Aboriginal employees may reduce the impact on station operations when cultural/family issues take people away from station.*
- *This station was bought to train and employ Aboriginal people in pastoral operations. Over time many people from the local community have worked on the station but none have had continuous, long-term employment.*

- *Aboriginal guys have been used for stock work and fence building over time. Some machinery operation has occurred but it wasn't as successful as the involvement in stock work.*
- *Keeping the Aboriginal guys around in continuous work has always been difficult and can impact on station operations. There seems to be a continual cycle of basic training occurring.*
- *Manager is responsible for all training and supervision of new employees. The level of support provided to assist with training is very low from government and non-government organisations.*
- *Keen to continue employing Aboriginal guys into the future. There are many opportunities for mutual benefit. Increased level of training and support would be beneficial for those who are interested in the industry and working. Some good guys have left because those not working drag them away to town.*
- *Work program needs to be very flexible when employing Aboriginal guys. Sometimes there are excess workers while other times there are none.*
- *Currently have Aboriginal employees, although it can be hard to recruit and retain them.*
- *Most of those currently employed have been directly employed as opposed to coming through a recruitment/training program.*
- *In most instances the head stockman is responsible for training the Aboriginal employees in their camp.*
- *Most success has occurred when two Aboriginal guys are employed in the same camp, one by themselves can feel isolated and more than three can be problematic if they have no background or skills.*
- *Aboriginal workers are good workers while in the yard, but then take off after two weeks.*
- *Unreliable. They want to go away for a day, and are gone for a week.*
- *Sit down money is the main constraint to employing Aboriginal workers.*
- *Shyness may be a constraint to people seeking work, but there's no need to be shy.*
- *Recruitment is the bugbear of our life (especially in employing mechanics and truck drivers). The station is quite prepared to encourage and employ those who show promise. The station uses contractors for fencing, and expects contractors to have all of their own gear.*
- *Yes, it's getting harder to get skilled workers.*
- *Start with the best and hope the influence flows through. Need strong leaders to bring the young men and work with them. Respected and capable people who are still capable of strong work themselves.*
- *If someone from the Aboriginal end were to assist in coordinating teams of people, then it would be easier. For example, if somebody leaves, then put somebody else in their place. If an older, experienced man were to go with them and mentor them, then it may help to keep them there. The station would feed and house the mentor, but an outside source would have to find their wage.*
- *Young people need to be trained that they have a responsibility to the employer once they have contracted for a certain time.*

The pastoral managers' comments demonstrate a capacity to engage and work through any negative issues to eventually achieve a positive employment outcome. The introduction of timely and effective support would mitigate many of the problems and barriers associated with Aboriginal employment in the NPI.

The following comments capture the overall sentiments of pastoral work from Aboriginal workers' perspectives, and characterise what they see as the best and the worst where the human management skills of managers and supervisors can make or break a work experience. Good management contributes to an environment that supports Aboriginal participation in the NPI. It is acknowledged that the negative elements probably confront

most pastoral operations – not only Aboriginal employees – and rough management is not only the prerogative of non-Aboriginal managers.

### **Summary of Aboriginal stockmen's perspectives (Interviews: 2007)**

- *Stock work is good as a basis of work experience but some ringers would like to work in mines. Stock work is good because skills were learned off older people who were good mentors ... all of their families were ringers 'going back generations'.*
- *Hard work but good lifestyle, meet other people from different places; it is challenging; exciting at times, learn something different every day. Our bosses paid for us to go to low stress cattle management course, the boss really supports us and takes us to other places; gives young people a chance to do well and succeed.*
- *We have good food and ability to maintain communication links to family with easy access to the telephone. Everyone is 'all in' and treated equally and fairly. We know what we are meant to do. Good boss will know when we have earned time off.*
- *When you have just started off it is hard, and sometimes supervisors are just yelling and screaming, and don't just let you know what you are meant to do and explain it properly. Pushing people around is no good.*
- *Some Aboriginal workers can feel a bit isolated.*
- *Sometimes people who should be teaching can't mentor properly in things, like teaching how to castrate or pregnancy test a cow, this needs patience.*
- *People need to want to work. Some workers aren't reliable and let the station down.*

In summary, the key point that emerges from these two sets of commentary is that none of the negatives are insurmountable in a workplace that is fair and meets the needs of both workers and employers. Reaching this point may require a broker to support workers who are feeling isolated, and to support supervisors who may be struggling in a cross-cultural workplace. Such an approach would need to embrace a suite of tailored support arrangements for both employers and employees. These approaches and options are discussed in subsequent sections.

## **4.7 Critical success factors for Aboriginal employment**

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This section comprises an analysis and depiction of the positive and negative issues affecting Aboriginal employment in the NPI. The depictions, descriptions and characterisations of various employment situations and perceptions of why things failed or succeeded are from the interview results. Two brief case studies are presented at the end of this section to exemplify certain important aspects of Aboriginal employment and engagement in the NPI. The information elicited from all stakeholder interview results is summarised under the two basic headings:

1. What factors contribute to the successful engagement and employment of Aboriginal people in the NPI?
2. What factors more broadly influence Aboriginal engagement and employment in the NPI?

### **4.7.1 Critical success factors**

A number of elements for success were identified during the research, but unfortunately in most cases it was found that these elements are applied in an ad hoc manner, and are subject to the shortage of effective service providers, whether they are trainers or mentors, supervisors or project officers. Pastoral employment conditions are generally subjective in that they are not governed by a particular set of absolute rules because of the pressures of weather extremes, and the fact that crisis situations and animal welfare issues often mean

the job cannot wait until another day. Stockmen also operate in a situation where the employment arrangements rely heavily on the skill, experience and goodwill of their managers and supervisors as both technical experts in cattle management and, equally importantly, as accomplished human resource managers and mentors. One station owner said 'if they can't manage people properly, they probably can't manage cattle, and shouldn't be there anyway' (NT, 2007).

The interviews highlighted 'mentoring'; 'training and employment pathways'; and 'good management, and successfully integrating old and new management styles' as the three critical success factors that need to be present at the workplace in order to facilitate the successful engagement and employment of Aboriginal people in the NPI. There are other components, such as support programs, and corporate recruitment and retention arrangements, but they are all aimed at facilitating these three critical success factors.

### **a) Mentoring**

The importance of mentoring was universally asserted and commented on by all respondents including corporate and government representatives, program coordinators, trainers and workers alike.

The question: 'Who is going to do the mentoring?' was raised a number of times, and the response was that there needs to be an increased opportunity for all workers to be mentored in both life skills, and as part of work in the pastoral or any other industry sector.

Conditions vary considerably between stations and individuals. One manager said that:

*It is difficult for managers to provide the necessary levels of support and supervision that Indigenous employees require and therefore it's necessary to have suitably experienced mentors. The mentor role needs to be sustainable in the medium to long term to give support to the Indigenous employees between seasons.*  
(Interview: Station Manager, NT, 2007)

The concept of live-in mentors was also supported by managers and directors of Aboriginal-controlled and -owned properties:

*In the past, many stock camps were made up of all Indigenous guys and it worked well. Reduction in stock camps due to the beef price slump during the mid-seventies broke the cycle of young guys coming though learning skills from the older men.*  
(Interview: Pastoral Manager, NT)

Hands-on learning by observation and trial and error was how most stock workers learned their skills, but the breakdown in this informal apprenticeship arrangement has now left the NPI with a shortage of skilled workers.

There is a need to maintain strong and positive role models in the pastoral industry for young Aboriginal men to follow. These older, experienced and seasoned Aboriginal stockmen do exist and are continuing to act as mentors and role models when they have the opportunity. In some cases, it was stated that an older (perhaps ex-head stockman) person can act as a broker between the manager or head stockman and the Aboriginal stock workers in the stock camp:

*The manager talks with the 'old boss Aboriginal' who makes sure orders are carried out, and so the new ringers can learn why.*  
(Interview: Retired Aboriginal head stockman, Kimberley, 2007)

One station manager commented that:

*Twenty years ago a jackeroo became a reasonable worker after one year ... [on the job learning] ... Compared to now there is too much theoretical learning and stock workers are not learning the hard edges, and therefore are not becoming boss material by learning and earning the ability to handle and manage workers, and to develop judgement. Someone from school who becomes a manager hasn't done his course out there ...*

(Interview: Station manager, NT, 2007)

The need for young Aboriginal men to be well mentored and to have supportive work mates is highlighted by the comments from four younger Aboriginal stockmen working in the NPI who said about their manager:

*He gives us things ... skills we need... would like to stay in the industry and get ability to take on more responsibility ... people like our manager are really good mentor and gets us going ... gives us challenges and we feel good when we meet those challenges. He knows how to work his men, that's why we come back here again.*

(Interview: Aboriginal Stockman, NT, 2007).

Mentoring was also described as a practical exercise to support people who are 'approved' by their own cultural and social hierarchy and who are keen for the lifestyle and want to access good quality contemporary pastoral management knowledge. Effective mentoring is achieved by facilitating the development of mutual trust and respect. The mentor also needs to be a listener, be culturally aware, and able to act on that knowledge.

The Waliburru Cattle Committee (Secretary, Record of Meeting, 15.8.07) recently advocated the need to have older Aboriginal people, experienced in the cattle industry, employed as hands-on mentors for younger trainees and employees in the NPI. The Waliburru Cattle Committee members concurred that this type of mentoring will improve the chances of younger trainees, and reduce absenteeism caused by homesickness and other problem issues. It was also specifically requested that this matter be raised with the IPP, and to include these comments in the IPER.

### **Summary of positive mentoring attributes**

The following components of successfully retaining and supporting the development of Aboriginal workers through mentoring were identified and unanimously supported by all respondents. These mentoring attributes are summarised below:

- ability to earn respect
- engage without using violence and intimidation
- ability to provide both workplace and personal support
- highly skilled, both technically and in terms of managing people
- sufficiently talented and able to take a hands-on mentoring approach
- ability to encourage supervisors to be reliable and responsible with workers
- ability to encourage pride in work, and have the technical skills to know what is good and what is not good
- ability to ensure workers' social and cultural comfort level is maintained
- ability to hand over on-the-job tasks in a proper way so instructions are clear
- ability to identify the right people to work together rather than force people into specific areas that they are not interested in
- ability to mentor people working as supervisors, by guiding them and supporting them to take responsibility for planning, and delegating in their own right
- ability to recognise, support and nurture self-starters

- ability to recognise the mentoring role of support groups such as KIMSS, which is respected because they do not take over but they do listen and follow up requests
- the ability to access and use the mentoring skills of older Aboriginal people who are acknowledged and recognised as valuable mentors. The need for 'proper cattlemen' to train and mentor people was emphasised because of their knowledge of country, cattle movement and technical skills.

### **Scott Creek Station: A snapshot of effective mentoring in practice**

The Manager of Scott Creek Station, a property supported by the IPP, described the mentoring component of his supervision work as:

- realising the importance of everything you do, across the board; and the need for managers to have an ability to inspire trust through example and hands-on mentoring
- manager has multiple things to do and likes it when he has smart people working with him; only as good as your worst worker
- help each other up, not run each other down
- running a camp is about treating everyone equally, and all sorts of issues need to be handled properly such as gender, race, and catering for different skill levels
- these blokes can move well, and have less chance of getting hurt because of this
- better to have people who want to be in the jobs than those who do not
- attitude and self-esteem are very important and crucial to support – critical that these workers can see themselves as the role models
- by the end of 2007 these workers could go to any station and be able to do any work
- need to make sure when trainees are starting up that they are prepared with the right gear like clothes, hat, and they need to be self-sufficient and be able to 'sell' themselves
- good human management can be undercut by property directors or owners if they are trying to cut costs and intervene in 'on ground' station operations
- it is never a problem to get good workers; the problem is getting them paid. Treating ringers like 'paupers of the bush' is bullshit ... they all need to be able to save a dollar, get a car ...
- we want to get people to work 11 months of the year – all year around, proper jobs – not broken and destitute coming back to work after being paid off and left for months; need to be looked after and paid properly and be able to build and save up; it is a two-way street
- need to get details right and build the core skills up
- workers feel comfortable with a good manager as opposed to with contractors or stations that use them for a short time and then dump them after a few weeks or months
- today, life is much harder for younger people because of pressures in modern cattle management; there are far more skills to learn. Still need to improve educationally – set achievable targets
- there is a need for supervisors to establish some good people management principles and skills. If a manager cannot successfully supervise people without violence or bullying, then they certainly won't be much at managing cattle. Managers and supervisors should not have to resort to violence to manage their workers. Management should be based on the principle of the workers having justifiable confidence in the manager's knowledge, skill and judgement
- we have low stress management of cattle, so now we need to introduce low stress management of workers to overcome 'roughing-up' in the workplace.

(Interview: Station Manager, Scott Creek, NT 2007)



## **b) Training and employment pathways**

The second critical success factor for Aboriginal employment in the NPI is the presence and appropriateness of training and employment pathways. The employment component is strongly linked to mentoring; the critical factors identified for training are that training timeframes are adequate and hands on, that the training is relevant by being directly linked to a job outcome, or is on the job, and the training approach is holistic; that is, not purely theoretical but also practical.

