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One of the great things about my job is that I get to meet with Aboriginal and Torres Strait Islander people that are doing their bit to build opportunities for Indigenous people.

Many are running small to medium sized businesses developing and maintaining partnerships with big business in the resources industry.

Getting it right brings some of those partnerships to a broader audience and showcases the elements that make them successful. It is both inspirational and practical in its approach. I hope it will inform and encourage Indigenous people and communities who might be considering business ventures and encourage resource companies that sit physically on the land owned and known by Indigenous communities to work together to ensure the benefits of the sector are shared.

The case studies in this booklet are about real people providing real jobs on the ground. They are about mining companies working with Indigenous business men and women and getting it right. They show that the resource industry is motivated to ensure that their partnered Indigenous companies can be profitable now; that they are building a sustainable future and that they can create real employment opportunities for Indigenous people.
The companies showcased, both big and small, demonstrate determination to succeed in their business and to change the economic outcomes of Indigenous peoples in their home regions. Getting it right demonstrates that relationships between companies and communities can and do work to the benefit of both.

The Australian Government is committed to achieving better outcomes for Indigenous people, particularly in remote communities, by focusing on actions that get more children to school, more adults in jobs and safer communities. We are working with communities, business and industry to ensure that Indigenous people are engaged with the economy and in meaningful employment.

This booklet has been produced as one of the activities under the Memorandum of Understanding on Indigenous Employment and Enterprise Development between the Australian Government and the Minerals Council of Australia. It demonstrates that the work is continuing and that there are successes from which we can all draw inspiration.

Yours sincerely,

Nigel Scullion
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Wiradjuri Condobolin Corporation -
Ally Coe, Chair
GETTING IT RIGHT

INDIGENOUS ENTERPRISE SUCCESS IN THE RESOURCES SECTOR

Whether for good or bad, there has always been significant interaction between minerals companies and Indigenous people in Australia. With more than 60% of the mining operations in Australia having neighbouring Indigenous communities, and resource companies expanding their exploration across many areas of Australia, the extent of interaction is increasing.

60%

More than 60% of mining operations in Australia have neighbouring Indigenous communities.
Today, there is a genuine desire to increase employment and business development outcomes for Indigenous people in the minerals industry and related services. The past decade has seen real efforts being made by government and the minerals industry to engage and support Indigenous businesses in the procurement supply chain - either as individual companies, joint venture partners or as sub-contractors. This is especially true where they are located in close proximity to a mining operation.

But much still remains to be done to ensure Indigenous small to medium enterprises in particular are positioned to participate in procurement contracts. It is difficult enough for any business in the wider economy to make a go of it in procuring contracts – large or small. But for Indigenous companies it can be particularly challenging. Often located in remote areas and usually employing a small workforce, they can struggle to remain visible on the procurement horizon. Sometimes distance precludes them in fully exploiting supply chain management practices.

There are now numerous government and minerals industry initiatives in place to assist Indigenous communities and individuals to develop self-sustaining and prosperous Indigenous businesses in mining regions.

Leading these initiatives is a Memorandum of Understanding on Indigenous Employment and Enterprise Development between the Australian Government and the Minerals Council of Australia. The purpose of the Memorandum of Understanding is to ‘contribute to developing self-sustaining and prosperous Indigenous communities in mining regions, in which individuals can create and take up employment and business opportunities’. The Memorandum of understanding supports a number of activities that aim to develop and implement local strategies for increasing Indigenous employment and enterprise development in areas of mining activity.

“In relation to Indigenous engagement, the change in approach by the mining industry is very promising and a vital early step if we are to see successful and self-sustaining Indigenous enterprises in the long term.”

PROFESSOR MARTIN NAKATA,
Director, Nura Gili and Chair, Australian Indigenous Education, University of New South Wales
This book is one of the activities under the Memorandum of Understanding. The aims of the handbook are threefold:

1. To inspire more Indigenous people and enterprises to establish business relationships with resource companies and operations by showcasing a number of Indigenous Small to Medium enterprises success stories in the procurement supply chain of the resources sector;

2. To encourage more resource companies and operations to engage Indigenous enterprises in their procurement chains; and

3. To demonstrate the critical success factors that has formed the foundation of the successful Indigenous enterprises.

Having a stake in the procurement chain offers many opportunities for a range of businesses in urban, regional and remote communities. But these can only be achieved through strong partnerships between the resources sector and government working closely with Indigenous people at a local and regional level.

These partnerships are typically founded in respect and collaboration, based on a clear understanding of the common ground and ability to deliver mutually beneficial partnerships. Both the Australian Government and Minerals Council of Australia, through its members, continue to encourage Indigenous business opportunities in the procurement supply chain and have commitment to promoting Indigenous business development.
The past decade has been one of positive transformation for minerals companies and Indigenous communities. The minerals companies now are able to rely on a committed and enthusiastic Indigenous workforce who know their country and have a solid foundation to again manage and care for land and sea Country for future generations.

Working together, resource companies, government and Indigenous people are looking to a bright future. Those looking for ideas or inspiration should find both in this handbook.

“Resource companies are setting ambitious employment and enterprise targets, establishing this requires contracting and procurement standards and policies to ensure Aboriginal business are succeeding and delivering economic benefits to their communities on an unprecedented scale.”

PROFESSOR MARCIA LANGTON, Foundation Chair of Australian Indigenous Studies, University of Melbourne

“The growth of Aboriginal enterprise in the service sector of mining in the past decade, along with the growth of direct employment, has been a truly astounding success story. For those with any sense of history, the success is amplified. With the shackles of history removed, Aboriginal entrepreneurs’ energy, commitment and passion have demonstrated the real potential of enterprise to improve the lives of previously marginalised people. The results have been equally beneficial for the mining industry; it is reaping the advantages of stability and price improvement that come with skilled, locally competitive businesses run by local people living on their own lands. This mutual success and the resulting socioeconomic improvement of many Aboriginal people in remote and rural Australia has taken place quietly and without acknowledgement in urban Australia. This timely publication is invaluable in bringing the stories of success and learning to a wider Australian audience”

MR. BRUCE HARVEY, Global Practice Leader, Community and Social Performance, Rio Tinto
Case Study 1

Ashburton Aboriginal Corporation and Rio Tinto Iron Ore, Pilbara, Western Australia
A business partnership and supply agreement between a progressive Pilbara Aboriginal business and the world’s largest producer of iron ore has established a structured and sustainable foundation for the manufacture of an environmentally friendly and cost-saving alternative to diesel. In the process, Indigenous participation is thriving, skills exchange is increasing and local communities are reaping the benefits.

Ashburton Aboriginal Corporation (AAC) began producing biodiesel in 2006 in response to rising diesel costs which were negatively impacting their business and remote Aboriginal communities more broadly. Following five years of incubation, development and production, AAC established their subsidiary AshOil Pty Ltd in July 2010 to lead their biodiesel operations having secured a supply agreement with Rio Tinto to provide up to 50,000 litres of biodiesel per month to its Mount Tom Price iron ore operations in the Pilbara for drilling and blasting.

Together, Rio Tinto, AAC and AshOil have created a foundation for increased Indigenous participation in the mining sector and enabled pathways to reduce carbon emissions. The effective partnership has delivered the skills necessary to produce quality biodiesel, which is now being sold outside the mining industry. More importantly, AshOil has created a sustainable and profitable business that delivers social, economic and environmental benefits to the community. AshOil hopes to replicate the model across many other Indigenous communities around the country.
ASHBURTON ABORIGINAL CORPORATION (AAC) - ASHOIL

The Ashburton Aboriginal Corporation (AAC) was established in June 2000 as a 100 per cent Aboriginal owned business to support its members and other Aboriginal people in the Pilbara to fully participate in the economic, social and cultural life of the community by establishing Indigenous owned and operated enterprises that deliver enhanced and sustained employment outcomes.

AAC operates within the whole of the Pilbara region, a footprint that’s approximately twice the size of the state of Victoria. It has offices in Perth as well as the larger centres of the Pilbara and provides a range of services including:

- Education and training
  (for work readiness and mainstream employment)
- Assistance for job seekers and employers
- Growth of economic projects and enterprises
- Community development projects
- Waste management and biodiesel production
When it began in 2000, AAC was delivering the Community Development Employment Projects program based in Tom Price in the Shire of Ashburton. The AAC has successfully delivered employment and community development programs for more than a decade across the Pilbara and today runs the Remote Jobs and Communities Program (RJCP) on behalf of the Department of Prime Minister and Cabinet.

In addition to this, the AAC has established four subsidiaries: AshOil Trading Pty Ltd for the production of biodiesel, Ashmulla Pastoral Company Pty Ltd to manage land and develop Peedamulla Station, Onslow Tyre Services, a tyre and mechanics business, as well as Ashlinen, a company that supplies quality linen to local organisations.

AAC’s Chief Executive Officer, Janet Brown says, “AAC first began investigating alternative fuel sources in 2006 in response to rising diesel costs – up to $3.50 per litre in some remote Aboriginal communities. At the time, our annual fuel budget of $8000 wasn’t covering the costs of our employees travelling the vast distances between our various operations, particularly Onslow and Tom Price.

“Following comprehensive investigations and research, biodiesel was identified as a viable and renewable fuel source that’s environmentally friendly and a cost-saving alternative to diesel. Biodiesel is the only alternative fuel that can be used directly in an unmodified diesel engine and can be blended with petroleum diesel at any ratio to work effectively. It has great advantages – it’s simple to make, cheaper than petroleum diesel, non-toxic, biodegradable and is carbon neutral, so it doesn’t contribute to the greenhouse effect. It also delivers lower exhaust emissions and has higher lubricity than petroleum diesel, which prolongs engine life. Whichever way you look at it, biodiesel is a winner for AAC, Indigenous people, our clients and the local communities.”

“All we needed to do was collect used cooking oil (UCO) from mine sites around the Pilbara and process it into biodiesel. With assistance from BioWorks Australia, we developed our own fuel sources that reduced our dependence on imported petroleum products and added significant value to our community.”
In 2006, AAC began processing UCO waste collected from the mining industry to manufacture environmentally friendly biodiesel. In 2009, the AAC received $145,000 from the Pilbara Regional Grants Scheme enabling the company to further develop its production plant and proactively target more business within the resources sector. In July 2010 it formed AshOil Pty Ltd to service its supply agreement with Rio Tinto. The AshOil biodiesel production plant is situated in the town of Tom Price, adjacent to the Rio Tinto Mount Tom Price iron ore mine. It was officially opened by the Hon. Wendy Duncan MLC, Member for the Mining and Pastoral Region in July 2010.

