

# LEADING THE WAY IN INDIGENOUS RELATIONS

## Newcrest, local employment and partnerships

Newcrest Mining Limited has spent the last 30 years building policies, programs and partnerships that contribute to SDG8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (Decent Work and Economic Growth). While focused on SDG8, Newcrest's contribution also supports SDG16 – Peace, justice and strong institutions.

Newcrest's relationship with local Martu people at its Telfer mine in Western Australia's Pilbara region demonstrates an intergenerational and multi-pronged approach to Indigenous inclusion and employment. This was formalised in an AU\$18 million, five-year Indigenous Land Use Agreement (ILUA) in 2015 to further support Indigenous training, employment and business development.



**8** DECENT WORK AND  
ECONOMIC GROWTH



 **Cardno**

This case study explores how a partnership centred on achieving mutual benefit is supporting employment and skills development outcomes in remote Western Australia. It shows both how Newcrest has embedded SDG8 within its core business and how the company prioritises its social investment contributions towards decent work and economic growth.

Relevant Australian SDG8 indicator: Unemployment rate, by sex, age and persons with disabilities.

### **SDG8 – Decent work and economic growth**

As stated in the 1948 United Nations Universal Declaration of Human Rights, the ‘right to work, to free choice of employment ... the right to just and favourable remuneration’ are fundamental human rights. Targets for SDG8 – Decent work and economic growth reference the creation of jobs for marginalised and under-represented groups, which, while supporting human rights also create opportunities for global Indigenous groups to influence inclusive policy, business and national dialogue.<sup>1</sup>

### **Indigenous employment and the Australian mining sector**

The number of Aboriginal and Torres Strait Islander people with a tertiary education and working in professional outcomes has increased significantly in recent decades. For example between 1996 and 2006 the number of Indigenous people in professional occupations increased by approximately 74 per cent.<sup>2</sup> Common professional areas included education, environmental science, and human resources. It has been estimated that between 40 per cent of these professionals hold university degrees or higher.<sup>3</sup>

Despite these important gains, Australia’s Indigenous people continue to experience high unemployment rates compared to non-Indigenous Australians, particularly in regional and remote areas.<sup>4</sup> While steps are underway to close this gap, such as the Australian Government’s Indigenous Procurement Policy<sup>5</sup>, the private sector can also explore ways to further increase Indigenous employment levels.<sup>6</sup>

Despite the decline in Indigenous employment rates in mining states, the mining industry itself is employing significantly more Indigenous Australians than previously, providing crucial opportunities for employment in regional areas.<sup>7</sup>

### **Newcrest—Australian born and bred**

Newcrest Mining Limited is one of the world’s largest gold mining and exploration companies. Headquartered in Australia, Newcrest’s operations are located in Australia, Indonesia, Papua New Guinea and Fiji with exploration projects in Cote d’Ivoire, New Zealand and Nicaragua.

Newcrest’s Australian mines are in Cadia Valley, New South Wales and Telfer, Western Australia. The Telfer mine is a large open cut and underground mine in the Pilbara region of Western Australia. Operational since 1975, improvements to technology mean it now has the potential to become the largest gold mine in Australia.<sup>8</sup>

Newcrest’s Social Performance Standard, Communities Policy and Human Rights Policy reflect Newcrest’s company values. The company recognises sustainable development is not possible without inclusive community engagement, mutually beneficial partnerships and the recognition of human rights.

### **Good practice in company-community relations**

Mining operations in Australia are often located in locations with higher Indigenous populations, sometimes passing through or bordering with Aboriginal land.

Indigenous Australians have ownership or other rights to more than 20 per cent of the continent, requiring that companies with operations on their land reach agreements with Indigenous communities. The *Native Title Act* (1993) provides mechanisms for negotiation of land use agreements.<sup>9</sup>

Newcrest has a deep history of more than 40 years’ engagement with the Martu people, the Traditional Owners of the land surrounding Telfer. The Martu people were some of the last of Australia’s Indigenous people to make contact with European Australians .

Awarded native title rights to over 136,000 square kilometres of the Western Desert in 2002, their land provides one of the last wild havens for some of Australia’s iconic yet highly threatened desert species.<sup>10</sup> From Newcrest’s perspective, implementation of a structured Community Relations Program assisted to strengthen relationships with the Martu people.

In December 2015, this longstanding relationship culminated in the signing of an Indigenous Land Use Agreement (ILUA), which included an \$18 million five-year commitment by Newcrest.<sup>11</sup> The ILUA consolidated projects and programs previously delivered, building on Newcrest’s experience in the areas of employment, training, contracting and community support for the Martu.

Newcrest has employed more than 500 Martu men and women over the past 15 years, with 90 Indigenous people currently employed at Telfer. Telfer is working with the Martu people to increase Martu employment at the mine to 100 Indigenous people by the end of 2018.

### **Creating best practice employment and training opportunities**

Although Newcrest is engaged in many community sustainability initiatives, its contribution to SDG8 – Decent work and economic growth at Telfer focuses on four key areas:

**1. Training and employment:** Newcrest’s International Employee Policy stipulates that each site must strive to give preferential employment to people from the local community. Newcrest works to maximise employment opportunities and outcomes for Martu people through:

- **Targeted identification and recruitment:** working with local community groups to identify interested candidates, maintain a skills register of ‘work-ready’ individuals and conduct gap analyses to identify specific training needs

<sup>1</sup> United Nations, *The Universal Declaration of Human Rights*, UN, 1948, viewed 17 July 2018.