The other key training and employment factors relate to the need to include and provide human resource training and mentoring for pastoral managers, not only for the workers. Initially, the larger pastoral corporations could include a mentoring, training and jobs supervisor in their budgets. The primary role of the supervisor would be to facilitate, support and engender very tight on-the-job mentoring and training programs for company employees, focusing on both managers and workers, according to a clear set of human resource management criteria.

The Northern Territory Cattlemen's Association (NTCA) perceive a need to skill up pastoral managers in cross-cultural workplace management, and agree that the placement of specialist mentors to help with the skilling up of both managers and workers would be beneficial in terms of facilitating better retention of Aboriginal workers.

The mining industry is implementing a number of intensive management and mentoring methods that are realising very high recruitment and retention rates for Aboriginal people at mine sites, particularly in WA and Qld. It is a reasonable proposition for MLA to investigate those elements of Aboriginal employment and retention practiced by elements of the mining industry which could be adapted into the NPI. Although, as one station manager put it:

*The success of the mining industry in employing Aboriginal people has required a massive effort by the mining companies and they are more suited to do it due to the nature of the work, including regular rosters and no seasonality of work.*

*The major differences between the mining and pastoral industry would need to be considered before the 'mining model' was taken on.*

(Interview: Station manager, NT, 2007)

### **Key elements for successful engagement and employment that the NPI needs to understand, manage and implement more comprehensively:**

- Train and mentor managers and supervisors: 'Many pastoral managers need training in people management skills ... To be a manager means to train for a lifetime; you are always learning' (Interview: Station manager, NT, 2007)
- Provide support and business training for people to run their own pastoral-linked small businesses. For example: horse workers, bore fixers, fencers, and plant and equipment operators. 'We did some training in the cattle business, and that helped us to get going to the pastoral work' (Interview: Aboriginal station manager and director, WA, 2007)
- Including training as part of a job; there is very little value in training people if there is no proper job at the end of it. Education and other courses are valuable but only if person has 'work ethic' (Interview: Training and jobs provider, 2007).

### **c) Good management, successfully integrating old and new management styles**

The factors that characterise good and bad management were raised consistently by all respondents and would stand as the single most important factor influencing Aboriginal employment. A good manager will support workers and effectively facilitate engagement and employment. A bad manager will not even be interested in employing Aboriginal people, but if they do, they will inevitably be labelled as 'rough', and be unable to retain workers. The summarised characterisations of what constitutes good and bad management, as described by respondents, are summarised below.

Managers with a good reputation will generally be able to find competent and reliable workers, and this assertion was consistently verified by property owners and corporate managers, and managers:

*... would like to employ Indigenous guys into the future following suitable training with a strong support network of supervisors and mentors ... (but) ... Managers and head stockmen struggle to have the time to give the support and supervision that is needed ... (particularly) ... in the early stages.*

(Interview: Station manager, NT, 2007).

#### **Indicators of poor management**

- *Rough, non-Aboriginal managers are stopping Aboriginal people from working on properties. Maybe we could have training course for those managers about how to work together and treat people in the right way, no matter who they are.*
- *Some of the bigger places the supervisors have got no people skills and cannot manage, and some know the theory but not the practice.*
- *Many pastoral managers are not employing Aboriginal people because these managers are not flexible enough to adopt a family-friendly set of employment options that can overcome cultural barriers and specific workplace issues like safety and communications.*
- *Many properties don't have any workplace inductions to let workers know what their responsibilities are, what their job is, what is expected of them, and what to do if there is a problem.*
- *Lack of reliable transport, difficulties in accessing communications, and poor station accommodation for workers.*

(Personal Comments by various NPI respondents interviewed 2007)

#### **Indicators of good management**

- *You have to work side by side; not just giving orders. If you can generate that good feeling between head stockman and stockmen then people will come back year after year – creates loyalty and a bond – and they will stick with you.*
- *Station management needs to keep workers informed, busy and engaged.*
- *Good managers let their workers phone family, ensure there are good living conditions and food and especially make sure workers are treated equally. That manager will have a yarn and get together and build up a good feeling.*
- *Good management with Aboriginal people is often personality and relationship driven, and underpinned by good and fair treatment.*
- *Culturally smart and aware managers who behave in a sensible/responsible way.*
- *To be a manager means to train for a lifetime; you are always learning.*
- *Good managers know the triggers that are needed to motivate and keep motivation going.*
- *Managers need base skills and to grow into the (supervisory) jobs, get experience, skills and judgement.*

- *The right people for the right job and right levels of responsibility, with good managers and supervisors to help people work well together.*

(Personal Comments by various NPI respondents interviewed 2007)

Another critical success factor linked to engaging more Aboriginal people in the pastoral industry, from all perspectives, referred to the need for old and new management to be integrated whenever possible. The comments of many respondents captured the nostalgia for the past but also the need to incorporate lessons for the future, particularly in regard to incorporating live-in mentors on any property:

*Need to have 'live in' older Aboriginal people who have knowledge of the country and cattle to help pastoral manager mentor younger stock workers. Old owners had people staying on the property but then new owners didn't have any Aboriginal people skills or knowledge and didn't understand the relationship the people had with the land.*

(Interview: Former Aboriginal head stockman, 2007)

Respondents also highlighted a need to return to old management techniques to reduce stress in cattle management. The perception that this requires the reintroduction of horses was typified by the statement:

*It might take longer to do the work but it will involve people in work ... Old people savvy livestock and need the opportunity to pass on and use the information. Aboriginal people are good at tracking cattle and stock work. Cattle were not stressed like now. We need to work cattle more stress free.*

(Interview: Older Aboriginal stockman, 2007)

The fact that now many jobs are short term is deemed a negative factor. Many commented that stock work used to be full-time work for most of the year:

*With good accommodation and workers got treated well ... now there is a lack of reliable transport and station accommodation.*

(Interview: Aboriginal stockman, 2007)

It is this kind of perception that has the ability to negatively affect recruitment into the NPI, and one the NPI needs to work on overcoming. One station manager commented that there is also a need to make provision for complementary or alternative jobs if the station work is only short term.

#### 4.7.2 Other factors at play – reality check

There are also a number of other key factors influencing Aboriginal engagement and employment in the NPI. While it is seen as a glamorous job, the realities of distance from home, communication and transport difficulties do impact on a person's decision of whether to pursue this kind of job or not. The presence of support services has certainly influenced younger people to enter the industry and this is also discussed later. The reason most people leave their job often stems from unresolved domestic issues, from peer pressure negatively impacting on the workers' ability to stay with the job, from poor management, and from lack of orientation about the job and the employers' and workers' roles and responsibilities.

The respondents identified a number of key factors, both positive and negative, that they perceive as influencing Aboriginal engagement in the NPI. These factors were elicited from three main perspectives:

- Current workers and participants in the NPI such as directors, owners, stockmen, managers, support and extension workers
- Experienced observers who are not current participants but who have an interest, such as retired stock workers, government and non-government agency workers, and land council workers
- Trainers, researchers, mentors and educators.

These factors are not given in any particular order of importance and may include positive and negative elements in a single factor. For example, the fact that a property is Aboriginal-owned may not automatically mean it attracts skilled Aboriginal workers, perhaps due to internal conflicts or other factors. Conversely, a non-Aboriginal-owned property, with a good manager and offering short-term casual employment, would be more likely to attract and retain Aboriginal workers.

#### **a) Perceptions and realities of Aboriginal culture**

The socio-political changes in the early 1970s introduced a welfare system that contributed to a 'sit down culture' and seriously damaged a vigorous culture based on mentoring and work ethic on cattle properties (McGrath 1987). It also had the unintended effect of creating a perception among some pastoralists that many Aboriginal people, particularly younger people, are unwilling to work, and the legacy of perpetuating this stereotype has unfortunately become something of a self-fulfilling prophecy. Nevertheless, the perception has some basis in reality, and the following statement characterises the fact that some younger Aboriginal people are caught in a situation where they do not have a choice to work because:

*There is a generation gap where young people lost interest ... work too hard so now we got more barriers like alcohol and drug abuse and that's a real big impact and they (some younger people) don't respect their elders, there has been social breakdown.*  
(Interview: Aboriginal Pastoral support worker and former stockman, WA, 2007)

Many respondents (Aboriginal and non-Aboriginal) complained about the negative impacts of alcohol and drugs and the perceived 'fact' that younger people had no work ethic. The question is raised about the extent to which comprehensive work programs and underlying issues have been attended to by both the private and government sectors during the past 30 years, and how this neglect has contributed to a short-fall in the numbers of people who have job ready skills.

*Substance abuse and welfare have created a massive barrier to people entering work and being part of society. This [welfare] was flawed from the beginning. Should have built people up together; now many Aboriginal people have no purpose, no culture of managing their own affairs.*  
(Interview: Pastoral support worker, WA, 2007)

It was stated by some respondents that property managers need reliability, not people who get homesick, causing lost time and labour. Conversely, many respondents discussed the possibility of placing senior Aboriginal people on location as mentors (see mentors above). Other respondents also said that placing individual Aboriginal workers on a property did not work because of a lack of mutual support, or the presence of a supportive and understanding companion. Some respondents said the solution is to ensure that there are two or more Aboriginal workers and they are culturally compatible.

The fact was also raised that there is a lack of local work opportunities and therefore the need to travel to distant places for work can be difficult for family and cultural reasons. The

employment of non-local Aboriginal recruits can cause resentment, shame and conflict for the people whose country it is, unless work arrangements are properly negotiated at a cultural level. This can act as a disincentive to work, and was particularly noticed on some Aboriginal-operated properties.

#### **b) Mining industry employment initiatives and implications for the pastoral industry**

The factors affecting employment and workers' retention were discussed with mining industry experts in Aboriginal engagement. The issue of the mining sector being a labour market competitor for the NPI was also raised a number of times. One young Aboriginal stockman summarised a sentiment reflected by others when he said: 'Stockman is good job but mines have much better money, conditions and hours' (NT 2007).

The attraction of mining work for pastoral workers is not a new phenomenon. May (1994:171) refers to the early attraction of the mining industry based at Weipa (Qld) which offered an alternative employment from 1957 onwards at considerably higher wages than those offered by the pastoral industry.

The rapid expansion of the mining industry currently being experienced in north Australia and, in an increasing number of cases, its initiatives to attract and retain more local Aboriginal workers is reducing the numbers of semi-skilled or skilled local people available for pastoral work. The mines will also attract skilled workers away from their pastoral jobs, particularly if the mining work is close to family, and has better conditions such as transport to and from work, well-supported apprenticeship opportunities, good quality accommodation and meals and higher pay.

*Lack of transport is a problem for people living in locations that are distant from their workplace. The ability to work is limited by transport availability, for example to travel home for family reasons, (or conversely) the ability to travel to work from a relatively nearby town to a station.*

(Interview: Station manager, 2007)

The important lessons from the previous commentary for the NPI are twofold:

1. Present conditions are contributing to a loss of current and potential workers to the mining sector
2. The pastoral industry needs to become more competitive in the labour market to attract and retain workers.

Overall, this means the NPI will need to more effectively access support programs and resources (government and non-government) as part of coordinating and facilitating better employment conditions and outcomes.

More particularly, the NPI will need to make similar types of changes in thinking and action as the mining industry has, in order to make itself more competitive in the rural and remote labour market.

#### **c) Social dysfunction**

The dysfunctional social and built environments of many Aboriginal people living in northern Australia is well documented, particularly in the rural towns and larger remote communities of the NT, WA and Qld. The 2007 Commonwealth Intervention into the Northern Territory was a direct result of several reports relevant to the NT, WA and Qld, detailing alcohol and drug abuse, overcrowding in houses, non-existent or non-functioning infrastructure, low

school attendance, child welfare issues and, as documented earlier in this report, very low workforce participation (SCRGSP 2007).

These matters were identified by many respondents (Aboriginal and non-Aboriginal) as barriers not only to getting a job, but in maintaining a job. Significantly, a high number of older and younger people who had 'given up' and were on the grog – typically in small remote towns like Mataranka, Normanton and Turkey Creek – were sufficiently encouraged by the prospects of working cattle on their own country that they resumed work, and in many cases took up positions of leadership and responsibility (e.g. Waliburru Station, Delta Downs Station and Millijidee Station).

Positive role models like this are of inestimable value to shifting social attitudes from the paradigm of welfare and low self-esteem to one of meaningful, relevant work and healthy self-esteem. Many of these older people are highly experienced stock workers respected for their knowledge and skill, and they are taking up mentoring roles, particularly on Aboriginal-owned properties.

Pastoral properties with astute owners and managers have been employing such skilled people for many years. Conversely, alcohol can stop people from returning to work after a period away. An issue repeated across the north was:

*Problems experienced with employing Indigenous guys in the stock camp have arisen not when they are working but when they leave to go into town for the weekend or holidays and they fail to return to work at the expected date. Alcohol and sit down money are the main reasons for employees not returning.*

(Interview: Station manager, Qld, 2007)

This comment reflects the experience of the Indigenous Pastoral Project Officers. These positions were established under the terms of the NLC Pastoral employment Strategy and the IPP to 'maximise the long-term participation rate of Aboriginal people in the workforce, at all levels in the pastoral industry' (IPP 2007b). The Project Officers have reported a sense of frustration as there are not enough of them to provide the very high levels of support required for many new Aboriginal trainees and workers both during and after work hours (Interview: IPP support worker, NT, 2007).