Today, AshOil produces about 10,000 litres of biodiesel each week. Employees collect UCO from Port Hedland, Newman, Karratha, Roebourne and satellite mine camps such as Area C, Hope Downs and West Angeles. Every 1,000 litres of UCO produces 1,000 litres of biodiesel as an end product.

“It costs about 80c to produce each litre of the biodiesel, which is then sold to customers for about $1.20 instead of $3.50, which is a great cost-saving,” says Janet.
About AshOil

As an AAC subsidiary AshOil is governed by the AAC Board, which consists of ten Aboriginal Directors from within the Shire of Ashburton. Members serve a three-year term and meet together a minimum of four times each year. The Board has also chosen two independent non-voting advisers.

AshOil currently has three employees. It works in partnership with other local Aboriginal organisations and has the capacity to provide workplace training for three participants at a time. Trainees attend work five days per week from 5.30am till 1.30pm and receive training in:

- All aspects of used oil collection, storage and biodiesel processing
- Occupational and environmental health and safety
- First aid
- Work skills and workplace expectations

According to AshOil’s Manager, Darryl Milburn, “The overall purpose of AshOil is to work with individuals, communities and other organisations to provide a range of services, enterprises and programs that enhance employment and economic opportunities, self-reliance of individuals, stronger families and resilient, safer and flourishing communities.”
The agreement with Rio Tinto’s Mount Tom Price mine was the catalyst for AshOil as importantly it includes the training of AshOil staff in the production of biodiesel through Rio Tinto’s Community Partnerships Program, which funds the full training component of the initiative with 15 Aboriginal AAC Workstart participants.

Another critical step was the signing of an agreement with BP Australia in December 2010 for the servicing and upgrading of the AshOil collection truck. Darryl explains, “The truck is a vital part of AshOil’s operations. Without this support, we would be unable to collect UCO from the various mine sites it services in the Pilbara region. We now collect UCO from a number of regionally located service stations, which supplements what we collect from the mining industry.”
A journey to success

The signing of the Supply Agreement with Rio Tinto in July 2010 marked a significant milestone for AshOil. Under the terms of the agreement, Rio Tinto guarantees purchase of 5,000-7,000 litres of biodiesel each week for use in its drill and blast operations at the Mount Tom Price mine. The balance of the biodiesel produced by AshOil is used for AAC operations throughout the Pilbara.

AshOil is already operating a flourishing small business and is the only operation of its kind in the Pilbara. Though production rates are relatively small at present, the business has identified great opportunities to meet ever-increasing demand for alternative fuel services.

Its success and growth is directly linked to the Rio Tinto agreement, especially the potential to provide additional employment, benefits to the environment, training and work experience, recycling a locally generated waste product as well as the development of a source of cheaper renewable energy.

As a result, the imperative for AshOil is to monitor, maintain and grow the business. It is pursuing expansion strategies to develop its business and upgrade equipment in order to meet essential standards, engage more people in work, and continue to protect the environment.

Darryl says, “AshOil has grown considerably – when we began in 2006, we were producing about 2,000 litres of biodiesel per week. We can now produce up to 15,000 litres a week, about half of which is guaranteed to Rio Tinto. Our agreement with Rio Tinto has certainly set us on the path to success.”
Long-term sustainability

There are several elements to the long-term sustainability of AAC and AshOil, including the structured approach through the Rio Tinto supply agreement, business diversification and ongoing commitment to good governance.

Darryl says, “The long-term viability of AshOil is something AAC takes very seriously. We’re one of four enterprises AAC has established and our product is unique.

“Just recently, in October 2012, we signed an agreement with catering company, ESS Worldwide Services (ESS), which will give us access to more than 200,000 litres of UCO per year. This will allow ESS to recycle 100 per cent of its used cooking oil and will enable us to further expand our production of biodiesel and hence increase our customer base, while at the same time contributing to training, educating and employing more Aboriginal people.“

In terms of health, safety and environmental sustainability, AAC is committed to the minimisation of risk and harm at the AshOil plant and is subject to regular audits in all areas of environmental and occupational health and safety. The company passed the last Occupational Health and Safety and Health Safety Environment and Quality audit in 2011. During 2011 an air quality monitoring system on site was also established.
Overall, AshOil is focused on three strategic areas:

1. Consolidating current contracts with Rio Tinto expanding services to new mining organisations

2. AshOil is a model that is easily duplicated. AAC Board is working with other Aboriginal communities to support the establishment of similar operations for their communities; and

3. AshOil and the AAC are investing in significant efforts to diversify and grow their business. Including the following projects:

**MORINDA TREE CROPPING TRIAL – TOM PRICE**

In September 2010 a four-acre trial crop of Moringa oleifera was planted as a potential solution to the over-reliance on mineral diesel in the Pilbara region. Three different genetic varieties, green, red and silver were planted and the first seed pods were harvested in mid-2011 and yielded 800 litres. The company hopes to eventually produce half a million litres of sellable biodiesel from this venture.

**GARDEN IN A BOX PROGRAM**

In 2011 the Garden in a Box (GIAB) initiative was established to develop horticulture based enterprises, promote healthy lifestyles and support seven other remote Aboriginal communities to develop Moringa plantations. As a standalone system, GIAB generates its own power to run the pumps that irrigate the plantation from the bore. It comes with its own solar power panels, electronic controllers and other components. It enables communities to produce vegetables and fruit that can be sustainably harvested and/or sold to community or town-based stores, as well as grow the feedstock utilised in biodiesel production for sale into the local market.
Benefits

The core benefit for AshOil is being involved in a sustainable business, taking a waste product that would normally cost companies to dispose of and adds value to it to provide an economic, social and environmental return. The company is a model of diversification in a region dominated by the extractive mineral industry.

Darryl says, "We are providing wide-ranging training, development and employment opportunities for local Aboriginal people and helping to grow the Indigenous population's contribution to the economy today and in the future. Plus, we are directly increasing workplace diversity and delivering social inclusion outcomes, while maintaining strong cultural links in caring for country. We are also reducing the mining industry's footprint on the environment with a non-toxic, biodegradable and carbon neutral biodiesel product.

"In short, AshOil is a true Indigenous success story that benefits our people, local industry and the environment. We're delighted that we are providing a way for Aboriginal people to sustain their communities and country in the long term. And we're very proud to assist big business and the rest of country to harness renewable energy."
Highlights

1. Industry recognition – AshOil and ESS won the Department of Mines and Petroleum’s 2013 Golden Gecko award, which recognises innovations that help to lessen the impact of mining on the environment. So far, the project has reduced carbon emissions by 500 metric tonnes, the equivalent of permanently taking 100 cars off the road.

2. Leveraging the expertise of AAC, specifically governance standards, business administration support and experience to incubate AshOil over several years.


4. Entering into a sponsorship agreement with BP Australia to enable the servicing and upgrading of the AshOil collection truck.

5. Securing an agreement with ESS Support Services Worldwide to recycle 100 per cent of its UCO.
Outcomes

AshOil’s savvy approach to business and the support it receives from the AAC is helping the enterprise grow by leaps and bounds.

Key outcomes include:

◎ Being the first Indigenous enterprise to produce a niche alternative energy product.

◎ Enhancing the regional economy by providing a cheaper and renewable energy source.

◎ Creating Indigenous education and training pathways to increase employment.

◎ Growing our capacity through close collaboration with global businesses such as Rio Tinto and BP Australia.

◎ Implementing a research and development program to broaden our products range and expand into new markets.

◎ Transferring our commercial success to important social and cultural outcomes, such as supporting our identity, language and native title/caring for country initiatives.

◎ Being a recognised sustainability leader in the Pilbara and beyond by sharing AshOil’s success with other Indigenous and non-Indigenous communities and businesses

Outlook

The future for AshOil is certainly bright.

Darryl says, “There is high awareness of renewable energy in the public, private and community sectors and demand for biodiesel is growing. The next milestone for AshOil will be the building of a whole new production facility which will enable us to manufacture biodiesel and other products from the bi-product of manufacturing and refining of biodiesel.”
RIO TINTO IRON ORE, PILBARA, WESTERN AUSTRALIA

Rio Tinto’s Iron Ore operations are the second largest supplier to the world’s iron ore trade with operations and projects across four continents. Its major operations are located in the Pilbara region of Western Australia where Rio Tinto operates an integrated network of 15 iron ore mines including the Mount Tom Price mine.

Rio Tinto is keenly focused on building respectful and mutually beneficial partnerships with traditional owner groups and local Aboriginal communities. For example in 2012 Rio Tinto awarded 55 per cent of its Pilbara spend to Aboriginal owned firms, up from 37 per cent in 2011.
According to Sinead Kaufman, General Manager of the Mount Tom Price mine, “Our aim is to make a positive and lasting difference to the communities surrounding our operations and in and around where we work and live. At the heart of our community investment approach is a commitment for our business to do the right thing. We work with partners including the ACC and AshOil who share our values and goals of creating meaningful, sustainable partnerships underpinned by respect and cultural understanding.

“Our commitment to supporting Aboriginal Western Australians to create a brighter future for their families, communities and future generations is central to our operating principles. Just as important, we are determined that our growth projects will have a positive impact on our host communities and will contribute to their sustainability.”
Business Drivers

The driving force behind Rio Tinto’s increasing involvement with Indigenous enterprises, including AAC and AshOil, is part of its commitment to regional sustainability. This involves building regional economies through local employment, procurement and economic development initiatives as well as supporting the development of small to medium sized businesses that provide alternative employment opportunities.

Rio Tinto’s relationship with AAC began in 2008 when it formed a partnership to establish a Workstart program to help unemployed Pilbara Aboriginal people into jobs in mining and related industries. The successful program has been extended to other AAC enterprises including AshOil.

Sinead says, “Our business relationship with AAC and AshOil is a great example of our commitment to regional sustainability and Indigenous communities. What first began as a partnership for creating Indigenous pathways into the mining industry has been extended into a supply agreement for the purchase of biodiesel.

“Our working relationship with ACC is extremely valuable on a number of levels. We’re delighted to be supporting AshOil’s foray into biodiesel, which is a great renewable energy initiative that delivers benefits to Mount Tom Price mine, particularly in terms of reducing our carbon footprint, recycling used oil and enabling energy cost savings.”
Procurement: Standards, Policies and Practices

The supply agreement between Rio Tinto and AshOil is founded on a set of regional standards developed in 2011 by Rio Tinto’s group to complement its newly renegotiated Indigenous Land Use Agreements.

The standards were designed to change how Rio Tinto engages with local Traditional Owners and contains contractual commitments for employment and training, business development and contracting, cultural heritage management, land access, environmental management, cultural awareness training and life of mine planning. They provide a legal framework for engagement and a set of mutual obligations between Rio Tinto and Traditional Owner groups.