<sup>2</sup> J. Lahn, *Aboriginal professionals: work, class and culture*, Centre for Aboriginal Economic Policy Research, ANU College of Arts & Social Sciences, May 2013, p. 8.

<sup>3</sup> Creative Spirits.

<sup>4</sup> J Korff, *Aboriginal employment, jobs & careers*, Creative Spirits, 2017, viewed 26 July 2018.

<sup>5</sup> *ibid.*

<sup>6</sup> J Constable, *Engaging Aboriginal Australians in the Private Sector*, Diversity Council of Australia, 2009, viewed 4 August 2018.

<sup>7</sup> Department of the Prime Minister and Cabinet, *Closing the Gap: Prime Minister’s report 2018*, Australian Government, Canberra, 2018.

<sup>8</sup> Newcrest Mining Limited, *Telfer*, WA, Newcrest, 2018, viewed 15 July 2018.

<sup>9</sup> Centre for Social Responsibility in Mining, *Agreement-making with Indigenous Groups*, The University of Queensland, 2012, p.19.

<sup>10</sup> Kanyirninpa Jukurrpa, *About Martu Country*, Kanyirninpa Jukurrpa, 2017, viewed 24 July 2018.

<sup>11</sup> J. Mills, *Newcrest and Martu sign Telfer Indigenous Land Use Agreement*, Newcrest Mining Limited, 11 December 2015.

- **Specialised training:** specialised training programs enable individuals to gain skills that will enable them to fulfil certain roles. Telfer also commits to provide eight full-time trainee positions annually with employment at the end of the program
- **Flexible employment opportunities:** Newcrest understands 12-hour days and full-time positions are not suitable for everyone, so offers short-term employment opportunities to allow people to trial employment at the mine
- **Mentoring and support:** Newcrest has full-time staff to assist employees and trainees adjust to living and working on site, integral to the program's success.

Some trips taken by Newcrest's Martu drivers are more than 1000 kilometres in the one shift.

**2. Assistance to travel to Telfer:** some Martu employees live more than 15 hours away from the site without transportation. To address this, Newcrest supports a pool of Martu drivers who collectively drive over 500,000 kilometres a year to transport Martu employees to and from site.<sup>12</sup> Newcrest also provides Martu community members with logistical support worth up to \$75,000 per year to cover other transport, accommodation and meal costs. This program, put in place 16 years ago, significantly increased retention of Martu employees.

**3. Preferential tendering:** the ILUA encourages Newcrest to preference Martu-owned contracting companies and to companies offering training and employment opportunities for Martu people. A Martu contracting company was awarded a significant road works contract as a result.

**4. Partnership with Ngurra Kujungka:** many Martu workers at Telfer learn about employment opportunities via the Martu-managed community sports and recreation organisation Ngurra Kujungka Inc.

- Founded in 2008, Ngurra Kujungka is an effective vehicle for Newcrest to support communication between the company and the Martu people and support social, governance and economic development opportunities
- This includes professional development opportunities for Ngurra Kujungka council members, officers and volunteers to undertake Indigenous Governance Training delivered by the Australian Institute of Company Directors. Newcrest is the founder and major sponsor of Ngurra Kujungka.

While the number of Aboriginal people with tertiary qualifications has increased significantly, gaps remain between outcomes for Aboriginal people in urban and regional and remote areas.



<sup>12</sup> Newcrest Mining Limited, Application for Award Department of Mines and Petroleum Community Partnership - Resources Sector Award, 2015. Internal Newcrest Document.



Photos: Newcrest

This case study demonstrates the practice of *Enduring Value*:

- **Principle 2:** Integrate sustainable development principles into company policies and practices
- **Principle 3:** Uphold fundamental human rights and respect cultures
- **Principle 9:** Contribute to the social, economic and institutional development of communities in which we operate.

### Key social and economic outcomes

Newcrest and the Martu people have transformed what can be a complex relationship between companies and host Indigenous communities. Newcrest is fulfilling benefits agreed in the ILUA and implementing programs and policies which reach far beyond the agreement's scope. Success of these programs is due to a commitment to listening to understand and working together to identify and implement solutions.

Intergenerational engagement supports mutually beneficial outcomes: Newcrest benefits from diversity within its workforce and access to employees, while Martu benefit from employment and business opportunities in a remote region.

Skills gained at Newcrest-supported Indigenous Governance Training have benefited Martu who act on community Aboriginal corporations and/or school boards. This supports broader institutional development within the community.

### Lessons

- Newcrest's journey highlights the importance of Indigenous Australians being able to define and drive their own cultural, community and economic priorities. The company supports Martu to achieve their own aspirations
- Newcrest's approach to attracting and retaining Martu employees demonstrates best practice in addressing structural barriers to employment in remote communities. It is best practice because, while aligned with sustainable development principles, the programs are designed to support local cultural, social and economic needs and aspirations
- Genuine participation and deep engagement between Newcrest and Martu people across all levels of program planning, design and operation support sustainable economic, social and cultural outcomes
- Listening to understand is the basis of constructive, trusted and long-term working relationships. This deep participation and commitment is often more effective than top-down approaches to community development.