The following comments were made in the context of the interviews and represent a good cross-section of respondents' comments that characterise the perceived effects and consequences of social dysfunction on peoples' employment prospects in the NPI specifically and the workforce generally:

*Halls Creek area has 465 [people] on CDEP but we can only get up to three people to pick up cans/litter around town, there is no work ethic or self-esteem.*

*One option is to start up a program to give kids a choice to learn about how to live well, and learn social and work skills.*

(Interview: Community worker, 2007)

This situation is repeated throughout much of north Australia and demonstrates the fact that there is a large potential workforce, but it is suffering a collective historical malaise and lack of incentive when it comes to work. The situation is complex, but CDEP was only ever intended to be a step, not the answer. The NPI is in a position to address part of the problem of:

*... young people walking around doing nothing. Only jobs are CDEP in community picking up rubbish. Need to get top-up right so they can get better work doing mustering, fencing or better jobs like that.*

(Interview: Aboriginal station manager, 2007)

The IPER offers some pathways to achieving mutually beneficial outcomes for both Aboriginal people and the NPI.

#### **d) Helicopters, trap yards: changing stock work practice**

The literature amply describes the positive and negative consequences of the introduction of helicopters and of the new efficiencies introduced by trap-yards (in less well-watered geographical locations) in terms of cattle management and economic savings. There was a loss of work and a gradual reduction in the skill base, which is still felt today.

The introduction of helicopters, and, to a lesser extent, the use of trap yards is still seen as a major negative impact on the ability of people to get good stock work employment, and what work is available comprises a much shorter season. This sentiment is highlighted in this comment:

*Nowadays they are quick jobs, from (what used to be) nine months down to three months, so nothing to do in between. Before there was a three or four months gap in work, now it is eight or nine months gap in work.*

*Many properties are only providing limited jobs because they are using helicopters, but complain because there are no workers. [It] costs to keep ringers on to work cattle, but this is inconsistent with losses, and cost of lost calves due to stressful cattle management using helicopters.*

(Interview: Stockman, 2007)

The perception that big properties all use helicopters and only use men to work the yards, with little horse work or cattle handling, is commonly held among Aboriginal pastoral workers. A large number of respondents concurred with the comments that:

*Helicopter mustering is contributing to loss of stockmen skills. There seems to be a loss of interest in keeping the components that make it a good job.*

(Interview: Former station manager, Kimberley, 2007)

and that:

*... increased helicopter use equals low job satisfaction for stockmen and a decrease in creating well-rounded skills in stockmen. Younger fellas don't want to work where they don't use horses. It is not seen as real stock work.*

(Interview: Stockman, ex-contract musterer, West Kimberley, 2007)

There is a basic cattle management contradiction in that helicopters are increasing cattle stress while at the same time the pastoral industry is espousing low stress cattle management. This view is also balanced by the observation that it is 'Ok if helicopter used in right place at right time and still using on ground stock-hand' (Interview: Aboriginal Stockman, Kimberley 2007).

#### **e) Racial issues and cultural awareness**

Although the positive and negative historical linkages as well as contemporary clashes and prejudices based on race that exist between Aboriginal and non-Aboriginal people in the

general region included in the IPER, there is a determination among many to overcome those negative social impacts associated with racism. The comments about racial issues are consistent with the findings of the CSRM Report on Indigenous Employment, which acknowledged racism as an important factor that affects Aboriginal retention rates and which stated that some leaders in the minerals industry recognise racism as an issue in Australian society (Tiplady & Barclay 2007:52).

A number of stories were told by Aboriginal respondents during the research about 'one-on-one' racist acts, but these were not perceived as a big obstacle to employment. The biggest employment hurdle identified is that of institutional barriers and negative assumptions by non-Aboriginal people about the ability of Aboriginal people to fully participate in employment, and to determine their own future. The assumption held by many potential employers that 'blackfellas get everything' is still prevalent and presumes a taxpayer-funded welfare heaven, when in fact the interviews revealed a strong desire by Aboriginal people to work and participate as equals in the broader economy.

Institutional racism and its consequences are matters that will need to be managed by the NPI through its various peak bodies if increased Aboriginal employment potential is to be realised beyond those properties already incorporating positive human resource management regimes. Notwithstanding the timing of the resolution of this issue, there exists a strong desire by many independent pastoralists and a minority of larger pastoral corporations to actively encourage employment of Aboriginal workers. This need is evidenced by the following comment from an NT pastoralist:

*It would be good if Aboriginal people were the main source of station workers ... It's hard to get white people to come here ... Aboriginal people are not frightened of the work, they work hard ... They are as good as anyone and better than many from the east ...*  
(Mitchell, citing a Pastoral manager, NT, 2005)

The list of comments below were made by both Aboriginal and non-Aboriginal people, and characterise what is termed in the CSRM Report as systemic racism, which 'occurs when powerful institutions discriminate against a particular group of people by virtue of the philosophies which underpin their policies and practices' (Tiplady and Barclay 2007:52). These comments were given in the context of interviews regarding Aboriginal employment in the NPI, and were usually made when the question concerning barriers to employment was asked. Some of these comments as they relate to evidence of racism in the workplace, its consequences and implications are given below:

*Mistrust of whitefellas by Aboriginal people, these barriers need to be overcome.*  
(Interview: Support worker and former stockman, WA, 2007)

*[Non-Aboriginal people must] learn ... culturally proper behaviour, and understand whitefellas are not the owners of all things.*  
(Interview: Support worker and former station manager, WA, 2007)

*Some managers are still racist and don't know how to properly manage people but some managers know what they are doing and can work with Aboriginal people in a positive way.*  
(Interview: Station manager, 2007)

*The manager is physically violent and stands over of Aboriginal and other workers – they leave the job because he assaults them.*  
(Interview: Support worker and former station manager, 2007)



*Decisions are frequently taken by pastoral, government and business managers without consultation, and these agencies and organisations often use people who are culturally inept when working cross-culturally and this widens divisions, even when this is not the intent.*

(Interview: Support service manager, NT, 2007)

Clearly racism is an issue that needs to be dealt with generally, but institutional racism particularly needs to be managed if people are going to be able to work with each other, and the numbers of Aboriginal workers in the NPI increased.

#### **f) Negative impacts of jealousy**

The presence of jealousy as a negative impact, intruding on and damaging the capacity of Aboriginal people to operate their pastoral businesses effectively and invest in people (employment) and enterprises (capital) was raised by a significant number of respondents during the IPER. The significant negative consequences of stress being generated through, for example, wasting time, loss of control, acrimonious public meetings and family conflict is comprehensively documented by Kesteven (1983:369–372) where the social and cultural and economic impacts of jealousy are described in the context of a mining social impact assessment.

The impacts of jealousy are described as mostly relating to the relative loss of capacity by managers and directors of Aboriginal-owned and -operated stations to successfully earn and invest their money without being attacked and undermined by a rival faction or group, ostensibly in the interests of ‘the right’ people. This was evidenced in several places visited during the IPER, where failures in communication, unclear governance arrangements and systemic racism all played a part in perpetuating acrimony and jealousy, and by extension negatively impacted on the capacity of Aboriginal corporations to employ their own people.

Where these factors were minimised or not present, the evidence showed Aboriginal pastoral operations were relatively successful and cohesive, and, most importantly, enjoyed an ability to employ their own people in a positive work environment. Kesteven asserts that when there are:

*... unclear governance arrangements and poor communications relating to money, the potential for acrimony and jealousy is very high ... [and are manifested] ... often by rivalry ... between the different groups that receive money ... [who] ... want to preserve separate identities... (1983:370).*

This type of conflict situation can arise when some people are seen as being unfairly or unjustifiably given an advantage over others. This IPER noted one case where some members of an Aboriginal Corporation, which has a broad charter and many members, was in conflict with other members. The latter group were said to hold the unrealistic expectation that the cattle business could use its grant funds for distribution. This matter continually contributed to internal conflicts (Interview: KIMSS Coordinator, 2007).

*Social conflict mitigates stable governance, economic opportunities, and reduces potential to be productive, profitable and to offer employment.*

(Interview: Support service manager, NT, 2007)

The following comments illustrate the significant negative impact jealousy can have on employment outcomes:

*‘Jealousing’ is a key barrier to employment because it creates a fear in individuals to be different and by working, break the ‘sit-down’ culture. Some of these younger people just*

*won't work! A lot of this is about jealousy and bringing each other down, it is happening often.*

(Interview: Aboriginal community leader, Kimberley, 2007)

*'Jealousing' has come to be the biggest problem in the country with Aboriginal people. Lot of jealousy, some see us (Aboriginal workers) in a negative way and others see us in a positive way. We make the slack ones look bad.*

(Interview: Young Aboriginal stockman, NT, 2007)

*Station is like your own home if it is working well but jealousy can creep in!*

(Interview: Aboriginal stockman, Kimberley, 2007)

At one Aboriginal-owned station on the positive side there is a good business plan and a good manager who can oversee its implementation. The chances of commercial success are high, and governance at the committee level is effective, but:

*The money gets put in the bank and others get a bit jealous because they got nothing, they try to grab money from here ... we need the money to pay them properly.*

(Interview: Manager, Kimberley, 2007)

The terms 'jealousing' and 'jealousy' raised in the above contexts serve as an important reminder to people and agencies working in the NPI that there are significant underlying cultural factors that must be understood and resolved before any further objectives, let alone improvements to Aboriginal employment outcomes, and greater Aboriginal engagement can be achieved.

### **g) Contract mustering**

A number of comments were elicited regarding both the positive and negative impacts of contract mustering. It was acknowledged by some respondents that many Aboriginal stock workers did and still do work as contract musterers, and it has helped maintain the special ringer skills their parents and grandparents possessed. Mustering has also been a way that many Aboriginal stockmen have gained employment, albeit seasonally, in the NPI.

The comments, summarised below, made by former contract musterers, stockmen, station managers and Directors of Aboriginal cattle companies (many of them former ringers themselves) characterise the perception that if contract musterers are not controlled the capacity for problems is substantial.

*When outsiders (contract musterers) come in and work it defeats the purpose; while the job gets done, it is not always in the best interests of the Aboriginal lease holders.*

(Interview: Former Aboriginal contract musterer and manager, WA, 2007)

*Big problems of conflicts of interest regarding contract musterers and the degree of local Aboriginal participation. The musterer could have people from elsewhere and cause bad feelings and this has happened all over and acts as a barrier. Contractors once used all local labour!*

(Interview: Former Aboriginal contract musterer and pastoral support worker, WA, 2007)

*Contract work is not a good way to learn. It is too fast, so drop down a few cogs and learn the way of cattle handling and good cattle business ... Contracting is just rip, tear and bust — no time to train or mentor ... Old stockmen didn't fit with the new ways — lift heavy panels and yard work, not handling and caring for cattle ...*

(Interview: Former Aboriginal contract musterer, WA, 2007)

*Sometimes individuals make under-the-table deals with musterers to clean up – but these are cattle under management for the station. Conflicting interests cause a lot of trouble ...*

(Interview: Former Aboriginal contract musterer, WA, 2007)

Overall there is a perception by respondents that while contract mustering is a source of work for Aboriginal people, it is seasonal, and problems can occur if Aboriginal people from one place work on another place that has a capacity to muster. The CDEP is also perceived as a potential way that a small group of people with skills and a common interest could have evolved into contractor groups.

#### **h) Governance issues: Aboriginal owned and managed stations**

On Aboriginal-owned and -managed stations, the quality of corporate governance and its leaders' abilities to incorporate and maintain fair checks and balances has a major influence on the operational success of the property.

*There is an Aboriginal expectation to re-live the old style days and a strong reason to get country ... and dollars are more important than land and cattle, but they forget these properties are home to people.*

(Interview: Aboriginal stockman and pastoral support worker, WA, 2007)

Managing a station through a management committee comprising scores of Aboriginal Corporation members who have a poor understanding and knowledge of managing a cattle business can create major conflicts. Aboriginal Corporations with broad development- and welfare-based constitutions as well as other business interests often did not have the management experience and knowledge to handle multiple interests. One Kimberley Pastoral Manager commented that:

*What is best is to set up cattle operation separately and run by a manager – keep community and cattle business separate all the time!*

(Interview: WA, 2007)

The pastoral operations were often seen as a source of income for the non-profit element of the organisation, when in fact the income may need to be reinvested in the operation to help it grow. Conflicts were observed at a number of properties when funding priorities were debated.

Aboriginal Corporations could avoid or reduce the consequences of poorly informed and inexperienced management if they are appropriately supported to:

- be focused about the development and operation of a cattle business as a separate entity
- have an agreed business plan that includes sustainable employment, and a strategy to reduce dependence on CDEP
- keep members well informed and included in making policy
- maintain good quality and independent technical and governance support
- have a competent and informed group of directors
- locally control all of the decisions and budgets, checked by an independent ethical auditor
- monitor their results over time, and make advantageous changes.