An important standard is the Business Development and Contracting Regional Standard which is a key element to Indigenous engagement in the supply chain. In particular, it ensures Rio Tinto’s supply chain processes include and actively support Indigenous owned businesses.
The commitments in the standard include:

- Dedicated resources for business development support
- Contract preference for Pilbara Aboriginal businesses
- Feedback for unsuccessful tenders from Pilbara Aboriginal businesses
- Improving the tender process
- Regular information sessions for Aboriginal businesses on contracting opportunities

Sinead says, “The level of involvement of Pilbara Aboriginal Businesses (including AshOil) in Rio Tinto’s iron ore operations has significantly increased since the introduction of the Business Development and Contracting Regional standard. Rio Tinto has awarded more than $1 billion worth of contracts to Aboriginal joint ventures and contractors since 2010. In the last five years our expenditure on Pilbara Aboriginal businesses grew from $115 million to $949 million.”

As part of their procurement processes Rio Tinto expects all suppliers to align with its business objectives including aiming to achieve zero injuries and zero fatalities in the workplace, enhancing value, increasing operating and/or energy efficiency, reducing and/or eliminating waste.

Accordingly, AshOil dedicates significant resources to maintaining their compliance with Rio Tinto’s supplier agreement standards. For example, AshOil has established the required good governance, health, safety and environment, quality management and continuous improvement systems, business, financial and HR management practices and legal and information security.
“We value suppliers such as AshOil who match our commitment to a sustainable supply chain, with a focus on safety, economic prosperity, social well being, environmental stewardship and strong governance,” says Sinead. “We recognise that significant socio-economic benefits can be achieved through sourcing products and services locally and are committed to working with AshOil for the long term.”

Early Success Factors

The AAC’s prior relationship with Rio Tinto with the Workstart program was critical to AshOil securing a supplier agreement with the company. It paved the way to incorporate a training component as part of the initiative which saw 15 Aboriginal Workstart participants learn how to produce biodiesel in 2011.

The participants attended a basic introduction to biodiesel, participated in a practical laboratory session on how to make the fuel and covered all technical aspects of the fuel’s manufacture, its properties and usage, right through to the legislative framework for manufacturing and using the fuel.

According to Rio Tinto providing funding for the training program was an easy decision. “The initiative not only delivers a product that’s environmentally friendly and sustainable, it’s also delivered benefits to the Workstart participants. The feedback we received is that participants gained confidence and an immense sense of pride and value from being involved in such a worthwhile initiative.”

Following the initial training of 15 Workstart participants in 2011, Rio Tinto now provides funding for three participants annually to ensure AshOil maintains a high level of knowledge in biodiesel production.
Sustainable Relationship

Rio Tinto’s Aboriginal Business Taskforce provides guidance and advice to Pilbara Aboriginal businesses including AshOil to help sustain them in the long-term. Forums are held regularly where Rio Tinto facilitates introduction to potential partners, contractors or suppliers and informs Indigenous businesses of potential opportunities.

Sinead explains, “We have worked with Aboriginal businesses in the Pilbara for more than 30 years, providing contracting opportunities, business development initiatives and step-by-step assistance to help businesses take advantage of our presence in the region. In the case of the ACC and AshOil, we promote their services to contractors who provide services to us and assisting with other matters where we can, including programs to increase Indigenous employment participation. And, we provided assistance during the pre-qualification and tender process.”

Overall, Rio Tinto commits a minimum of 12.2 per cent of its spend in the Pilbara to local Aboriginal businesses. It does this by giving preferential weighting to Pilbara Aboriginal businesses during the tender process and focuses on increasing the total spend on contracts awarded to them. Rio Tinto also participates in a formal feedback process if a Pilbara Aboriginal business is unsuccessful in a tender submission and encourages all suppliers to include Indigenous engagement strategies as part of their usual business practices.
Benefits

The benefits to Rio Tinto in working with Aboriginal businesses in the Pilbara and in particular AshOil, is that it enables the company to achieve its economic, social, cultural and environmental objectives. Key benefits of our relationship with the ACC and AshOil include:

- Much closer ties with Traditional Owners and other Aboriginal stakeholder groups in Tom Price and the broader Pilbara region that support open and trusting relationships.

- Substantial cost reductions to Rio Tinto through reduced workforce costs in having ready access to a large and skilled local labour market and reduced waste management fees by not needing to dispose of oils.

- Reduced waste management fees by not needing to dispose of oils.
Indigenous employees at Mount Tom Price mine

◎ Increased productivity through workforce diversity and improved quality control for drilling and blasting operations through a commitment to continuous improvement with our suppliers.

◎ A strong and enduring social licence to operate from all stakeholders due to the broad sustainability outcomes achieved through our partnership with AshOil.

Sinead concludes, “The use of biodiesel is on the rise and having a renewable and environmentally friendly alternative to mineral diesel is a cost-saving for the Mount Tom Price mine. More importantly, we are supporting Aboriginal businesses and providing them with a sustainable future that will benefit generations of Indigenous people.”
Case Study 2

WIRADJURI CONDOBLIN CORPORATION and BARRICK GOLD, Lake Cowal, New South Wales
An incredibly close and productive working relationship between a progressive Indigenous enterprise and the largest gold mining company in the world is delivering incredible economic, social and environmental benefits to the local Indigenous community.

The Wiradjuri Condobolin Corporation (the Corporation) and Barrick Gold Corporation (Barrick) have created a blueprint for a leading practice partnership between Indigenous and mining organisations that is delivering considerable benefits to all parties. The partnership is based on mutual respect and a clear appreciation for the business case from each party’s perspective; and an empathetic approach. Training, development and employment levels of Indigenous people have increased, mined land is being rehabilitated and revegetated, cultural heritage preserved and promoted, while economic benefits are flowing to the local area. More importantly, the broader business community is stronger as a result of this partnership, with linkages and connections being fostered outside of the mining realm.
WIRADJURI CONDOBOLIN CORPORATION (WCC)

The Corporation was established in 2003 as an outcome of the Native Title Agreement between Barrick and the Wiradjuri Condobolin Native Title Claim Group in New South Wales. The Corporation is a one hundred per cent Aboriginal owned business and is based in Condobolin in New South Wales, about 100 kilometres west of Parkes.

As part of the agreement, Barrick committed to promoting and protecting Wiradjuri cultural heritage while ensuring wide ranging benefits would flow to the community during the life of the mine. Since signing the agreement, the Corporation has secured a range of contracts to provide cultural heritage, cleaning and transportation services to the Barrick Cowal Mine, and has used this success to diversify its business.
Key initiatives under the Agreement include:

1. The establishment of the Cowal Project Coordinating Committee under the Native Title Deed. The Committee membership is the General Manager and community relation manager on site at Cowal Gold mine and the Chair and CEO of WCC. The purpose of the Committee is to ensure everything goes smoothly and actions are implemented according to the agreement, it also the venue for resolving any disputes.

2. Creating the Education, Training and Business Development Committee (the ETBC Committee) to foster employment and enterprise outcomes for the Wiradjuri people. The Committee has equal representation from the Corporation and Barrick and has delivered outcomes including multiple tertiary education scholarships, apprenticeships and pre-employment training.

3. Supporting the establishment and operation of the Wiradjuri Study Centre (WSC) through annual payments. The WSC promotes Wiradjuri culture through a number of programs including Wiradjuri language lessons held at the Centre.

According to Ally Coe Chair of the Corporation, “Our objective at the time was to ensure that the agreement supported our desire for self-determination through education, training, job and business opportunities. Ten years down the track, I can truly say that we are on track to achieve our goal of becoming self-sufficient, self-sustaining and a major contributor to the overall development of our community.”
About WCC

The Corporation is governed by a board of directors, all Traditional Owners of the Kalarie clan of the Wiradjuri nation. The Corporation employs approximately 40 local Wiradjuri people and has more than 250 members.

From humble beginnings when securing its first cultural heritage contract with Barrick in 2003, the Corporation has grown quite considerably in 10 years to provide a diverse range of services including cleaning, a composting business, postal delivery, a furniture making shop, transportation, nursery and seed collecting. Today, the company is a major employer in Condobolin, and a true Indigenous enterprise success story.
A journey to success

Once established, the Corporation began to work closely with Barrick to identify business opportunities with the Cowal mine. The first contract secured in 2003 by subsidiary Wiradjuri Condobolin Cultural Heritage Company (WCCHC), was for the provision of cultural heritage services. As part of this, the Corporation and Barrick established a Cultural Heritage Management Plan (CHMP), which governs the management of Wiradjuri Condobolin cultural heritage, in all areas impacted by the mine.

“Preserving the cultural heritage of the local area is extremely important to the Wiradjuri people and it is part of Barrick’s custodial responsibilities,” explains Ally. “The team from the WCCHC work on site at Cowal, ensuring that any land disturbed as part of Barrick’s operations is cleared in accordance with our values and restored as closely as possible to its original condition. We provide cultural awareness training to all Cowal mine employees and contractors, which has helped them gain a better understanding of the Wiradjuri culture, beliefs and value systems. Quite simply, they understand what’s important to us and are sensitive to avoid particular areas that hold significance to our people.

“Since the mine was established, there have not been any cultural heritage failures or non-compliance by Barrick. The reason for this is simple. We have spent a lot of time educating Barrick people and raising their awareness. More importantly, the company has always approached its custodial responsibilities extremely seriously and this shows in the positive outcomes that have been achieved and the way that mine employees implement the CHMP.”
In 2006, the WCCHC tendered for and won an additional small twelve month contract to source native seeds and grow seedlings for Barrick to plant at the Cowal mine site.

Ally says, “This smaller contract enables us to maintain our connection with the land, Wiradjuri people do the work and it is extremely rewarding for us to see the renewal taking place in our country.”

Also in 2006, the Corporation tendered for and won a five-year cleaning contract for all Cowal amenities and operational areas. This contract has since been renewed on a yearly basis.

Ally adds, “The cleaning contract was an open tender and we won it fair and square. In the seven years that we have held this contract, Barrick has been happy with our performance. That’s not to say there haven’t been any issues. However, when issues have been raised, we have solved them quickly because the communication channels with Barrick are so open. They don’t formally raise their concerns, and we appreciate that they pick up the phone, discuss the issues and that together, we can always find a mutually-beneficial solution – it’s that simple!

“We really value our relationship with Barrick. The entire company – from the management team to onsite staff – has been incredibly supportive of us. They have guided us and showed us the way. We understand what’s best for our people, our land and our culture, and with Barrick’s help, we have learned how to operate a business successfully, how to recognise opportunities and how to work as a team to maximise the outcomes.

Some members of the WCC cleaning crew
More recently, the Corporation won a major tender for the supply of freight, transport and logistics services to the Cowal mine site. Barrick was instrumental in helping the WCC secure this contract, by facilitating an introduction to a well-known transport and logistics company, which led to a joint venture that is now responsible for service delivery.

Ally says, “As part of our agreement with Barrick, we meet on a quarterly basis under the auspices of the ETBC established with equal representation from the Claim Group and Barrick. This forum acts as a touch point for us to discuss education and training opportunities as well as existing projects, challenges and new business. It was during one of these meetings that Barrick told us about an upcoming freight, transport and logistics tender. It was suggested to us that we partner with an experienced freight company in order to gain the skills necessary to be considered for the tender. Barrick facilitated an introduction to a third-party with extensive experience in freight and logistics, and as they say the rest is history.

“We have now branched out into providing transportation services the ongoing relationship with our partners is excellent. It’s incredible that a relatively small Indigenous enterprise such as the WCC is in partnership with one of the best-known freight companies in the country. It really demonstrates the value that the WCC can bring to the table, but more importantly it shows the faith and trust that Barrick has in us.”
Long-term sustainability

The Corporation’s success as an Indigenous enterprise is the result of its ongoing contracts with Barrick and ability to diversify and create other businesses that are not reliant on the mine.

“The mine will not always be here,” says Ally. “That’s why we have been so focused on looking for additional opportunities for our people. We want to sustain our business in the long-term and leave a legacy for future generations of Wiradjuri people.”

Emerging opportunities include producing compressed earth bricks. The Corporation has built the first compressed earth brick building in the region for a local horticultural company.
Benefits

In the past decade, the WCC has won multiple contracts through competitive tenders to deliver a diverse range of services to Barrick, and other businesses. In doing so, the enterprise has created employment opportunities for its people and the broader community.

While 15 Wiradjuri people are employed by Barrick at the Cowal mine site, the WCC employs more than 40 people, all of which are Indigenous.

“The benefits of our partnership with Barrick in terms of Indigenous training, development and employment are vast,” says Ally. Apart from fostering direct employment at the mine site and with the WCC, our agreement with Barrick provides funding for multiple education scholarships, apprenticeships and pre-employment training. This has enhanced our people’s prospects of active participation in employment and business opportunities, not just at the Cowal mine site but with other organisations as well.”

Importantly, the understanding of Wiradjuri culture has been broadened and promoted by Barrick with their annual native title payment being used to establish the Wiradjuri Study Centre (the Centre).

Ally explains, “The Centre was opened in 2011 and it is considered the foundation for cultural rejuvenation, social change and sustainable self-determination by the Aboriginal people of the wider Wiradjuri Nation.”
“Through the Corporation, the community has refused to take the ‘sorry town’ path and has decided to be proactive rather than a reactive. Thanks to Barrick’s support, the Centre has become a crucial vehicle through which we can support our people. Various activities take place at the Centre which revitalise our local Aboriginal culture, give meaning and substance to a Wiradjuri world view and foster new attitudes among local Aboriginal people toward learning and self-esteem. From this comes the energy of local people to establish culturally appropriate, sustainable economic wealth-creating activities.

“In short, the unique Wiradjuri Studies Centre reflects on the opportunities that now exist for the Wiadjuri Condobolin people. Ownership of the Centre allows community people to now make real life decisions that will lead to an improvement in their quality of life.
“We are extremely proud that the building has been constructed by teams of local Aboriginal people using materials they have made, including compressed earth bricks, or are local to the region such as cypress timber, in alignment with sustainability and caring for country principles. It is also accessible to the local community and visitors.”

Now a cherished venue in Condobolin, the Centre comprises a cultural centre, conservation and environment centre, skills development centre, Indigenous training, wellness centre, sporting facilities and a much needed meeting and storytelling space.
Highlights

1. In 2003 we signed Native title agreement with Barrick Gold to create the Cowal gold mine on Wiradjuri land, established the Education, Training and Business Committee and the WCCHC to provide cultural heritage services to Cowal mine site.

2. In 2006 we won our second cleaning services contract for all Cowal mine site amenities and operational areas as well as our native seed collecting and propagation contract for Cowal mine site rehabilitation.

3. In 2008 we implemented a business diversification strategy that included furniture making, earth brick production, compositing, fabric design and production, postal contract, cattle grazing and compositing initiatives.

4. In 2011 we opened the WSC, a centre of learning, health and wellbeing.

5. In 2012 we established a Joint Venture with to supply freight, transport and logistic services to the Cowal mine site.
Outcomes

When the WCC won its first contract with Barrick, the enterprise felt it was well on the way to achieving its vision of a new beginning. Ally believes a significant milestone had been reached, one that could be built upon to achieve long-term sustainability and wealth creation for the Wiradjuri people.

The WCC also recognises that its success to date is largely due to the support of Barrick and the close relationship they have established.

Ally says, “Barrick’s attitude going into this agreement with the WCC was extremely positive. The company understood from day one that our land, culture and values were of prime importance to us and they worked hard to ensure we found common ground to build a strong business foundation.

“The partnership we have with Barrick extends well beyond the bounds of our agreement where they give us guidance and support with non-mine related issues. We work together well and heed their advice. More importantly, Barrick has shown its commitment to helping us create businesses that are not dependent on the mine. The company has demonstrated that it has more than just the mine’s interest at heart. Barrick truly believes in our success and wants to be a part of it going forward.”

Business success for the WCC is also driven by passionate Indigenous people and Wiradjuri elders, who are singularly focused on the wellbeing of the community.

“We want to see our people evolve and contribute to society as equals,” adds Ally. “We understand that to achieve this we must be proactive in creating a future for our people.”

Overall, the ongoing strength of the WCC is built on the commitment of the Wiradjuri people to always look ahead as well as the respect of Barrick’s involvement in part of their business. Entering into a mutually-beneficial relationship from day one, with empathy and positive attitudes has set both companies on the path to success.
Outlook

The WCC aims to grow existing contracts with Barrick and diversify into non-mining related revenue such as the proposed cattle business.
Barrick Gold
Cowal Gold Mine

Founded by well-known Canadian business leader and philanthropist Peter Munk, Barrick Gold (Barrick) is the world’s largest gold producer. Since listing on the Toronto Stock Exchange in 1983, the company has expanded rapidly and today holds a portfolio of operating mines and advanced exploration and development projects on four continents, including Australia.

The Cowal gold mine is located in Central New South Wales, approximately 32 kilometres north of West Wyalong and approximately 350 kilometres west of Sydney. Cowal is an open pit operation that produced 160 000 ounces of Gold in the first half of 2013 and as at 31st December 2012 had proven and probable reserves of 2.8 million ounces of Gold.

Across the globe, Barrick operates according to four strategic priorities including capital discipline, operational excellence; corporate responsibility; and shareholder returns.
“In terms of corporate responsibility, we believe that our success depends on our ability to develop resources responsibly and share the benefits of our business with local communities, governments and other stakeholders,” explains Alan Fearon, Cowal Gold Mine General Manager.

Business Drivers

Barrick is committed to the long-term development and sustainability of the communities in which it operates, including the broader Condobolin area.

In 2003, Barrick reached a Native Title Agreement with the Wiradjuri Condobolin Native Title Claim Group and was issued a mining lease to develop the Cowal Gold Mine. As part of this deed, Barrick is providing support to the Claim Group in a range of areas including facilitating the establishment of the Wiradjuri Condobolin Corporation (WCC) and the Education, Training and Business Development Committee (ETBDC), while ensuring cultural heritage compliance, funding the creation of the Wiradjuri Studies Centre (WSC) and multiple tertiary education scholarships, apprenticeships and pre-employment training.

“Through the Native Title right-to-negotiate process, we developed a mutually beneficial working relationship,” says Alan. “As the project progressed, we enhanced this relationship considerably and worked together like true partners to achieve common goals. Today, we are proud to have an extremely close working relationship that is delivering a broad range of benefits to Barrick, the WCC and the community at large.”
Procurement: Standards, Policies and Practices

Barrick has a range of formal agreements, policies and processes that underpin an open and cooperative approach to doing business with the WCC. For example, the Barrick and WCC teams work collaboratively to ensure procurement of services satisfy the requirements of its global procurement standards as well as its local procurement plan.

According to Shane Goodwin, Community Relations Manager for the Cowal Gold Mine, “The core objective of the local procurement plan is to source local suppliers. All things being equal, when competitive tenders are submitted, we assess their suitability based on six categories: 1) Wiradjuri owned business; 2) local company based in the Bland, Lachlan and Forbes government area; 3) regional (central west NSW); 4) state-based (NSW); 5) Australia-owned; and 6) international.

“Working with Indigenous and other local enterprises is extremely important to us. We operate in this community and we want to see the economic, social and sustainable benefits of our business flow to the people of this area. Given our arrangement with the WCC, we are committed to the Wiradjuri people for the long-term. But it’s important to understand that for us it’s all about attitude. We don’t see our agreement as an obligation we see it as an attitudinal approach to assisting the WCC to achieve sustainable growth beyond reliance on the Cowal Gold Mine.”

Shortly after the WCC and WCCHC were established, Barrick began discussing business opportunities as part of quarterly ETBDC meetings. Today, numerous contracts have been awarded to the WCC for the provision of services including cultural heritage, cleaning, native seed collection and transportation.
"We will also go out of our way to help identify and facilitate opportunities. This was the case recently when we encouraged the WCC to consider submitting a tender for transport and freight services. While the WCC does not have knowledge or capacity in this area, we suggested they partner with a transportation and logistics specialist. We facilitated an introduction to another major operator in this field and together they secured the tender".

"By taking this opportunity to partner with an industry leader, the WCC has opened a new door into an industry they have not operated in before. As part of the joint venture, the WCC will learn a great deal about the transportation business and will have the chance later on to leverage that knowledge and develop added services in that sector."
Early Success Factors

Shane says, “The key to the success of the WCC and Barrick partnership is the incredible relationship that exists.”

“We went into this agreement with a real desire to create a best-practice working relationship that would allow us to honour the terms of our agreement with ease, while at the same time ensuring benefits and added value would be delivered to the Wiradjuri people.”

“More importantly, both parties had the right attitude at the very beginning – we were very open, flexible, cooperative and wanted the partnership to succeed above all else. At the core, we both believed in the agreement and knew deep-down that we could affect real economic, social and environmental change for the local community.”

The ETBC also provides an excellent platform for cooperation and new business development. With joint representation from Barrick and the WCC, the ETBC has been an excellent vehicle for pursuing Indigenous employment, training and education initiatives.

“The idea behind the ETBC is for Barrick to discuss opportunities that exist within or outside our deed arrangement. We certainly consider the ETBC and the outcomes we have produced to be best practice.”