There is a very strong view about the positive aspects of local control, held by all Aboriginal station owners interviewed, which is characterised by the statement that:

*We have our own control and management: Aboriginal-owned and -operated. We are struggling but we are slowly getting somewhere.*

(Interview: Aboriginal station manager and director, Kimberley, 2007)

Aboriginal pastoralists are very aware that ownership enhances employment opportunities, but sustainable employment is inextricably linked to improving infrastructure, hard work and creating productive country so cattle sales can pay for workers. In some Aboriginal pastoral communities, 'grog' and 'drugs' are having a big negative impact on the ability of people to make and maintain good business management decisions and build a business that can employ pastoral workers. Substance abuse is a major barrier to achieving sustainable employment, and stable social environments in some cases. Appropriately resourced support, negotiated between responsible agencies and the traditional owners is needed before sustainable employment outcomes can occur when substance abuse is an issue.

It was also reported by a number of Aboriginal pastoralists (e.g. Lamboo and Noonkanbah Stations) that if the station has limited funds, and its business plan priority is to commit its resources into infrastructure and herd development, CDEP workers are the only financially viable employment option. Some workers on CDEP are forced to stop work after four hours unless there is money for top-up or they are paid in kind (beef), or, as in the case of Noonkanbah, they are paid a small dividend at the end of year after all the bills are paid.

One Aboriginal Station Manager and Director highlighted the limitations of CDEP, and the need to invest in businesses and develop the capacity to employ people when he said:

*We need to keep costs low, hard to pay them and feed them without a proper set up, and when there aren't enough CDEP positions to support the property in the development phase and money is very tight, employment of workers is very difficult because of low funds.*

(Interview: Kimberley, 2007)

The ability to employ in the pastoral sector generally, and on Aboriginal-run stations specifically, is inevitably linked to healthy business practices. This means support to get businesses working through good governance, sound business planning, the ability to access competent technical information and the formation of working partnerships.

In the NT and Kimberley, the IPP and KIMSS have begun the task of providing this type of hands-on governance support. To achieve better outcomes, the support will need to be more comprehensive and incorporate a long-term, trans-generational approach.

#### **4.8 Towards an Aboriginal Pastoral Employment Strategy**

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The IPER has documented lessons learnt about Aboriginal engagement from both the NPI and the mining industry, and is able to show a specific way forward for the NPI in terms of achieving increased Aboriginal employment and retention. The way forward for the NPI requires a strategic approach that includes well-resourced and informed support people and mechanisms, responsive training, pre-employment, mentoring and employment pathways for both employees and supervisors. The approach must also include the capacity development of employers themselves.

The mining industry increasingly accepts that four key elements exist in relation to Aboriginal engagement in northern Australia. The pastoral industry could also take advantage of the concepts that:

- there is a potential labour force literally on its doorstep
- it is important to support people holistically in and out of the workplace to overcome barriers and to achieve positive labour force results

- it does not matter what industry sector people eventually work in; there is an intrinsic and positive social and economic value for industry and the community at large in creating and supporting achievable 'real' job opportunities at all levels for locals
- the ability to capitalise on and benefit from local Aboriginal labour is directly related to the employer organisations' consistent application of good cross-cultural work practices, active commitment to Aboriginal employment and the development of capability to effectively deliver on its commitment; in other words, their level of organisational maturity.

The pastoral industry has the combined corporate capacity and resources to resolve any internal organisational maturity matters, set employment targets and actively and successfully participate in providing the environment for achieving more 'real' jobs for local people in the NPI. The large pastoral corporations operating across the north are ideally placed to meet their own needs in a way that is integrated with the social, cultural, environmental and economic needs of all of the residents, but particularly the needs of local Aboriginal people interested in engaging with and working in the NPI.

The important element is that a flow-on effect will provide a skilled pool of local workers within the northern pastoral regions who can service the employment needs of all industry sectors over time, as well as of smaller pastoral operations. It may be that smaller pastoral operations may not have the need or capacity to employ people who are not family, or indeed the capacity to offer permanent employment. They will inevitably be indirect beneficiaries of a more skilled local workforce, as will those they employ.

Any increased uptake of Aboriginal workers in the NPI will occur generally within the private and corporate sectors, as an economic decision, and more permanent opportunities will follow as the Aboriginal population progressively becomes more skilled and employable through the spread and application of viable support arrangements. This increased capacity will only occur if the NPI pursues a strategic approach that includes favourable consideration of the CSRM Report's (Tiplady & Barclay 2007) recommendations of building the corporate maturity and capacity of the pastoral industry, through its corporate leaders, and including its middle and operational management. Such a strategic move by pastoral businesses would provide the foundations of employment best practice that could start to reverse the cycle of high Aboriginal unemployment in places where workers are in short supply.

#### 4.8.1 A strategic framework

The strategic framework described in this section is intended to guide prospective employers into a more efficient, better resourced and coordinated approach towards Aboriginal employment. The simple need to act often overshadows the need to take strategic action. This IPER has found that there is considerable action being undertaken aimed at increasing Aboriginal participation in the NPI through formulating and implementing strategies, decisions to develop strategies, and development of pastoral support programs involving various rural employment and training providers. As well, many Aboriginal organisations were forced into action by procedures put in place by the Australian Government to remove CDEP.

However, many of these actions aimed at increasing and developing pastoral jobs are often not coordinated even within regions. For example, the IPER found that additional training and employment arrangements are being independently planned, formed or implemented by the ILC, Kimberley Aboriginal Pastoralists Incorporated (KAPI); Wunangarri Association (Kimberley, WA) and DAFF's new Rural Indigenous Engagement Pilot Program.

The NT situation is different in that it operates under the auspices of the IPP, which explicitly coordinates all stakeholders in the NT, and facilitates the majority of Aboriginal employment

in the pastoral sector. There are other arrangements in place in the NT, such as the Waliburru Station pastoral development project run by the ILC, and the IPP have strong links with the local community and encourage their participation in IPP capacity-building and training activities. The particularly significant aspect of the IPP is that it includes the NTCA, whereas in the Kimberley the PGA has no discernable engagement, and in Qld Agforce operates within a generally narrow vocational and educational framework.

The apparent absence of strategic plans and low incidence of coordination may be in part due to lack of material and human resources, which is apparent even in the relatively most coordinated region (NT). While the NT Top End has an Aboriginal employment strategy, other locally driven pastoral employment strategies could not be located for other northern pastoral regions, other than the generic Commonwealth Indigenous Economic Development Strategy.

These diversely located initiatives, with a common objective of increasing Aboriginal employment in the NPI, need to be pulled together into one overall strategy that has the support of all key stakeholders – industry corporate representatives, pastoralist representative bodies, Aboriginal peak bodies and key government agencies. Such a move towards a single overarching strategy would not over-ride or preclude existing localised activities. An overarching strategy would aim to improve the flow of useful information between stakeholders, and make more effective use of good knowledge and scarce resources. Such an approach would represent another significant step towards solving the paradox of a tight labour market in a region of high Aboriginal unemployment.

There is also a certain amount of good quality knowledge about the components of successful engagement such as mentoring and partnerships. All of these components applied on their own and in an ad hoc manner will not serve to achieve sustainable jobs and positive outcomes unless they are adopted and strategically driven with the resources to make them work. The ability and capacity to achieve a best practice set of employment and retention arrangements will benefit from the sharing of knowledge about best practice from diverse and separate experiences and locations. This IPER attempts to consolidate some of that core knowledge from across the north.

The contents of this IPER provide important findings that can contribute to better coordination and implementation of good employment practices across the NPI through a staged and strategic approach. Part of the approach recommended to the NPI stakeholders includes the application and adaptation of elements borrowed from the mining sector (referred to elsewhere in this review). It may require permission to use the exact methodology devised by the CSRM aimed at achieving organisational maturity (Tiplady & Barclay 2007). The strategic framework outlined in Table 3 below provides an initial way for the NPI to establish a positive engagement based on comparable industry best practice.

**Table 3: Towards an Aboriginal Employment and Engagement Strategy for the NPI**

<b>What</b>	<b>Why</b>	<b>How</b>	<b>Who</b>	<b>How much</b>
Formulate a coordinated NPI approach and incorporate into Aboriginal employment and engagement strategy	Current approaches are not coordinated and do not have the opportunity to inform each other	Present the findings and recommendations of this IPER at a stakeholder meeting/workshop. Conduct facilitated workshop sessions to formulate strategy approach and action plan.	MLA, DKCRC and key NPI stakeholders  Mining sector employment and engagement practitioners, e.g. from the CSRM	Estimated cost of \$75,000 Supported by FarmBis, ILC, DEEWR and DAFF
Establish job targets for the NPI	There are no consistent estimates of targets or employment gaps across the NPI	Negotiate with larger corporate pastoral groups to determine numbers of guaranteed jobs, and survey peak bodies to establish smaller holdings' labour needs	MLA and member bodies and key NPI stakeholders	Internal costs covered by DEEWR Estimate \$15,000
Implement Organisational Maturity Assessments (OMA) for participating companies	Companies are not sufficiently 'mature' to successfully engage at the levels necessary to implement the proposed strategy	Conduct OMA assessments of all pastoral corporations that wish to participate and benefit from the strategy	Engage a contractor from a credible and independent body, informed by the CSRM	Cost of OMA, reporting and recommendations Estimated at \$25,000
Implement findings from the OMA with participating companies	Increase their ability and capacity to successfully recruit and retain Aboriginal employees	Intensive in-service OMA training of senior company staff, including cross-cultural training for all relevant staff	Specialist industry trainers and industry-based change managers	Cost per company estimated at \$50,000, but cost is subject to staff numbers
Implement balance of Aboriginal employment and engagement strategy	Staff will now be more receptive to new employment retention and workplace arrangements	Employ or re-train senior staff charged with Aboriginal liaison and employment	Company Boards, senior and middle management; On-ground staff supervisors	Cost per company would be less than costs associated with staff losses

#### 4.8.2 Decision-support tool for pastoral managers and owners

The IPER found that designing a decision-support instrument (based on both social and economic indicators) by which to measure the cost effectiveness of the various programs and models would not be possible given the current plethora of diverse employment arrangements currently planned for implementation or in practice. The only cost effective method is the one that works, and the most successful arrangements at present are those that focus on the actions of individual pastoral employers rather than those that operate at a generic program level.

Effective initiatives must incorporate pre-employment courses and suitability checks, negotiate employment arrangements with a prospective employer, and include support and mentoring within a context of good management as described earlier in this review. Programs like the IPP are in a position to broker and monitor these kinds of engagements.

Alternatively, a decision-support instrument has been devised to help employers change their management arrangements in relation to Aboriginal engagement that will improve their ability to recruit and retain staff.

The first decision is whether they really want to engage; if they do, the approaches and key findings described in the IPER will inform and facilitate such a paradigm shift.

There are six basic types of engagement or employment programs or models in place, not including single focus training facilities or arrangements such as Tertiary and Further Education (TAFE) or Vocational Education and Training (VET). These programs or models are summarised as:

- Aboriginal pastoral extension, employment and training service (IPP, KIMSS or ILC direct)
- Targeted Aboriginal pre-employment, training and jobs service (IPP, NLC, RITE)
- Government-supported job provider services (e.g. Mission Australia, Centacare Employment Services Qld)
- Corporate employment and training (e.g. S. Kidman and Co. and Heytesbury)
- Private engagement incorporating on-the-job training (e.g. word of mouth, newspaper advertisements, and the corporate websites of pastoral companies)
- Aboriginal pastoral training and employment partnerships (e.g. Century Mines and Waanyi Aboriginal Corporation in Qld).

These six employment and training approaches are applied in various manifestations across the north. While their focus of engagement is different, all of them aim to employ or engage Aboriginal people in the NPI and, to varying extents, facilitate either pre-employment or on-the-job training.

The six broad methods of facilitating engagement described above are readily available to any corporation or potential employer. The Aboriginal pastoral support services (IPP and KIMSS) and targeted pre-employment and jobs services working in conjunction with adept employers have demonstrated that a tailored approach can work, but it has a high attrition rate on its workers if they are inadequately resourced, and support deficiencies may also negatively impact on the level of client support available.