“One example raised during an ETBC meeting is our funding of trade and vocational qualifications for Wiradjuri people, which is part of our agreement with the WCC. We have found that traineeships are much more effective than apprenticeships and we have struggled in the past to fill our quota of one new apprenticeship per year. After discussing this at the meeting, we asked the group to consider changing our obligation to funding traineeships instead, as these are only one year in duration and focus on vocational work and training, which is more suited to our joint needs.”
“The WCC was in agreement and since then we have helped a series of young Wiradjuri people attain accredited certifications in a range of disciplines including warehousing, environmental management, and business administration. The point is, that instead of the WCC insisting that the exact words of the Deed be delivered, they listened, understood our challenges and agreed that a change would benefit both parties.”

“Ultimately, there is a limit to how many people we can employ at the mine site, and not everyone is interested in a career in mining. When one of our partners, the Lachlan Catchment Management Authority (LCMA), mentioned to us that they were looking for a trainee, we thought there may be an opportunity for us to help. We discussed this with the ETBC and agreed that we would pay for a trainee to be placed with the LCMA and this could count towards our annual quota. The WCC saw the merits of this initiative, and understood the value of the arrangement in terms of being able to forge stronger links with the LCMA. It was a win-win for both of us.”

“What this shows is that while agreements and deeds are great in principle – as they protect the interest of both parties – having room to discuss issues and negotiate better outcomes is equally important. At the end of the day, this comes down to attitude. It’s about being flexible and implementing the spirit of the deed.”
Sustainable Relationship

Helping to sustain the WCC in the long-term is a key priority for Barrick. With mine closure forecast for 2019 (with a potential extension to 2024), Barrick and the WCC have been working closely on identifying new business opportunities outside the mine.

Shane explains, “Apart from business-as-usual issues that are discussed in the ETBC, we also look at ways we can assist the WCC in a broader context. During a recent meeting, the WCC mentioned it needed some assistance with business planning for the WSC. Now that the centre is opened, we are also keen to make sure it can be a profitable venture. On the WCC’s behalf, Barrick engaged a business planning specialist firm to work with the centre to produce a business plan.”

Other ways in which Barrick is assisting the WCC is by encouraging the organisation to branch into new services. The recent joint venture with a major transport contractor is one such example as are linkages to other organisations such as the LCMA and Indigenous enterprises.

“Prior to Barrick establishing operations, many of the local Indigenous enterprises operated as siloes,” adds Shane. “After a decade of being involved in the community, these enterprises have seen the positive outcomes we have achieved with the WCC. One of the flow-on effects is that the Indigenous enterprises are now forming relationships with each other and opening the communication channels.

“For example, in September 2013 the Corporation was chosen by the United Nations through their Equator Initiative to attend a forum in Namibia to present to an international audience on the success of the partnership between the Corporation and Barrick. This forum provided an excellent platform for the Corporation to connect with Indigenous communities around the world and share our stories, experiences and successes we’ve enjoyed through our wonderful partnership with Barrick.

“In addition, the role that Barrick is playing in forging stronger relationships and bonds in the community is helping social inclusion more broadly. It has brought Indigenous enterprises...
to the fore and demonstrated to the community that Aboriginal people have a key role to play in our future. Today, Indigenous enterprises are major stakeholders in the local community and they have the opportunity to contribute and engage in development opportunities.”

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Benefits

In the past decade, Barrick’s Cowal mining operation has fuelled the local economy by securing a local supply of resources, services and products, wherever possible. It has also contributed to Indigenous cultural heritage, education, training, business development and job opportunities in the West Wyalong and central New South Wales community.

“Working with Indigenous enterprises such as the WCC is extremely rewarding to the triple bottom line,” adds Shane. More than that, we have created a blueprint for how other mining operations can co-exist and prosper alongside Indigenous enterprises, which is key to shaping Australia’s future in this industry.”

One of the important elements to sustaining a close working relationship is to ensure that both parties remain quite separate in their own rights, while having a common platform to work from.

Shane explains, “Barrick and the WCC are fiercely independent of each other. We may collaborate extensively and assist each other with mine and non-mine related initiatives, but we make sure that our businesses are well and truly separate. We work together closely, but we also respect our individual boundaries.

“After a decade of working with the WCC, we are proud of what we have achieved. The benefits have flowed both ways – the Cowal mine and the WCC are stronger entities because of the relationship.

“There have also been plenty of organic conversations led by Barrick and the WCC as to how we can improve outcomes for the Wiradjuri people according to the spirit of the agreement. And, this will continue well into the future.”
Case Study 3

NORTHERN HAULAGE and DIESEL SERVICES and RIO TINTO ALCAN WEIPA
Cape York, Queensland

A close and evolving relationship between a motivated Indigenous company and one of Australia’s leading mining companies is paying dividends for both partners.

Northern Haulage and Diesel Services (NHDS) established a commercial partnership with Rio Tinto Alcan Weipa in 2009 to provide haulage services. Since then, NHDS has won other contracts including one to provide local native seeds to rehabilitate the mine site.

Together the two organisations are benefiting Cape York communities by delivering economic, social and sustainable outcomes. They are getting local Aboriginal youth into meaningful, full-time employment, which in turn positively impacts the economic and social development of the area. In addition, mined land is being rehabilitated and revegetated as close as possible to its original condition to reinstate and continue the environmental and cultural significance of the area.
NHDS is a one hundred per cent owned Aboriginal business based in Weipa on the western coast of Cape York in Queensland.

With over thirty years combined experience working at Rio Tinto Alcan's Weipa operations, the Savo brothers Darrin and Craig, and sister Katrina, started NHDS in 2009 with an intimate understanding of the potential market for its services.

All three Savos are former employees of Rio Tinto Alcan Weipa and have seen first-hand the results of the company's commitment to Indigenous economic development in the region. They also understand the value of the Western Cape Communities Co-existence Agreement and the Ely Bauxite Mining Project Agreement, which guide Rio Tinto Alcan Weipa's actions to provide economic, employment, enterprise and educational benefits as well as cultural heritage support to the Traditional Owners of the land where the mine is located.
When the Savos first established NHDS, it was to provide labour hire and heavy machinery services to Rio Tinto Alcan, as well as other construction related capabilities within the Western Cape York area. Since then, NHDS has diversified its service offering to include community engagement and environmental rehabilitation, specifically seed collection.

Katrina Savo, NHDS Managing Director explains, “When we set-up the business, we recognised there were a lot of commercial opportunities. We also realised we could make a real difference to the Aboriginal and Torres Strait Islander communities in the Cape area. We saw it as a win-win situation.”

The Savos got into business, largely as a result of the impact of the 2008 Global Financial Crisis, when Darrin accepted a voluntary redundancy package from his employer, Rio Tinto Alcan Weipa. His brother Craig, who also worked at Rio Tinto Alcan Weipa, saw this as an opportunity and left his full-time job to join forces with Darrin. They pooled their savings to start the business.

“Between us, Craig and I had 29 years of experience in the mining industry and with Katrina’s experience in human resources (also at Rio Tinto Alcan Weipa), we had all the makings for a sound business,” explains Darrin Savo, NHDS Director. “We knew the industry really well and already had strong relationships with various people at Rio Tinto Alcan Weipa. We understood the business, knew the challenges the company faced and saw a gap in the market that we could fill.”

The supportive environment for Aboriginal and Torres Strait Islander people that Rio Tinto Alcan has created at its Weipa operations was an important factor in the Savos’ decision to go into business. The company employs approximately one thousand people at the mine, with Indigenous employees making up twenty two per cent of the total workforce. Darrin, Craig and Katrina were long-term, well respected employees and Rio Tinto Alcan Weipa was extremely supportive of NHDS early on.
About NHDS

Established as a for-profit company, NHDS has been governed by former director Katrina and currently Darrin and Craig who own the company equally. Today, NHDS employs 25 people with 75 per cent being Indigenous Australians, including many from the surrounding Aboriginal communities of Mapoon, Napranum, Arukun and Lockhart River.

All three Savos bring different skills to the company. Katrina is a trained human resources specialist with a background in community relations and administration. She specialises in Indigenous and non-Indigenous staff recruitment, retention and mentoring. These skills, in addition to her experience in procurement, tendering and contracting, have been invaluable in preparing the company for doing business with Rio Tinto Alcan Weipa.

Darrin has extensive experience in all aspects of mining and heavy equipment operation. He manages the earthmoving part of the business and is the primary developer of training packages. Craig is a diesel fitter with almost 20 years of post-trade experience and is familiar with current heavy equipment operating conditions in the Weipa area. He manages all aspects of maintenance and repairs for the business.
A journey to success

Despite having limited previous experience in running a business, the Savos saw an opportunity to start their own enterprise, which would be commercially and socially beneficial. Having all worked at Rio Tinto Alcan Weipa’s operations, the siblings were confident their existing relationships with relevant decision makers within the organisation would assist them in their new venture.

Before starting the business, Darrin did his research and undertook an assessment of the existing and potential market for various services in the Cape region. On this basis, the siblings identified the services they would offer at start-up and outlined potential for future expansion. The complementary skill sets of Katrina, Darrin and Craig were seen as critical to the creation of effective business systems and operating structures that would sustain the company.

The Savos have constantly demonstrated that professionalism, service excellence and client relationship management provide a solid foundation for long-term success.

In addition, the training, mentoring and development of employees have been a key part of their strategy. Katrina explains, “We employ several senior Aboriginal men from the region who act as role models to the younger generation. For example, Uncles Horace and Milton Bond from Mapoon and Uncle Jimmy Hobson from Lockhart River are heavy machinery operators who are part of a team of NHDS mentors that assist and guide the younger crew. We rely on them to instil the values and positive behaviours required in the workplace.”

The Savos have effectively balanced the commercial and cultural requirements of running a business by providing flexible and fair workplace requirements and opportunities for all staff, not just Indigenous people. The family atmosphere at NHDS is very deliberate and provides equality and cultural safety to all employees, ensuring morale and productivity are maintained at high levels.
According to Darrin Savo, “Our company is one big family. We look after our people and help them extend their skills, while ensuring they have a sense of pride in their work. We have a cohesive workforce that supports and works towards the company’s goals.”

One of the issues the Savos identified after years of working at Rio Tinto Alcan in Weipa was that there was a distinct lack of knowledge and skills in the area of Indigenous employment, training and retention on the Cape. They decided that the best way to address this was to lead by example and set-up a business that would benefit the local Indigenous people and broader Cape York community.

Katrina says, “We wanted to create an environment that would allow Indigenous people to aspire to greater employment heights. That’s why NHDS has developed into a business that understands the issues Indigenous people face. We support our employees and provide a workplace that allows them to address their challenges and learn how to better cope and survive as part of a mainstream workforce.”
Benefits

In the past four years, NHDS has won multiple contracts through competitive tender processes to deliver a diverse range of services to Rio Tinto Alcan Weipa. One of the more recent contracts is for the provision of local, native seeds for rehabilitation of the mine site. “This has proved a huge success in getting local Aboriginal youth into meaningful, full-time employment that provides real opportunities to gain skills, get qualifications and establish a career,” says Katrina.

When land is rehabilitated after mining, it is crucial that seed native to the Cape York area is dispersed in order to re-vegetate the land as close as possible to its original condition. NHDS works in partnership with Rio Tinto Alcan Weipa, ensuring that an appropriate schedule of seed collection is created and the methodology used produces appropriate and viable seed.

As part of this program, NHDS supports more than seventy local Aboriginal people that collect the seeds, which are very specific to particular areas and hold cultural significance to the community. For this reason, the NHDS has selected members of the eleven Traditional Owner groups to collect the correct seeds and minimise the risk of incorrect revegetation.
To ensure that the economic opportunity of collecting seed is maximised, NHDS holds workshops with collectors in all communities. This helps build the relationship between the two parties by educating community members around the issues of seed collecting, and helping Rio Tinto Alcan Weipa learn which particular seeds are culturally important to the Traditional Owners. Ultimately, this ensures that a high quality and quantity of appropriate local seed is collected by local Aboriginal people and delivered to Rio Tinto Alcan Weipa for planting.

“The way we conduct our business is a strong contributing factor to having had this contract, that started as a one year contract, renewed and extended three times, and we are now in our fifth year of delivering this service” explains Katrina. “We are proactive in our approach to make sure all local stakeholders are aware of the community seed collection program. And, we work very closely with Rio Tinto Alcan Weipa to explain the community’s needs, and to balance joint requirements.

“The success of NHDS to date is based in part on diversification. We now offer a range of services, such as rehabilitation, that would not normally be part of a hauling and diesel fitting company, but it’s certainly complementary to what we do.

“Be it haulage or seed, the high level of community engagement we have achieved benefits NHDS, Rio Tinto Alcan Weipa and Indigenous people. Importantly, it demonstrates the power of collaboration – big and small business working together with the local community to advance economic, social and environmental factors.”

Rio Tinto Alcan Weipa Environment Officer, Jacinta Smith sorts through some of the seed collected from the community seed collection programme.
Highlights

1. Signed the first contract with Rio Tinto Alcan Weipa in 2009 to provide haulage services. This was extended for a further three years and is now being re-scoped.

2. Received the Australian Indigenous Minority Supplier Council (now Supply Nation) ‘Up and Coming Certified Indigenous Supplier’ Award in April 2012. While in Sydney to receive the award, NHDS promoted its business which resulted in Darrin being interviewed by Sky News and meeting with the then Minister for Indigenous Employment, the Hon. Julie Collins, MP.

3. Signed another significant contract with Rio Tinto Alcan Weipa in 2010 to provide local, native seeds for rehabilitation of the mine site. The one-year contract was renewed in 2011, and extended to a two year contract, that was again extended in 2013 for another two years.

4. In December 2012, Katrina was appointed to the Board of Directors of Aboriginal Enterprises in Mining, Exploration and Energy Ltd, a not-for-profit company aiming to develop and connect Indigenous people and Indigenous businesses in the mining, energy and exploration sectors.

5. Also in December 2012, the Indigenous Business Magazine featured a story on the establishment, operation and success of NHDS.
NHDS employs 25 people with 75% being Aboriginal, including many from surrounding Aboriginal communities of Mapoon, Napranum, Arukun and Lockhart River.
Outcomes

When NHDS won its first contract with Rio Tinto Alcan Weipa, the company celebrated. It knew it had reached a significant milestone, one it could build upon for future work opportunities. NHDS also recognised that its success was largely due to the assistance and mentoring provided by Rio Tinto Alcan Weipa.

Katrina says, “The level of support Rio Tinto Alcan Weipa has given us from day one has been nothing short of outstanding – right from the General Manager to the Procurement Department and mine employees. The company helped us to prepare our pre-qualification for contracts, which is an extremely detailed and involved process. We could not have done it without their assistance.”

Saying ‘no’ and being singularly focused is one of the lessons NHDS has learnt. “Everyone always gets very excited when a new Indigenous business starts up and they want to engage you for everything!” adds Katrina. “One of our main challenges in the early days was learning to say ‘no’. We have ‘inherited’ some contracts that we would not have considered chasing through this process, and we have won some new contracts. Plus, we have worked hard at maintaining the relationships we already had with Rio Tinto Alcan Weipa, while building others with new leaders, at the same time as trying to run and grow a business. It’s certainly been a challenging journey, but it has also been extremely rewarding.”

Business success is typically driven by passionate individuals weighing up options, making decisions and pushing through barriers to implement those decisions. Indigenous enterprises often have to overcome barriers that others don’t. So it was with NHDS when in the early days some local businesses were influenced by negative stereotypes.

Darrin says, “One of the main drivers for NHDS purchasing its own fleet of trucks was to overcome the perception that Indigenous businesses can be risky ventures. After having difficulties sourcing
“hire trucks locally, we decided to invest in our own fleet, and this strategy has certainly paid off. It also showed the business community that we are serious about what we do and committed to succeed.”

Katrina concurs, “We’ve never taken handouts or shortcuts, we haven’t received one cent from any government organisation. The business has been fully self-funded by Darrin and Craig, who didn’t take a wage in the first year of operation, as is often the case with new businesses. We believe that we have a great commercial product with a unique selling point, and we are proud of what we deliver. We know that with a lot of hard work and sheer determination, we can overcome any issues.”

Overall, the ongoing strength of NHDS is built on the passion, knowledge, experience, and business acumen of the Savos and their employees, as well as the tremendous support they have received from Rio Tinto Alcan Weipa. Winning its first contract in 2009, set the company on the path for success.”
Outlook

The Savos have stayed focused on their goals, managed their costs, diversified their services and established a clear strategic plan to identify a growth journey in an existing market. They expect to double their workforce in the next two years and their financial projections are already well beyond their 2011/12 revenue of $1.8 million.

“We are a solutions-based company more than anything,” says Katrina. “The outlook for NHDS is positive and we will continue to broaden our services and search for new opportunities. We have learnt a lot in the four years of doing business with Rio Tinto Alcan Weipa and this will provide us with a springboard for future expansion.”

The NHDS team
RIO TINTO ALCAN WEIPA

Rio Tinto Alcan is one of five product groups operated by Rio Tinto, a leading international mining group. The company is a global supplier of high quality bauxite, alumina and aluminium.

In 1955, Rio Tinto (formerly Comalco) first discovered bauxite on Aboriginal lands at Weipa. The mine commenced operations in 1961, with the first production of 453,365 tonnes of bauxite mined and shipped in 1963. In December 2013, the mine marked 50 years of operations and shipped the 500 millionth tonne.

That’s why having Indigenous suppliers and employing Indigenous people makes sense – it’s their land and they understand the geography, climate and ways of doing business locally, and they have an investment in the long-term viability of the community.

Business Drivers

Today, Rio Tinto Alcan Weipa is committed to fostering the long-term development and sustainability of the Western Cape York region. It demonstrates this by engaging Indigenous small and medium enterprises, like NHDS and supporting local sourcing and business development.

Rio Tinto Alcan Weipa operates under three Aboriginal agreements - the Western Cape Communities Co-existence Agreement, the Ely Bauxite Mining Project Agreement and the Weipa Township Agreement.

On 3 September 1997, The Ely Bauxite Mining Project Agreement was signed by six Traditional Owner groups, Mapoon, Napranum and New Mapoon communities, Cape York Land Council and Alcan South Pacific Pty Ltd. Rio Tinto Alcan committed to upholding this agreement after acquiring Alcan in 2007. On 14 March 2001, Traditional Owners of the Western Cape area, Rio Tinto (formally Comalco) and the State Government, signed the Western Cape Communities Co-existence Agreement. The third agreement is the
Weipa Township Agreement which was signed with Alngith Traditional Owners, which covers land within the Weipa town boundaries, and also appoints a Traditional Owner representative onto the Weipa Town Authority.

These agreements provide economic, education, enterprise and employment benefits as well as cultural heritage support and formal consultation processes between the company and Traditional Owner groups. In particular, the WCCCA recognises traditional ownership and provides support for Rio Tinto Alcan Weipa’s activities. Through the agreements, Rio Tinto Alcan Weipa supports training, employment, cultural heritage and site protection, cultural awareness, support for ranger programs and educational bursaries, relinquishment of land and a royalty stream to charitable trusts for community benefit purposes.

**Procurement: Standards, Policies and Practices**

In working with NHDS, Rio Tinto Alcan Weipa adopts a collaborative approach. It partners with the NHDS team to ensure procurement of haulage, machinery and labour hire or seed collection services satisfy its requirements.

All procurement activities are coordinated through Rio Tinto Procurement, to ensure a fair evaluation and selection process is applied consistently to all suppliers. For all contracts, NHDS was selected on its ability to meet Rio Tinto Alcan Weipa’s requirements including health, safety and environment (HSE) considerations, quality and service, competitive pricing, and technical capabilities, in alignment with its values, cultural knowledge and contribution to the local Cape community.

According to Shane Hunter, Service Delivery Manager for Rio Tinto Alcan Weipa’s Procurement Department, “Working with Indigenous organisations is important to us. We have a moral and ethical obligation to support Indigenous businesses and their people. This is the community in which we operate and we are here for the long-term. That’s why having Indigenous suppliers and employing Indigenous people makes sense – it’s their land and they understand the geography, climate and ways of doing business locally, and they have an investment in the long-term viability of the community.”
Shortly after the Savos started NHDS, they began preparing to do business with Rio Tinto Alcan Weipa by completing a pre-qualification process to ensure adherence to the company’s standards, policies and practices in a range of disciplines. This process necessitated the implementation of a number of systems and procedures in health, safety, environment, community relations, human resources and financial stability. A range of insurance policies were also required.

Shane says the pre-qualification process can be a little daunting for start-up businesses like NHDS that may not have had previous experience in tendering with a big organisation such as Rio Tinto Alcan Weipa. “We worked very closely with the Savos in the early days to assist them in attaining their pre-qualification. Several meetings were held with our General Manager and senior professionals to assist them every step of the way. We also arranged for Darrin to undertake a two-week training course with one of our largest suppliers in Melbourne so he could gather the knowledge required to do business with us. This was extremely valuable and enabled the Savos to leverage key practices in their business and prepare themselves to win contracts with us. A few years later, we facilitated another two-week training course which was attended by Katrina. Today, we continue to support NHDS as required. It’s in our best interest to ensure the company can sustain itself in the long-term and that’s why we have adopted such a supportive approach.”