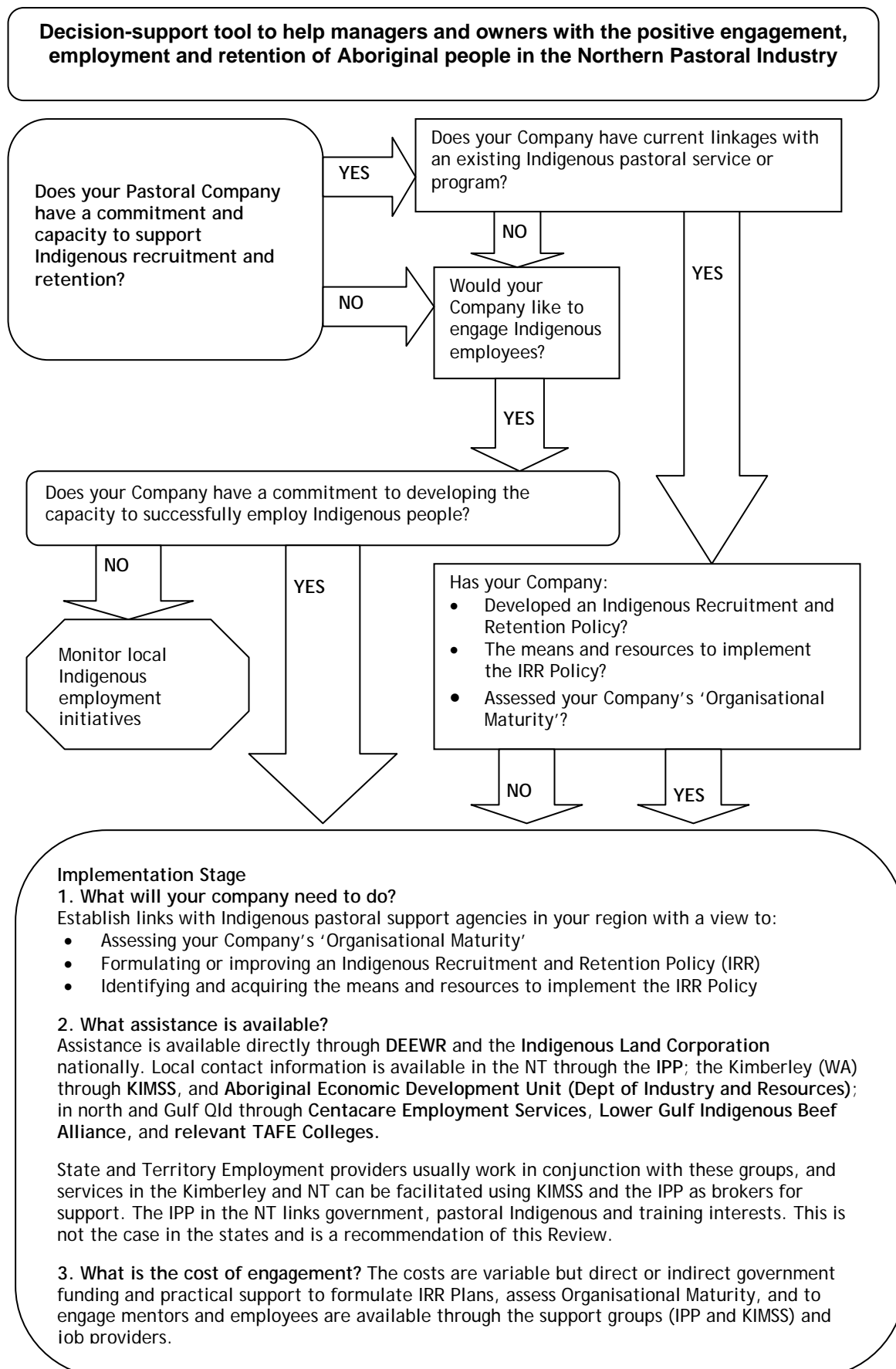
The pastoral employment and training partnerships operate in a similar way to the broader scale pastoral services and offer localised, tailored support mechanisms and commensurate outcomes by providing Aboriginal workers with a longer term, supportive on-the-job training environment. The government-supported job provider services have taken a more generic approach and seek to place non-local workers into placements that are not supported in the same way as the Aboriginal pastoral support services' arrangements.

The corporate and private recruitment arrangements are representative of the standard approaches to employment and, in the case of most pastoral corporations, mainstream on-the-job training. While this may be suitable for people with mainstream educational and work qualifications, the cultural and social differences as well as long-term educational disadvantages of many Aboriginal people make them less able to access purely mainstream employment and training. This means that they will either not apply or they will not have a high retention rate. The mining industry statistics and research supports this contention.

The decision-support instrument (Figure 2 below) is intended as a basic first step to support pastoral company executives in deciding whether to engage with local Aboriginal pastoral support services. The instrument asks the key questions that their businesses need to ask and answer as a self assessment of their willingness and commitment to make the necessary changes at the corporate and operational levels of their businesses. The instrument also suggests courses of action and directs the pastoralist to initial contacts. These contacts are included at Appendix 3.



**Figure 1: Decision-support tool for positive engagement in the NPI**



## **5. Success in achieving objectives**

The broad principal goal of the IPER was to develop a practical understanding of the effectiveness of different Aboriginal pastoral employment initiatives and, on the basis of this understanding, provide recommendations to the industry and governments about what works, what does not work, and why.

In order to meet this broad principal goal the IPER has achieved the following objectives:

- Outlined the historical and current participation of Aboriginal people in the NPI, and described the key factors that have and continue to attract Aboriginal people into the NPI
- Identified current and past initiatives and models aimed at increasing or supporting Aboriginal participation in the NPI through the literature review and direct contact with relevant people. This has particularly assisted with the identification of critical elements of successful programs and approaches
- Identified a broader range of government and non-government programs that are relevant but not necessarily specific to enhancing Aboriginal engagement and employment in the NPI, but most importantly during this part of the review it became apparent that the documentation and data about Aboriginal engagement and particularly the employment gaps in the NPI are not known to any degree of accuracy
- Assessed current and past initiatives and, by accessing reputable sources, comprehensively identified the critical success factors required to achieve sustainable Aboriginal employment and retention in the NPI
- Identified and documented key lessons about Aboriginal engagement learned by the mining industry. This particular element of the review has facilitated the development of a specific way forward for the NPI in terms of achieving increased Aboriginal employment and retention and has been a strong point of this Review.
- Described the critical elements and steps to formulate a strategic framework geared to achieve greater participation of Aboriginal people in the NPI
- Formulated a decision-making instrument to help individual pastoral companies reflect on their performance in relation to Aboriginal employment and retention, and to point out how they can make adjustments in order to achieve best practice in recruitment and retention of Aboriginal staff.

At the onset of the project, the Terms of Reference asked that a decision-support instrument be designed to measure the cost effectiveness of various programs and initiatives aimed at increasing Aboriginal engagement and employment in the pastoral industry. The research has found that there is currently a plethora of diverse and ad hoc programs and initiatives in this area with objectives and outcomes that are difficult to assess using this methodology.

Alternatively, the IPER has focused on identifying critical success factors that need to be present for initiatives to work well. Most programs display some, but not all, of these success factors and therefore the IPER findings represent an accumulated learning from across the industry and in other sectors, such as the mining industry. Drawing on this analysis, a decision-support instrument has been devised to assist employers change their management arrangements to meet these critical success factors. It is expected that this

decision-support instrument will give greater practical guidance to pastoral owners and managers aiming to increase Aboriginal engagement and employment in their regions.

The most significant finding from this Review is that in spite of a plethora of skilling arrangements targeting Aboriginal people, according to reliable sources such as the NPP and job and training provider agencies there is a shortfall in the availability of Aboriginal workers who are suitably skilled for work in the NPI. The current programs are only now developing the capacity to meet what are at best estimates of the NPI labour force demands. The current and future labour demand for skilled pastoral workers is not quantified across the NPI, and estimates of demand are highly varied or non-existent. It appears that entry level jobs may be relatively easier to fill, whereas the more experienced workers are harder to find.

## **6. Impact on meat and livestock industry**

The IPER has developed a strategic framework and decision-support tool to help the NPI facilitate increased Aboriginal employment and engagement.

The initial impacts of the IPER on the pastoral industry as a subset of the meat and livestock industry are as follows:

- a better understanding by the NPI of the opportunities for project investments to support Aboriginal employment
- identification of best practice Aboriginal pastoral employment programs
- improved understanding about the cost and benefit ratios of different government and private Aboriginal employment initiatives.

The IPER also uses the research findings to suggest concrete tools for MLA, DKCRC, ILC, other stakeholders and individual pastoral managers and owners to use to increase Aboriginal engagement and employment in the NPI. For example, the decision-support tool will help pastoral owners and managers assess and then improve their organisational maturity.

The adoption of these tools would be expected to positively impact on the NPI as a subset of the meat and livestock industry over the next five years by:

- improving the capacity of Aboriginal people to take up pastoral work opportunities where they live in northern Australia, thereby increasing the number of pastoralists who employ and retain Aboriginal pastoral workers
- improving the economic position of Aboriginal pastoral employees and their families through more sustainable employment arrangements and positively changing local community capacity and amenity by reducing the negative social and health consequences of dependency
- improving the capacity of pastoralists to employ and retain local Aboriginal pastoral workers by using best practice methods, and improving productivity by reducing inefficient employment practices and the associated repetitive recruitment and training costs
- development of a socially and economically stronger pastoral industry through improved recruitment and retention of experienced Aboriginal staff.

## 7. Conclusions and recommendations

### 7.1 Summary of key findings

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#### Historical legacy

- There is a substantial shortage of experienced stock workers in northern Australia, and the traditional source of stock workers – Aboriginal people – has massively declined over the past 40 years.
- The high decline in numbers of Aboriginal people with stock handling skills over the past 40 years is partially due to reduced employment opportunities which are a direct outcome of the 1966 equal wages case, but also dramatic changes to the economic, management and operational structuring of the NPI.
- The breakdown of the ‘traditional’ system of training and mentoring younger Aboriginal stock workers due to new technologies and cattle management methods introduced in the 1970s has contributed to a skills and labour shortage in the new millennium.
- New methods of cattle management, and particularly helicopter mustering, alienated the traditional stock work arrangements and made stock work less attractive to many.
- Aboriginal alienation from pastoral properties and their removal to the fringes of remote towns without jobs or services has also contributed to the loss of traditional cattle handling skills, but more particularly it has contributed to the high levels of social dysfunction, contributing to low labour availability.
- The cattle industry performed poorly during the 1970s and 1980s, with poor beef prices nationally and internationally.
- Maintenance of negative attitudes towards Aboriginal people by many pastoralists mitigates good working relationships. This negative attitude is still held by many, and is continuing to act as a barrier to long-term employment opportunities being maintained. It started with the introduction of the welfare system and equal wages case in the 1960s and has persisted into the new millennium. It needs to be tackled in a practical way, demonstrating the good outcomes that can be achieved by effective pastoral managers working with Aboriginal employees in a strategic way.
- Family-owned (non-Aboriginal) and -run pastoral holdings with a low economic base are less likely to employ longer-term workers or offer career options, but may benefit from an increased pool of skilled local workers.

#### Driving Aboriginal employment in the NPI

- In northern Australia, on average only 10% of the primary industry workforce is Aboriginal, yet Aboriginal people have an overall unemployment rate estimated at 30%. The Aboriginal population in these remote and rural areas is between 10% and 80% of the total population.
- There are no comprehensive figures or statistical data about the future employment needs of the NPI. The only expressions of this come from interviews, where people describe a labour shortage, and those estimates available vary widely.
- Changes to CDEP mean the emphasis on achieving long-term employment outcomes is critical in the short term.

- The successful implementation of the new Structured Training and Employment Project, Employment Related Services (STEPERS) arrangements can be used to support this transition if it is used effectively.
- The STEP and Wage Assistance schemes run by the Australian Government can provide flexible funding and targeted financial assistance to employers who employ Aboriginal people, but the arrangements are not necessarily geared to commercial realities, including timeframes.
- Pastoral support schemes have a positive impact on property productivity (e.g. KIMSS Snapshot, Department of Agriculture 2007a), and this has an increasingly positive impact on employment and economic development in the NPI.
- Some corporate interests are taking a new look at Aboriginal employment as a key component of low stress cattle management.
- Employment of local Aboriginal people in remoter areas reduces recruitment on-costs, and creates a social benefit for the wider community.
- There is a need to provide high level and high quality hands-on capacity development support for both employers and employees through entrenched mentoring programs and partnerships.
- The NPI could be well served by the conduct of extension 'people management' courses and mentoring with pastoral managers who are having difficulty in either working cross-culturally or recruiting and retaining Aboriginal pastoral workers.
- The mining sector through the CSRM (Tiplady & Barclay 2007) offers some new approaches to Aboriginal employment and retention which could be adapted into an Aboriginal Pastoral Employment and Engagement Strategy lead by elements of the NPI.
- There is a need for a more widespread, better publicised and resourced engagement and employment brokerage service between pastoral employers and potential employees such as the NLC Jobs and Career Service. The strength of this service is that it is driven by an Aboriginal organisation and has linkages with traditional Aboriginal owners and communities. These types of linkages cannot be easily achieved by governments (if at all).
- Many past Aboriginal workplace engagement programs have failed due to lack of resources, and a non-holistic approach. This has been recognised by the NLC, and their new strategic approach is different because it offers a mentoring framework model, which, if properly resourced and staffed, could provide a basis for negotiating a NPI strategic approach to dramatically improve Aboriginal employment and retention.
- There is currently a plethora of diverse and uncoordinated Aboriginal employment arrangements planned for implementation or in practice throughout the NPI. The unifying elements of these approaches need to be pulled together into one overall strategy that has the support of all key stakeholders including representatives of pastoralists, agribusinesses, Aboriginal workers, industry peak bodies and government agencies.

## **7.2 Conclusion**

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The NPI is potentially on the cusp of a significant paradigm shift in regard to how it engages and conducts business with Aboriginal people. There are now significant examples of success which can be expanded and better resourced by building industry partnerships to support further success.

A key finding of this review, that there is no comprehensive database or collection regime about pastoral industry Aboriginal employment statistics across the northern pastoral region, indicates a need to institute systems that can actively monitor labour market issues both quantitatively and qualitatively.

The pastoral industry's own northern research institutions (e.g. Rangelands Australia, DKCRC) are in a position to facilitate a comprehensive, consistent and updated labour market data collection regime as part of a change management approach to the employment and engagement of Aboriginal people with the NPI. This approach would be able to take advantage of the learning and knowledge that has underpinned successful engagements and employment outcomes within the industry, and measure their success against realistically set employment and retention targets.

The details and examples of such successes are documented in this review. Importantly, the initial steps that major corporate and representative institutions in the NPI can take to commence positive changes in their approaches to Aboriginal employment are included in this review.

There is an opportunity for the NPI to position itself so that it and Aboriginal communities can benefit through successful employing Aboriginal people in the industry. This includes both the initial engagement and importantly, retention, of Aboriginal employees. Remote and rural communities with Aboriginal populations can provide the NPI with a reliable and skilled workforce from a local pool of workers.

More generally, there is also a need to build the capacity of the NPI to engage with Aboriginal people to realise a range of other potential opportunities. One such opportunity could be the exchange of management and marketing expertise and/or mentoring in exchange for access to Aboriginal knowledge, labour and mentoring support.

A strategically implemented capacity development approach would recognise the vast experience and skill base that already exists among Aboriginal and non-Aboriginal pastoral managers and workers, and particularly among older stock-workers. This approach would also benefit from the distillation and wider application of the lessons learnt and documented in this IPER.

Mutually agreed employment and engagement arrangements aimed at effective training, mentoring and employment could be brokered through an accessible NPI network, and be supported by MLA and the ILC. Such a network would be in a position to expand on the arrangements pioneered by the IPP. The active participation and leadership opportunities for Aboriginal people could be made available with the larger pastoral companies if they decide to implement a changed management approach to Aboriginal employment.

Participating pastoral companies could access and emulate a modified approach similar to the Australian mining industry as outlined in the CSRM (and in an abbreviated form in this Review).

The pastoral industry, through its peak bodies or specialist programs such as the IPP or KIMSS could contribute, both in-kind and through accessing appropriate Federal and State grants, towards the establishment of a Centre for Social Responsibility in Pastoralism. Such a centre would be linked to the rangelands work it already supports, and be located in a suitable research and development venue. The Centre could monitor and drive the proposed Northern Pastoral Industry Aboriginal Employment and Engagement Strategy.

### **7.3 Recommendations**

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- That a single overarching strategic approach to Aboriginal employment, engagement and training be negotiated and implemented by the peak bodies operating in the NPI, and that Aboriginal representatives be part of those negotiations and implementation arrangements.
- That, consistent with the first recommendation, a Northern Pastoral Industry Aboriginal Employment and Engagement Strategy, based on the framework outlined (Table 3) in this IPER, be considered for development and implementation by stakeholders in the NPI.
- That the knowledge and inputs consolidated by the review provide the foundations for a Northern Pastoral Industry Aboriginal Employment and Engagement Strategy.
- Strategic action would require the formulation and/or commencement of:
  - Employment and retention data and setting employment targets
  - Training and skills support targets
  - Maintenance of a web site and interactive database by a Centre for Social Responsibility in Pastoralism or similar
  - Assessments of corporate pastoral employers' relative organisational maturity against set criteria (Tiplady & Barclay 2007)
  - Protocols to engage skilled mentors as supervisors to enhance existing schemes and services from an industry perspective, supported by a mentoring access network for both new workers and supervisors.
- That employment targets may be stated in terms of aiming to employ and retain a set minimum number of Aboriginal stock workers in each region per year. The use of STEP or other schemes aimed to support Aboriginal employment generally, and schemes targeting Aboriginal employment in the pastoral industry specifically, would also be facilitated by strengthened and more capable industry-backed arrangements such as the IPP and KIMSS.
- That a similar employment and training support arrangement to the IPP, with strong coordination and communication capacity, be established in Qld.
- In the context of this recommendation it is strongly urged that the NLC approach (2005) outlined in their pastoral strategy, and used as part of the IPP, be configured for a broader social and geographic context. This approach could be resourced and implemented by peak bodies within the NPI as a strategic action as part of implementing its broader strategy.
- That the NPI through its various corporate members and peak bodies consider negotiating access to suitably skilled human resource expertise from relevant parts of the mining industry to mentor pastoral executives, managers and supervisors in the change management necessary to achieve successful cross-cultural human resource management systems.



- That the NPI, through its peak representative and participating organisations (MLA, NFF, NTCA, PGA and AgForce) consider the establishment of a Centre for Social Responsibility in Pastoralism to monitor and conduct research into best employment and operational practice in the NPI. Options for locating such a Centre could be the School of Natural and Rural Systems Management at the University of Queensland, or the Desert Knowledge CRC based in Alice Springs in the NT.

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## **9. Appendices**

### **9.1 Appendix 1 – Terms of Reference**

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The contractor will conduct a rigorous review of past and current initiatives, programs and models aimed at supporting Aboriginal involvement in pastoralism. The review will include the following actions:

1. Compile a database of past and present Indigenous employment and training initiatives within the northern pastoral industry (Qld, NT, Kimberley and Pilbara), including 'mainstream' pastoral training initiatives that include Indigenous participants
2. Document the different generic Indigenous employment models used across different pastoral enterprise types and primary industries in northern Australia
3. Document in detail the impacts (for both Indigenous participants and the pastoral industry) and costs of past and present Indigenous pastoral employment and training initiatives
4. Document successful case studies and evaluate the factors that contributed to their success
5. Recommend principles and practices necessary for successful Indigenous employment initiatives, with particular reference to the institutional or corporate characteristics that improve employment outcomes
6. Describe future opportunities for project investment to support Indigenous employment in the northern pastoral industry.

## **9.2 Appendix 2 – Historical overview**

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### **9.2.1 Introduction**

The development of the pastoral industry in WA and Qld proceeded differently from in the NT, mainly because of legislative and social differences. The main differences were that the NT was under Commonwealth administration until 1978 and the NT total population has remained very low compared with both Qld and WA. WA and Qld also had a broader and more diverse economic base, facilitated by strong private enterprise interests and proximity to markets; the NT was dominated by the long distance to Australian markets, associated low investment in enterprises, and was principally maintained by the Commonwealth for defence and administrative purposes.

In Qld, Aboriginal labour was used from the start of the pastoral industry, with transport being used to move Aboriginal station workers between the missions they were resident in and the cattle stations they worked on. The Qld laws relating to the movement of Aboriginal people ultimately supported the removal of people to missions and settlements from residence and employment on pastoral lands (May 1994:158–159).

In WA, many Aboriginal workers and their families were also forcibly evicted and moved to the fringes of towns without employment prospects. For example, places such as Blueberry Hill, a former fringe camp on the edge of Halls Creek, was one of many places without any services comprised of Aboriginal refugees from stations. Like the more famous Wave Hill walk-off in the NT, the key factor in the Pilbara was the pastoral strike of 1946, when Aboriginal pastoral workers walked off the job in pursuit of better pay (for details see: McGrath 1987; Coombs 1994; May 1994; McLaren & Cooper 2001; Rothwell 2006).

What the Qld, WA and NT pastoral industries had in common was their experience of a shift from open range management, which favoured Aboriginal skills, during the 1960s and mid-1970s, to a more intensive use of fencing, wider use of motor vehicles and the introduction of helicopter mustering from the late 1970s on. May (1994:168–172) asserts that these changes in management practice contributed as much to the reduction in the use of Aboriginal labour as the equal pay case of 1966. May also points out that in Qld, this period was characterised by alternative employment opportunities on missions and settlements, as well as in the mining industry.

The general negative impact on the Aboriginal people who were forced from their living areas on cattle stations into remote towns was arguably much greater than the initial colonisation of their country by the pastoral industry, where Aboriginal people were able to stay on their country and maintain a reasonably high degree of cultural continuity. This contention is supported by McGrath (1987:173) where she states that:

*Although the cattle industry was an oppressive institution and crucial to the overall colonial takeover of the north, its peculiar characteristics also enabled Aborigines to retain a higher level of autonomy than was possible with other industries. The demand for Aboriginal labour ensured that managers would permit residential camps ... They needed comparatively few workers but they wanted these to remain.*

During the 1960s, the relationship between the pastoral station owner/manager and Aboriginal worker changed dramatically. During this decade it transitioned from a basic feudal system that provided a skilled, low cost, resident labour force readily available to carry out station work in exchange for some payment – basic shelter, clothing and food rations – to one of Aboriginal employment becoming a burden on increasingly scarce station resources.

Aboriginal residents continued to require shelter, rations and education. However, with the advent of the 1966 decision to amend the NT Cattle Station Award, there was also a legal requirement to pay award wages. This decision 'put Aboriginal employees in the Northern Territory on to the same basis as white employees' (McLaren & Cooper 2001:171).

The payment of award wages, deferred until 1968 to give pastoralists time to adjust, was still to mean large-scale unemployment, and by the early 1970s a considerable number of Aboriginal employees had been laid-off, and they gradually drifted away with their dependents to settlements. More of the remainder would follow. This shift was consistent with the reduced economic capacity of the pastoral industry to shoulder this cost, given the economic downturn in beef prices, changes to stock and property management techniques, and the increasing propensity to employ non-Aboriginal stockmen only (May 1994, McLaren & Cooper 2001:173).

### **9.2.2 Importance of Aboriginal participation in the NPI**

Aboriginal participation in the NPI was operationally important from the earliest times, with Aboriginal labour being subsidised by state governments to help run cattle over vast areas of land dedicated to cattle production (McGrath 1987, Coombs 1994, May 1994).

The historic role of Aboriginal labour in the pastoral industry is difficult to overestimate according to Smith (2003). To support his argument that Aboriginal knowledge and labour were critical to the emerging northern beef industry, he cites the Secretary of the Northern and Central Pastoralists Association (WA) as saying in 1927, that 'the Aboriginal [sic] is a valuable adjunct to the pastoral industry, and without him ... it would be impossible to carry on under conditions as they exist'.

### **9.2.3 Spread of pastoral development from Qld to WA**

Pastoral-based development and colonisation of the north occurred from the east coast inland: westwards and northwards from Qld initially, with the NT and eventually the Kimberley region of WA being occupied under lease for pastoral (cattle and sheep) husbandry. This occupation of country by pastoral interests occurred in waves, and over many years.

Coombs (1994:86) writes that during the east Kimberley's first wave of development during the 1880s, pastoral properties were established, with surviving Aboriginal people being gradually incorporated into the pastoral operations as an unpaid workforce. He states that the second wave occurred in the 1950s and 1960s with the planning and construction of Lake Argyle and the town of Kununurra being established as a service and administrative centre.

### **9.2.4 The shift from open range pastoral management**

The early years of large-scale cattle operations across the north employed what is now termed the 'open range' system of operation (Lewis 2002:20). This system allowed cattle to freely range on a station's best country. As the cattle naturally increased and spread, so did the basic infrastructure of yards and small horse and bullock paddocks. Stations remained unfenced, and herds remained essentially uncontrolled, except for the seasonal movement required for pasture and water. As the water receded, cattle became concentrated in watered areas, and they spread again when the rains came (Lewis 2002:20).

This style of management favoured Aboriginal participation, giving Aboriginal stock workers the scope to use their bush skills and knowledge of country. At the same time these competent Aboriginal stock workers favoured pastoral leaseholders and managers by providing a locally available source of cheap labour.

Management was focused around an annual muster conducted by stock workers on horseback, and required good knowledge of country, and the ability to live and work 'rough' for months. That part of mustering work known as 'tailing' was done exclusively on horseback, and is still referred to with reverence by older stock workers as providing ample hands-on time to train up younger stock workers (Interviews: NT and Kimberley, 2007).

Coombs (in Gibb 1972:40) observed as part of his contribution to the Gibb Committee draft Report that:

*In many ways the relationship between the Aborigines and the pastoral industry is appropriate and appealing. The Aborigine has a genuine economic function to perform ... some aspects of which he can perform as well as or better than white employees. This employment offers him some social security and self-respect. Furthermore, this work he can do while living in the fashion he prefers.*

The situation described by Coombs still holds true, although the traditional appeal of stock work for Aboriginal stockmen has been diminished through the introduction and extensive use of helicopter mustering. This current type of pastoral work, according to the accounts of many stock workers, has them operating exclusively in the yards and in the dust (Interviews: NT and Kimberley, 2007).

The introduction of new management techniques such as helicopter mustering changed this close relationship of stock worker with the land, and was an economic necessity that partly contributed to the reduced numbers of stock workers employed (May 1994). The economics of the situation are clearly enunciated by Mitchell and Stockwell (1982):

*The second survey of pastoral properties in the Elsey and Gulf Districts of the Northern Territory shows a marked contrast to the first ... More than half the stations mustering used aircraft. The hourly cost of a helicopter was equivalent to the average cost of employing a man in a mustering camp for a week. For each mustering unit (i.e. one helicopter hour or one man week) an average of 28 head can be mustered.*

While helicopters retain an important role in cattle and station management, the desirability of employing skilled horseback stock workers is also increasing along with the shift towards low stress stock management.

The IPER did not quantify this factor, but comments from all managers and owners indicated a continual shift towards low stress cattle management, and the value of increasing the use of horseback mustering. This is attractive to both Aboriginal stock workers and for pastoral managers in terms of reducing cattle stress and its associated economic losses (Interviews: Managers from Qld, NT, and WA).

### **9.2.5 Introduction of award wages in 1968**

When Aboriginal people were initially engaged in the pastoral industry in the nineteenth century, they were compensated for their work with the provision of basic shelter, clothing and food rations. Even until the late 1960s, Aboriginal people were being paid well below award rates, but this was somewhat offset by the provision of support to their extended families. Smith (2003) states that: 'Low cost Aboriginal labour either paid or in kind, at wages

well below award rates, is what maintained pastoral station profit margins up until the late 1960s.'