In addition to using certain standards, policies and practices, Rio Tinto Alcan in Weipa has developed a local supplier, development and procurement strategy. Shane explains, “The intent is to identify opportunities for us to do business with local businesses that have a strong focus in the Indigenous sector. While the strategy is still in its infancy, it provides a framework for us to develop local supplier baselines and assess business development prospects going forward.

“In short, we need local businesses to help sustain the Cape community in the long-term. More importantly, local businesses can react quickly to changes in business conditions and mine requirements. That’s another reason we want local SMEs to be
successful, so they provide local jobs, boost community services, create a skilled workforce and set the examples for Indigenous people to see that there are tremendous workplace opportunities for development and advancement.”

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In addition to using certain standards, policies and practices, Rio Tinto Alcan in Weipa has developed a local support, development and procurement strategy with its community relationship principal advisor. Shane explains, “The intent is to identify opportunities for us to do business with local SMEs that have a strong focus in the Indigenous sector. While the strategy is still in its infancy, it provides a framework for us to develop local supplier baselines and assess business development prospects going forward.

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Early Success Factors

In 2009, following the achievement of pre-qualification and a competitive tender process, NHDS won its first contract with Rio Tinto Alcan Weipa for the provision of haulage services. This three-year contract has since been extended and is now in the process of being re-scope.

Shane explains, “When NHDS won its first contract, it marked a milestone for the company. It demonstrated that with the right support, we can help Indigenous organisations succeed in commercial ventures. The Savos have the right skills, are passionate about helping local Indigenous people develop their careers, and understand the benefits of being environmentally sustainable. They are particularly passionate about training and don’t mind if these people go on to work for other employers - it’s about giving people a start.

“It’s also important for organisations entering into business with Indigenous companies to exercise some flexibility in their contractual procedures. Preparing for tendering is a difficult process and in some circumstances, we will do business with organisations, while helping them to complete certain certifications. Having said that, we never, ever, compromise on our HSE systems, but if for example, a human resources policy needed finalisation before pre-qualification is achieved, we will work with the Indigenous company to fast-track completion. We will put controls in place to ensure standards are not compromised and work with them to implement policies and systems.”

“Keeping communication channels open is another way we maintain good supplier relationships”
The second contract won by NHDS was for seed collection services, for which they were well suited despite their lack of previous experience. The one-year contract has been renewed three times and has now been rolled into a three-year contract.

Shane says, “The seed collection contract has provided an avenue for NHDS to diversify. In undertaking this work, the Savos support more than 70 local Indigenous people that collect the seeds. The relationships they have with local Indigenous people are an advantage to this contract, which continues to run very smoothly. It’s also a great benefit for us to have the Traditional Owners of the land responsible for collecting the seeds which holds cultural significance to their community. This enables us to rehabilitate the land after mining, knowing it will be revegetated as close as possible to its original conditions with the correct plants.”

**Sustainable Relationship**

One of the biggest challenges Indigenous companies face is sustaining their business in the long-term. That’s why Rio Tinto Alcan Weipa advised the Savos to establish a strong business model and to look for additional business opportunities so they are not reliant on the mine for long-term viability.

Shane adds, “The Savos understood early on that their business model needed to have a good commercial outcome. We encourage all Indigenous companies to obtain sound business advice, and to look for income streams outside of the mine. That way, if there is a contraction of the industry, the company can survive.

“Keeping communication channels open is another way we maintain good supplier relationships. With the Savos, for example, we meet on a regular basis to discuss progress on existing contracts, overcome challenges, highlight opportunities and ensure we are both moving towards the same goals. With all levels of staff at site participating in these meetings, it enables us to identify and rectify issues early on, and it allows us to strengthen our partnership.”
Benefits

As well as supporting Rio Tinto Alcan’s sustainable development policy, the Weipa mining operation is fostering a diverse and strong local economy by securing local supply of services and products, where possible.

Gareth Manderson, General Manager of Rio Tinto Alcan Weipa says, “The working relationship with NHDS is strong and we value their contribution. Working with Indigenous entrepreneurs such as the Savos is extremely rewarding. They run a good operation and the economic benefit of our relationship has flow-on effects to the Cape community. In this way, we are forming closer ties to the Traditional Owners of the land and we are helping to shape the next generation of Indigenous leaders. Plus, we’re ensuring a strong local economy, which benefits all of us in the long-term.

“The softer benefits of our relationship include getting to know each other better, building trust and gaining an understanding of our respective cultures. Every time I interact with our Indigenous staff or the NHDS team, I learn a little more about the local culture and they understand a bit more about Rio’s heritage, our business drivers and the way we work. The result is that we have tremendous respect for each other and we communicate effectively to get the job done.

“Overall, working with Indigenous suppliers is extremely beneficial and I hope that what we do with NHDS becomes a benchmark for the industry to replicate. Their passion, cultural knowledge and links with the local community, contribution to the regional economy and unwavering commitment to HSE practices is integral to our success in Weipa.”
A business partnership between a relatively new Aboriginal enterprise and the world’s leading diversified resources company, is paving the way for Aboriginal participation and, in the process, delivering benefits to local communities.

Red Mulga was established in 2011 to provide labour force, training, waste removal, plant and machinery hire, and project services based in Roxby Downs, northern South Australia with the view to securing work with BHP Billiton’s Olympic Dam mine. To facilitate this, the company established a relationship with an existing BHP Billiton supplier, Monadelphous, which helped the company establish and refine its management and business systems. More recently they have enjoyed business support from Veolia Environment.

In 2012, Red Mulga became the first Aboriginal enterprise to win a direct contract with BHP Billiton’s Olympic Dam mine. Together the two organisations are paving the way for increased Aboriginal participation, while at the same time providing much needed training, development and employment of local Aboriginal people. In doing so, economic benefits are flowing to the local community as are broader outcomes of social inclusion and greater cultural understanding.
Red Mulga is a 50 percent Aboriginal-owned company based in Roxby Downs, South Australia.

Red Mulga was established by husband and wife team Ronald Boland and Colleen Taylor in June 2011 as a fifty percent Aboriginal-owned business based in Roxby Downs, South Australia. Ronald and Colleen, along with Chad Oldfield are the Directors of the company.

The driver for establishing Red Mulga was the identification of employment and contracting opportunities following the negotiations between BHP Billiton’s Olympic Dam mine in Roxby Downs and the Aboriginal language groups that have cultural and spiritual links to the Olympic Dam site, the Kuyani, Kokatha and Barngarla people.

According to Director, Ronald Boland, “Red Mulga serves an important purpose in the community. We've identified ways to generate employment opportunities for our people, while also driving broader economic benefits to the area. In essence, we are building a new generation of skilled Aboriginal people who are equipped to look after the future of our people and land for many years to come.”

About Red Mulga

Although Red Mulga has only been in business for a short time, the company has built a reputation for its unique approach to sustaining Aboriginal employment. To achieve this, it has focused on strong leadership, mentoring and facilitating the transition of its people into the mining industry. Additionally, it has leveraged established relationships and worked collaboratively and in consultation with Traditional Owners to source employees. Established as a for-profit 56 percent Aboriginal-owned company, Red Mulga is governed by two directors, husband and wife team, Ronald Boland and Colleen Taylor.
Ronald is an Aboriginal man from the north of South Australia. He grew up in Cooper Pedy and started work at the age of 14 on surrounding cattle stations. He says, “This experience contributed to my strong work ethic and through hard work and determination, I have gained considerable skills in business, and project management as well as human resources, which have served me well in establishing Red Mulga. Ultimately I am driven by my aspiration of providing economic benefit to all Aboriginal people.”

With diverse support and admirable personal drive, Ronald has successfully made the transition from station hand to business owner and company director. In partnership with his wife Colleen Taylor, a descendant of the traditional land owners Barngarla group, Red Mulga has evolved into a progressive and socially-inclusive Aboriginal enterprise.
Today Red Mulga provides the following services and resources:

- Plant Operators
- Skilled and semi-skilled trade assistants
- Project services
- Plant and machinery
- Contract labour
- Asbestos removal and waste solutions
- Mentoring and skilling of employees

A journey to success

Red Mulga won an initial contract with engineering firm Monadelphous, through this contract they worked closely together for a period of 18 months to further develop Red Mulga’s business capabilities and demonstrate a low risk profile to BHP Billiton. In 2012, Red Mulga won a contract with BHP Billiton to provide labour hire and clean up services at the Olympic Dam processing site. It became the first Aboriginal enterprise to secure a direct contract with the mining giant at Olympic Dam.

Commenting on the value of relationships in driving business results, Ronald says, “Working with Monadelphous has been a great stepping stone for us and money can’t buy what we have achieved. Tony Harwood and Luke Scobie from Monadelphous have given us incredible support and excellent mentoring during this time. They are a key part of Red Mulga and certainly set us on the right path to securing our contract with BHP Billiton. This success comes down to teamwork, respect and trust as well as transparency and cultural understanding.”

Indigenous Business Australia (IBA) also played an important role in the early days of Red Mulga’s evolution by providing mentoring and business advisory services. The government owned business delivers programs to help an Aboriginal enterprise develop business opportunities.

Ronald adds, “We worked closely with IBA as part of its Business Development and Assistance Program, to leverage business support services. This opened our eyes to a lot of the rigorous business practices and systems we have since adopted, and it showed us that where there is a will, there is a way.”
Long-term sustainability

Red Mulga’s engagement with BHP Billiton was driven by its long-term commitment to sustainability and ethical behaviour, as well as alignment with the BHP Billiton Charter. Red Mulga’s relationship with BHP Billiton is mutually beneficial and addresses its aspirations to grow and develop the business. Collectively, they have identified and implemented activities that address combined objectives and outcomes to ensure long-term sustainability in the community.

“We want to be around for a very long time,” says Ronald.

“Irrespective of whether the mine is still operating, we want to make sure that our people have a way to look after themselves and thrive in the future on their land and in this important community.”

Ronald Boland pictured centre examining project information with Red Mulga employees on site at Olympic Dam
Benefits

In providing labour hire and clean up services for BHP Billiton's Olympic Dam processing area, Red Mulga is increasing economic participation for Aboriginal people in the northern region of South Australia, and ensuring that the local community benefits in the process.

Red Mulga employs about 50 people, 90 percent of whom are Aboriginal - a great achievement and one that reflects the determination of Ronald and Colleen to get Aboriginal people working.

Ronald says that “Some of our people have a history of unemployment, so it’s particularly rewarding to see them being trained, skilled and employed. It’s also beneficial for others in the community to see Aboriginal people helping other Aboriginal people and make the transition into employment. Many of the young fellas employed by us have gained a strong work ethic in a relatively short period of time and now see themselves as participating in Australia's economy and its future.