The ACTU (2006) claims that under the NT Wards Employment Ordinance, pre-1968, Aboriginal men were paid up to 80% less per week than their non-Aboriginal counterparts for the same pastoral work. Conversely, May (1994:168) reports that out of nearly 6000 Aborigines working in the north Qld cattle industry in 1965, approximately 5000 were receiving award wages, and that was before the introduction of equal pay.

However, May does not consider the possibility that while people could have been receiving equal pay 'on the books', they may not in fact have received all of their pay 'in the hand'. Revelations about underpayment, or non-payment of pastoral (and other) workers were reported in the media as part of a substantial set of compensation cases decided in Qld in 2007 (Allam 2007).

This situation changed dramatically during the 1960s with the 1968 award (equal) wages for Aboriginal pastoral workers introduced, based on a 1966 decision of the then Arbitration and Conciliation Commission. The decision had in fact been delayed after the Commission accepted submissions by pastoralists seeking time to prepare for the impact of the change.

The longer-term impact of the change was that fewer Aborigines were employed by the stations; however, many Aboriginal people stayed on the living areas adjacent to the station homesteads. Smith (2003) asserts that the biggest impact on the pastoral industry – which he terms the 'cornerstone of the regional economy ... [of northern and central Australia] ... until the early 1970s' – and implicitly on its Aboriginal workers, was in fact the consequences of the decline in prices for pastoral output and a concurrent increase in production costs.

Coombs (1994:87) also cites the accommodation that was reached between Kimberley pastoralists and Aborigines as being shattered by the declining viability and structural changes in the pastoral industry, coupled with legislative changes requiring the compulsory payment of award wages from 1968. He asserts Aborigines felt the impact very suddenly in the mid-1970s when station owners evicted most of the resident workforce and their families.

This assertion is also supported in McLaren and Cooper (2001:173) where they describe the situation in the NT cattle industry by the late 1960s and early 1970s as one where 'a considerable number of Aboriginal workers had been laid off and gradually drifted away with their dependants to settlements. More of the remainder would follow them in due course'.

The accuracy of this assertion has been specifically referred to and supported during interviews conducted as part of the IPER (see Section 3). The consequence of people being shifted from their home stations was that they not only lost their homes and were separated from their jobs, but that they effectively became refugees. This is clearly described by Dickey Cox, a traditional owner and first hand witness, where he states:

*There were many of us living on the station – all Nykena people – and we all worked and lived together ... This all changed in 1967, when the so-called equal pay legislation was brought in. We didn't understand what happened at the time, but it led to a big upheaval in our lives. We were moved off Noonkanbah and pushed into Fitzroy Crossing. Our particular mob moved to the camp by the new bridge at Loanbung ... there was a big mob of us there and we found those times difficult.*

(Department of Agriculture 2007b)

The consequences over the following 40 years (1967–2007) of creating pools of refugees in remote towns throughout the northern pastoral belt who had no jobs, housing, services, or



income were, and still are, very substantial. These consequences include Aboriginal alienation from positive work practices and habits, low educational achievement, inter-generational loss of traditional knowledge and skills, loss of valuable cattle management skills, and the creation of the paradox of contemporary labour shortages and Aboriginal unemployment occurring in the same places throughout northern Australia.

In relation to the seasonal and relatively short-term nature of cattle work, McLaren and Cooper (2001:168) argue that rather than Aboriginal stock workers being laid off at the end of the season, many were kept on in common with many non-Aboriginal stockmen. Generalisations made from specifics and extrapolated to cover an entire industry about Aboriginal employment arrangements are not helpful, but understanding what the patterns of employment or engagement are do help to understand why some arrangements work and others do not. It is clear from the interviews that most of the pastoral industry prefers to employ seasonal labour, but will retain a core workforce over the off or wet season.

By the mid-1970s, the northern cattle industry was in economic decline for a number of reasons. From the pastoralists' perspective, these reasons were poor climatic conditions, declining domestic beef consumption, and reduced overseas demand for Australian beef. The pastoralists were in a situation where costs had to be cut, and cheaper methods of managing cattle were sought (McLaren & Cooper 2001).

### **9.2.6 *Aboriginal Land Rights Act (Northern Territory) 1976***

The advent of the *Aboriginal Land Rights Act (Northern Territory) 1976*, and the subsequent implementation of the Act gave traditional Aboriginal owners the ability to make native title claim over pastoral properties that were on their traditional lands. The opportunity to achieve ownership was intended to recognise peoples' land rights and to provide the economic base which would herald an era of pastoral-driven employment and prosperity for traditional Aboriginal owners in the NT. Similarly in the Kimberley and Qld, pastoral leases and properties were being acquired, but as the map (Appendix 5) shows, the majority were in the NT.

These northern pastoral properties were purchased by the Commonwealth Aboriginal Land Fund Commission (which was established in 1974), and were viewed as potential commercial enterprises. Unfortunately, the acquisition of these properties did not lead to the high level of employment and economic benefits that were originally envisaged.

The key reasons contributing to failures and an inability to achieve the goal of these Aboriginal-owned cattle stations becoming viable commercial enterprises with the attendant benefits to the owners are summarised below:

- Properties, including infrastructure (buildings, fences, yards and watering systems), were often run down and left in an environmentally depleted and damaged condition
- Few or no skills and equipment were available to maintain them
- Frequently inadequate or inexperienced pastoral management support
- When support was available, it was often provided from agencies more suited to delivering social welfare programs
- Limited local governance, management and operational capacity
- Lack of knowledge about and inability to acquire good support about the essential technical and management aspects of the cattle industry (breeding to marketing)
- Unsuitable or inadequate investment in local capacity development.

Coupled with these deficiencies, governance, in terms of competent and effective financial and business management, was often dependent on either remotely controlled management decisions or an imported station manager. The outcomes of this type of arrangement were

that many properties deteriorated, being retained as basic community living areas without functioning business or operational management systems. The most devastating outcomes were the damage to peoples' self confidence and their reputations as good stock workers.

The Aboriginal owners were, and sometimes still are, seen as people who had been handed properties and couldn't make a go of them. Many of their pastoralist neighbours were disdainful about the poor condition of the properties, and saw them as a source of trouble (build up of weeds, feral animals, stock losses and unmanaged fire), even though some may have seasonally employed local stock workers and maintained relations with older Aboriginal community members (Interviews: Pastoral managers, WA and NT, 2007).

### **9.2.7 Community Living Areas**

The issue of continued Aboriginal residence on pastoral properties in the NT was significantly addressed by the Gibb Committee Report (Gibb 1972). The Committee sought to manage the tension between now-unemployed Aboriginal people and their families living on pastoral properties, and the pastoral leases' managers and owners by establishing excisions from the pastoral lease for the exclusive use as living areas for Aboriginal residents.

As a result of the exodus from pastoral properties there were also many people living in towns and on the fringes of towns:

*... provision was made in the... [Community Living Areas]... legislation for Aboriginal people not ordinarily resident on pastoral lease land because ... after the equal wage decision in 1966 and a subsequent decline in Aboriginal employment [on pastoral land], together with the introduction of cash welfare payments ... [many Aboriginal people left their traditional lands] ... for towns, government settlements and missions.*  
(Burke 1991)

The matter of Aboriginal living areas on pastoral leases was not fully resolved in the NT until nearly a decade later with the introduction of the Community Living Areas legislation, although some excisions were negotiated prior to this. The matter of excisions in the NT, while a significant event, is not the focus of this IPER. Key information about excisions is detailed in the references obtained from the database search and cited below:

- *Report of the Committee to Review the Situation of Aborigines on Pastoral Properties in the Northern Territory* (December 1971), also known as the Gibb Report (Gibb 1972)
- *Second Report of the Aboriginal Land Rights Commission*, Aboriginal Land Rights Commission 1974, Australian Government Publishing Service, Canberra.
- *Report of the Inquiry into Pastoral Land Tenure in the Northern Territory*, Committee appointed to inquire into the most appropriate form of tenure for pastoral land in the Northern Territory of Australia, 1980.
- *Report of the House of Representatives Standing Committee on Aboriginal Affairs — Strategies to Help Overcome the Problems of Aboriginal Town Camps*, 1982 Australian Government Publishing Service, Canberra.
- *Seven Years On*, Report by Mr Justice Toohey to the Minister for Aboriginal Affairs on the Aboriginal Land Rights Act (NT) 1976 and Related Matters, AGPS, Canberra, 1984.

### 9.3 Appendix 3 – Programs, initiatives and models relevant to Aboriginal employment in the NPI

**Table 4: Programs, initiatives and models relevant to Aboriginal employment in the NPI**

Program/Initiative/Model	Region	Focus	Performance	Timeframe	Partners
<b>Indigenous Pastoral Program (IPP)</b> Contact: Manager <i>Linked to NLC Jobs and Careers Service (see below) and links with NLC Pastoral Industry Employment and Training Strategy 2005</i>	Northern Territory (NT)	Integrated Aboriginal pastoral management and skills; coordination of holistic approach to engagement, governance, employment, training and retention on Aboriginal and non-Aboriginal owned properties	Successful pastoral worker training and placements; coordination and provision of practical mentoring support has had qualified success	2005 – Ongoing Refer to Agreement	DEET, DEWR, NTCA, ILC, NLC, CLC, NTDPIM
<b>Kimberley Indigenous Management Support Service (KIMSS)</b> Contacts: Mark Chmielewski 08 93683461/0427449926 <a href="mailto:mchmielewski@agric.wa.gov.au">mchmielewski@agric.wa.gov.au</a> Russell Shaw 08 91910326 Kim Carter 08 9194 1427 and mob: 0427 424597	Kimberley Region, WA	Integrated Aboriginal pastoral management and technical skills; coordination of holistic approach to managing and operating Aboriginal controlled stations, focus on mentoring	Successful intervention with limited number of Aboriginal owned and controlled pastoral leases; Improved capacity and property development over a long timeframe using extension techniques	2005 – ongoing	WA Dept Agriculture and Food, ILC, FarmBis
<b>NLC Jobs and Careers Service</b> Contact: Barry King Tel: 08 89205187	NLC Region	Negotiate job guarantees in mining, pastoral and other agreements made under the ALRA and NTA.	Implementing Jobs and Careers Service Strategy; successful record of high volume and long-term job placements; linked to IPP	2005 – ongoing	Major industry partners through IPP; Pastoral sector includes DEWR, NTCA, DPIFM
<b>Rural Industry Training and Extension Association Inc. (RITE)</b> Contact: Russell Toohey Tel: 1800 808782	Northern and Gulf Qld	Pastoral Industry Training provider	Provides pre-employment training and links with Youth at Risk Pastoral Program	Current	Private training provider
<b>FarmBis (WA, NT):</b> WA: Maurice Griffin Mob: 0427 778948 <a href="mailto:mgriffin@agric.wa.gov.au">mgriffin@agric.wa.gov.au</a> NT: Dave Collinson Ph: 08 8999 2077 <a href="mailto:david.collinson@nt.gov.au">david.collinson@nt.gov.au</a>	WA NT	Pastoral and land management training and extension work funding provider	Providing flexible funding and support to participants in the KIMSS, IPP	Current; due for revision and refocus in 2008	WA Agriculture ILC
<b>Indigenous Land Corporation</b> Business Employment and Training Director: Stephen McCarthy 0407 900 556 See Roebuck Plains Station training facility	National	Assist Aboriginal people to acquire pastoral and agriculture land and to sustainably and viably manage and develop it. Strong commitment to training	Purchasing properties and providing active management, moving into holistic approach of community development in the NT/WA per IPP& KIMSS.	Current	Various government agencies and Aboriginal land councils
<b>Trailblazers</b> Northern Gulf Resource Management Group Pastoral Program	Northern Gulf Qld	Encourage young local people to stay in the pastoral industry by providing an intensive leadership course	Reports indicate interest and good participation	Current	Northern Gulf Resource Management Group members
<b>Agforce</b> President: Peter Kenny 07 3236 3100	Qld	<b>Queensland School to Industry Partnership Program</b> School liaison work, events, information talks	Coordinate activities between rural sector, govt. and high schools; raise awareness about agricultural careers; increase uptake from school leavers and	Extended to 2011	Qld DPIF, Education Training and Arts Qld

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Program/Initiative/Model	Region	Focus	Performance	Timeframe	Partners
			school-based trainees.		
Charles Darwin University (CDU); Katherine Rural Education Centre (KREC), and Mataranka Station (NB Mataranka Station is owned by CDU)	NT	Pastoral training and technical skills; delivery of Certificate level training Pre-employment skills	Provides live-in arrangement at Katherine rural campus and practical experience at Mataranka Station to prepare trainees as station workers	Long term	NT DEET
Lower Gulf Indigenous Beef Alliance Contact Boyd Curran <a href="mailto:bcurran@intune.com.au">bcurran@intune.com.au</a>	North Qld	Mentoring and holistic skills and social development for jobs; Industry/Aboriginal partnerships; tailored local and hands-on approach	Anecdotally very successful	ongoing	Waanyi Aboriginal Corporation Century Mine
Kimberley Aboriginal Pastoralists Incorporated (replaces Kimberley Aboriginal Pastoral Alliance)	Kimberley region (WA)	Advocacy, support and training	Renewed initiative; previous model failed as its role became confused between political advocacy and practical support for Aboriginal property managers	New starter	Kimberley Land Council; WA Department of Industry and Resources
Example of pastoral corporation providing a specific Aboriginal training and employment program: S. Kidman and Co 08 83347100 <a href="mailto:hr@kidman.com.au">hr@kidman.com.au</a>	National, based in South Australia at Mabel Creek	Station Hand Training Course; Offers full-time employment on successful completion of course	Kidman's consider course to be successful and take a limit of 15 trainees per year, 50%+ success rate. Encourages Aboriginal people by working through local communities in SA; still evaluating and refining the course	2 years	Mission Australia assist in a private capacity but not as a partner
Examples of good on-site employment, Aboriginal management, training and mentoring on Aboriginal owned and controlled properties: <ul style="list-style-type: none"> <li>Noonkanbah Station, WA</li> <li>Hodgson Downs Station, NT</li> <li>Delta Downs Station, Qld</li> </ul> Aboriginal governance: <ul style="list-style-type: none"> <li>Mistake Creek Station NT (Evaluation site)</li> </ul> NB: These are examples; there are many other successful operations.	WA, NT, Qld	On-the-job local mentoring/training; not a formal program but a key pathway for Aboriginal employment in the industry  Operating and managing a highly successful cattle station with 100% Aboriginal management and operational staff	Anecdotally described by both station managers and station worker as a desirable/successful model to train and retain workers  Very successful example of good and relevant inputs over a long timeframe	Historical and current  20 years	ILC and other non-government providers (e.g. IPP; Little Fish: governance and 'money story' training provider; KIMSS: extension services; Support through CLC
Noonkanbah Agricultural Academy Contact: Dicky Cox, Director	West Kimberley WA	To create pathways 'from school to management' of cattle and other businesses	Successful 'Pilot' and emphasis on locally provided training and direct to employment.	2005 – current	FarmBis; ILC; TAFE Derby; Kulkariya Community School
Queensland Rural Industry Training Council Yvon Wigley Executive Officer 07 3238 4848	Qld	Drive for training into employment, advice to training providers	Maintains strong links with all areas of the rural and pastoral industry including training providers, industry representatives and employers	Current and Ongoing	Qld and Commonwealth government agencies; VET sector

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Program/Initiative/Model	Region	Focus	Performance	Timeframe	Partners
Cape York Strategy Unit (DATSIP)	Cape York, Qld	Implementation of the Cape York Indigenous Employment Strategy 2005 <b>Industry prospects:</b> Limited without herd improvement, infrastructure investment and adoption of contemporary management practices. Main opportunity is in live export. Domestic market prospects limited by access to grains and feedlots.	<b>Job prospects:</b> Best case scenario for medium term is 110–120 full-time equivalent jobs, plus small number in pastoral support services and industries. <b>Barriers:</b> Funds to invest in infrastructure and herd, skills in contemporary management, feedlot access, possibly lack of interest on the part of some young people.	Ongoing	Department of Employment and Workplace Relations Department of Employment and Training Department of Aboriginal and Torres Strait Islander Policy
Structured Training and Employment Projects (STEP) and STEP, Employment and Related Services (STEPERS)	National: Qld, NT, WA	Pre-employment support, mentoring and employment support	STEP has provided some support but sometimes limited due to lack of timely agreement completions by DEWR. ILC have used STEP extensively in Qld	Current and ongoing, and being extended to better support CDEP	Nil
Ray Chamberlain, Argyle Diamonds Ph: 94821166; 0404450891 <a href="mailto:ray.chamberlain@argylediamonds.com.au">ray.chamberlain@argylediamonds.com.au</a>	WA East Kimberley	Employment, training and mentoring entry into all work	Dedicated facilitator of worker support and mentoring; Takes a successful 24/7 approach to employee support; Achieved high employee recruitment and retention results for Argyle Mine	Long term	Mining industry

#### **9.4 Appendix 4 – Assumptions for economic impact assessment of Aboriginal pastoral employment programs for the NPI**

##### Assumptions:

- All figures in the Program calculations are in PV. The NPV calculations included inflation applied at 2.5%, which is the midpoint of the RBA's expected long-term rate of inflation (2–3 %).
- All trainee participants were previously unemployed and >21 years old with no dependent children.
- All earned first year station-hand salaries and paid the same PAYG tax as per the taxation schedule.
- The IPP's employee mentoring and employer cultural change expenses began decreasing by 2010. All other training program expenses did not change.
- All trainee participants were on Centrelink's Newstart unemployment benefits of \$429.80 per fortnight (from 1/1/2008) prior to employment.<sup>8</sup>
- All pastoral employment was for 12 months and replaced all unemployment benefits.
- Trainees who were employed would have remained on unemployment benefits without a pastoral training and employment program.
- 80% of staff were re-employed in the NPI in subsequent years. This figure was based on anecdotal evidence provided by program providers.
- Forecast trainee and employment figures were based on a combination of 2007 intakes, 2008 intakes or estimated intakes, and for IPP, program reported forecasts.

##### Assumptions: IPP

IPP training expense per person was \$20,315. This was based on figures provided by IPP providers and consisted of:

<b>IPP training costs</b>	<b>(\$) Per person</b>
Accommodation and meals for 6 weeks	3,140
1 week introduction training	12,925
Workplace training	3,650
Gear	600
<b>Subtotal</b>	<b>20,315</b>

The IPP incurred ongoing mentoring and recruitment expenses per year. These were estimated at \$360,000 per year, with figures based on information provided by IPP and consisted of:

<b>IPP recruitment and mentoring expenses</b>	<b>(\$) Per year</b>
Group Training NT officer	60,000
Operational expenses for mentors, including consultant for employers	100,000
Mentor salaries	200,000
<b>Subtotal</b>	<b>360,000</b>

<sup>8</sup> Centrelink: <http://www.centrelink.gov.au/Internet/Internet.nsf/publications/co029.htm>

It was assumed that the IPP recruitment and mentoring expenses would decrease over time, although exact figures could not be obtained. The reduction was expected as pastoral employers become better informed regarding Aboriginal employees and from cultural change towards a more 'work ready' attitude in Aboriginal communities as employment increased. Figures used (exclusive of inflation) were:

2007 – 2009: \$360,000 per year

2010 – 2013: \$180,000 per year

2014 – 2021: \$90,000 per year

Training providers provided the number of trainees per year and number of trainees employed for 2007 and 2008. Beyond 2008 the number of trainees were estimated based on IPP growth projections. The number of trainees employed in their first year was the average employment rate for 2007 and 2008 (6%), slightly increased to 7% under the premise that recruitment and mentoring would improve the rate of employment.

### **Assumptions: ILC**

Training costs were estimated at \$30,000 per person by the ILC Business Employment and Training Director for 2007. These were assumed to remain constant for future delivery of the program.

The number of trainees (15) and number employed for 12 months after the training program (10) for 2007 were provided by the ILC Business Employment and Training Director for 2007. Further growth projections were not available, therefore it was assumed that these would remain constant in future program delivery.

The ILC Business and Employment and Training Director believed that the training course enabled participants to become work ready. In some cases, participants in the course developed work-ready skills and were directed to jobs outside the pastoral industry. For 2007, three out of the 15 trainees completed the course but were placed in alternate employment (e.g. child care). It was assumed that 80% of the three would remain in employment beyond the first year. In the absence of further projections it was assumed that every year the program operated there would be three trainees placed in employment outside the pastoral industry and that of those three, 80% would remain employed beyond the first year.

### **Assumptions: S. Kidman and Co.**

The HR Manager provided the number of Aboriginal trainees for 2007 and 2008 and the number of trainees subsequently employed in 2007 and 2008. Historical data was not available as the company did not keep records requiring the information requested, future projections could not be provided as recruitment drives were not Aboriginal specific and responses from Aboriginal populations varied significantly. For this reason future figures for the number of Aboriginal trainees and number of Aborigines employed were based on the average of 2007 and 2008 figures.

The cost of the training program provided by S. Kidman and Co. varied per year depending on the number of training participants and number of Aboriginal participants. For 2007 program costs were \$60,000, with 24 participants in total (Aboriginal and non-Aboriginal). In 2008 the full training program was \$78,000 for 24 participants.

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### Estimated program expenses and benefits

ILC	Per year			Accumulated	
	2007	2011	2021	5 years	15 years
No. trainees	15	15	15	75	225
No. employed p.a. in pastoral industry	10	10	10	50	150
No. re-employed	0	24	38	66	407
No. employed p.a. in industry other than pastoral	3	3	3	15	45
No. re-employed p.a. In non-pastoral employment	0	7	11	20	122
Training cost \$	\$450,000	\$450,000	\$450,000	\$2,250,000	\$6,750,000
Welfare savings \$	\$145,272	\$488,348	\$700,805	\$1,678,419	\$8,092,208

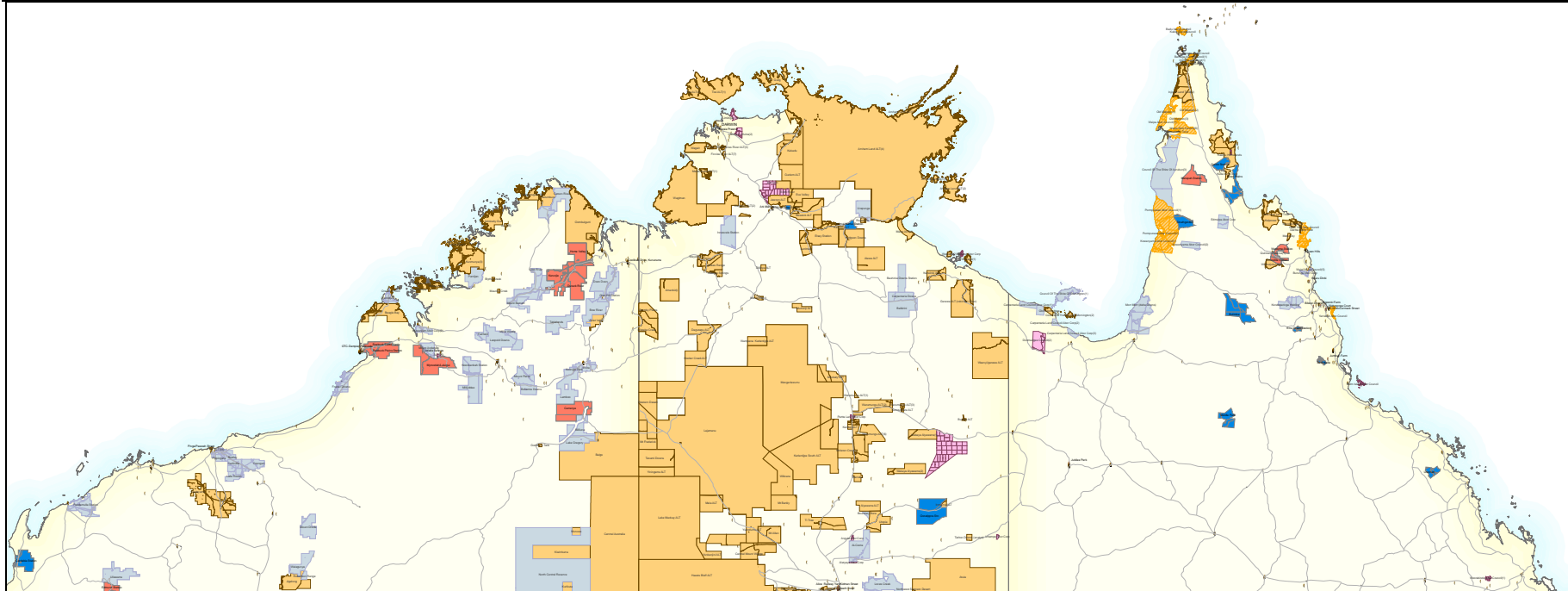
IPP	Per year			Accumulated	
	2007	2011	2021	5 years	15 years
No. trainees	24	20	20	96	296
No. employed p.a. in pastoral industry	13	14	14	63	203
No. re-recruited (assumes 20% drop off from each year)	0	30	53	78	543
Recruitment, training, mentoring and cross cultural training for employers \$	847,560	586,300	496,300	3,390,240	8,533,240
Welfare savings \$	145,272	487,007	750,536	1,572,035	8,340,278

S. Kidman and Co.	Per year			Accumulated	
	2007	2011	2021	5 years	15 years
No. Aboriginal trainees	11	9	9	46	136
No. Aboriginal people employed p.a. by S. Kidman	7	5	5	26	76
No. re-employed	0	12	19	36	209
Training costs	27,500	26,563	26,500	133,188	398,167
Welfare savings \$	78,224	193,997	270,146	697,690	3,184,467

Note that while a combined NPV was calculated to assess the benefit to the Federal Government, not all investment for the training programs was from Federal Government funds. S. Kidman and Co. a private enterprise, funded their own program with some support from third parties, and other programs received funding (cash or in-kind) from a variety of stakeholders, including state government funding sources.



## 9.5 Appendix 5 – Aboriginal pastoral properties in north Australia



Courtesy of the ILC