“Red Mulga is breaking down the negative stereotypes surrounding Aboriginal unemployment. Our people have a lot to contribute to society, not just in terms of culture, but also in terms of employment and economic participation.”

Older Aboriginal people, mentoring younger people is key to helping Red Mulga’s employees enter the workforce and having a career in the mining industry. “Our young people need to be shown the way,” says Ronald. “We’ve got a great group of mentors at Red Mulga that steers the younger employees in the right direction. It’s up to us to show them the ropes and teach them how to work and behave in the workplace. Training is one thing, but being shown what to do and how to act is very powerful.”
Highlights

1. Being the first Aboriginal enterprise to be awarded a contract directly with BHP Billiton, Olympic Dam in 2012.

2. Achieving a high level of Aboriginal participation – More than 70 per cent of employees are local Aboriginal people, and more than 90 per cent have achieved tenures with Red Mulga of 12-months or more.
Delivering best practice and thought-leadership in Aboriginal partnerships. Ronald’s success has resulted in him becoming a mentor for others in the region. In August 2012, he was invited to share his experiences at the GMUSG-SACOME Resource Industry Conference and Trade Expo where he presented to 380 industry leaders.
Outcomes

Red Mulga’s comprehensive approach to Aboriginal employment is helping the organisation prosper. By focusing on strong leadership, mentoring and workplace culture, the company has grown strongly over three years to employ around 50 people.

The company’s success in recruiting staff is the result of a thorough screening and interview process. It also provides a clear direction for Aboriginal workers, giving them the opportunity to gain necessary skills for employment. In doing so, Red Mulga works closely with BHP Billiton to identify areas in which its people may need educational and training support.

Another positive outcome has been the relationships Red Mulga has developed with key stakeholder groups and the Traditional Owners of Olympic Dam.

Ronald says, “Working with local Aboriginal groups is obviously very important. We need their support, but more than that, we need to find a common ground to ensure that culture, land and country are respected while at the same time fostering employment opportunities.

“Overall, we have a solid track record with BHP Billiton and are performing well in accordance with our contract. The ongoing mentoring support we receive from Monadelphous and BHP Billiton, in alignment with the full implementation of the native title agreement, has laid the foundations for Red Mulga to secure a strong and sustainable future.

“At the end of the day, it’s really rewarding to see that Red Mulga is making a difference to Aboriginal people. It’s good to see our people’s self-worth growing.”
Outlook

Red Mulga is on a clear path to drive growth, Ronald and Colleen are aiming to expand Red Mulga's service offering to BHP Billion at Olympic Dam and in the process increase Aboriginal employment participation. They are also keen to diversify into other service areas and develop the business further, including establishing operations in Port Augusta.

In talking about the future, Ronald and Colleen are aiming to expand Red Mulga’s service offering to BHP Billion at Olympic Dam and in the process increase Aboriginal employment participation. They are also keen to diversify into other service areas and develop the business further.

Ronald explains, “We are role models for our people and the best way to support them is to be successful. We'll continue to show the community what can be achieved, when you provide mentorship, training and employment opportunities.

“We are keen to expand our business, to ensure the long-term viability of Red Mulga. We have established a good track record in a very short time for efficient contract labour hire and clean up services with BHP Billiton and we realise that there are plenty of opportunities to extend our services to other organisations.”
BHP BILLITON, OLYMPIC DAM, SOUTH AUSTRALIA

BHP Billiton is the world’s leading diversified resources company. It is among the world’s largest producers of major commodities, including aluminium, coal, copper, iron ore, manganese, nickel, silver and uranium, and has substantial interests in oil and gas.

Its Olympic Dam facility is located 560 kilometres north of Adelaide, South Australia and is Australia’s largest underground mine, producing copper cathode, uranium oxide concentrate, gold and silver.

Across its global operations, BHP Billiton is committed to working in ways that are true to the company’s Charter values of sustainability, integrity, respect, performance, simplicity and accountability.
Business Drivers

BHP Billiton believes it is successful when communities value their relationships with the company. In addition it believes that it will achieve outstanding business performance through developing a workforce that encompasses diverse perspectives, experiences and strengths.

The Olympic Dam asset is owned by BHP Billiton Olympic Dam Corporation (BHP Billiton) and is situated on land where the Kokatha have long held cultural and spiritual connection which has been recognised by the granting of Consent to Determination on 1st September 2014 at Andamooka Station. The Barngarla and Kuyani along with the Kokatha, entered into a business arrangement through the “Olympic Dam Agreement” (ODA) in 2009. The agreement ensures that Aboriginal people benefit from the Olympic Dam operation, including the provision of employment, training, education and business opportunities.

To support the implementation of the ODA, BHP Billiton has developed an Aboriginal Participation Program (APP) that drives Aboriginal employment and contracting opportunities at Olympic Dam.
Procurement: Standards, Policies and Practices

In doing business with BHP Billiton, suppliers and contractors are required to comply with the company’s operating protocols, including its Charter and code of business conduct.

Libby Lyons, Head of Corporate Affairs explains, “Relationships with suppliers providing BHP Billiton with goods or services can make a significant contribution to the success of the company. We have effective, streamlined processes with suppliers like Red Mulga and encourage them to adopt policies similar to those of BHP Billiton.

“Through their actions, our suppliers can directly impact the financial performance and profitability of BHP Billiton, as well as adding to, or detracting from, our reputation. That’s why we take great care in operating a fair and equitable procurement process. Our selection process aims to clearly inform potential suppliers of our expectations, policies and requirements applicable to them.”

“In selecting Red Mulga to provide labour hire and clean up services, we made sure they shared BHP Billiton’s commitment to business practices. We examined their management systems to ensure they respect the rights of their employees and the local community. We also reviewed their ability to minimise the impact on the local environment and to provide a safe and healthy workplace. In the end, our procurement decision was based on receiving good value from Red Mulga’s services, taking into account the company’s competitiveness, quality, performance and suitability.”
Early Success Factors

Red Mulga’s prior business relationship with Monadelphous, one of BHP Billiton’s engineering suppliers, was instrumental in securing its direct contract with the mining company. It enabled Red Mulga to set itself up for doing business the BHP Billiton way.

Monadelphous’ Luke Scobie took a special interest in mentoring Red Mulga and encouraged Ronald to create a workplace that was underpinned by robust practices.

In partnership with Monadelphous and Red Mulga, BHP Billiton identified a small non-production critical package of work to subcontract to Red Mulga through Monadelphous, to provide “clean-up crew” services in BHP Billiton’s Processing Area. This package of work was identified to build Red Mulga’s capabilities and transition them into becoming a direct vendor of the company.

This enabled Red Mulga, over a period of 18 months, to establish business systems and approaches that demonstrated a low risk profile to BHP Billiton. In doing so, Red Mulga became a professional Aboriginal business concern that had all the hallmarks of an accredited BHP Billiton supplier.

In late 2012 this growth strategy saw Red Mulga sole source the clean-up crew services and become the first Aboriginal enterprise to be awarded a direct contract with BHP Billiton at Olympic Dam.

“We are delighted to have formed a direct partnership with Red Mulga and congratulate them on their achievements in reaching this milestone. Overall, BHP Billiton’s success at Olympic Dam in contracting Red Mulga mirrors the company’s commitment to increasing economic sustainability for Aboriginal people. We continue to strive for greater economic participation for Aboriginal people at our operation and we are currently working with a number of other Aboriginal enterprises through our Aboriginal Participation Program to achieve similar outcomes to those we have enjoyed with Red Mulga.”

LIBBY LYONS, Head of Corporate Affairs
Sustainable Relationship

Helping to sustain Red Mulga in the long-term is something that BHP Billiton has kept in the forefront of its strategies. As the company explores expansion options, it identified further opportunities for Red Mulga to provide direct contracted services to the mine for Aboriginal specialist labour. This feeds into the strategy to increase the number of Aboriginal people employed within BHP Billiton’s direct workforce and further enhances Red Mulga’s profile and viability.

Testament to the success of this strategy, in 2013 Red Mulga tendered in an open commercial market at Olympic Dam and won. They are now a standalone success.

Jen MacKenzie, General Manager Processing at Olympic Dam says “Red Mulga is growing and their employees demonstrate an outstanding commitment to the work they do at Olympic Dam, particularly in terms of health, safety, environment and the community”.

“As part of doing business with BHP Billiton, Red Mulga has established robust business systems and policies, which will stand them in good stead for doing business with other mining or non-mining related organisations. Their association with Monadelphous and other contractors at Olympic Dam that now use their services is another advantage, which they can leverage to develop new business opportunities.”
Benefits

Since setting up its Olympic Dam operation, BHP Billiton has delivered substantial economic benefits to the local Roxby Downs community by securing services and products from the area and the broader state of South Australia. It has also contributed to Aboriginal employment participation, education, training, cultural heritage and environmental outcomes.

“Working with Aboriginal enterprises such as Red Mulga is critical to BHP Billiton forging closer relationships with Aboriginal communities” adds Libby. “Our partnership with Red Mulga is our benchmark for how we interact and do business with other start up Aboriginal enterprises that require development and support in order to achieve sustainable growth – as we now know we have a model that works.”

“The mine operates in a culturally sensitive area and we take great steps to ensure we work within the boundaries of our native title agreement. Over and above that, we want the local people to have greater involvement in the mine, which is why we are so focused on our Aboriginal Participation Program, as it benefits both parties.”
The aim of this book is to showcase success stories of Indigenous enterprises contracting with mining companies from the perspectives of both parties. The four case studies have identified a number of critical elements that contributed to the success of, and the benefits derived from, the contractual relationships. These have been summarised below:

Indigenous Contractors:

KEY SUCCESS FACTORS THAT MADE THE CONTRACTUAL RELATIONSHIP EFFECTIVE

• Capacity to provide a quality product/service that is in demand

• Focus on building strong relationships and building business networks

• Relevant industry experience, skills, knowledge (including Traditional Owner knowledge) and commitment of directors and staff

• Diversification of products/services and contracting parties

• Proactive approach to problem solving

• Joint venture arrangements (with the private sector and/or government) to grow capacity, improve risk profile, and increase confidence

• Strong business systems and policies that balance commercial requirements and cultural responsibilities
Mining Companies:

**KEY SUCCESS FACTORS THAT MADE THE CONTRACTUAL RELATIONSHIP EFFECTIVE**

• Local procurement strategy that is clear about process, criteria and responsibilities.

• Strong focus on building a partnership based on the principles of two way communication and flexibility.

• Capacity building (mentoring, provision of training opportunities, prequalification assistance)

• Interdepartmental responsibility for achieving local procurement outcomes

• Long term and proactive commitment to the business relationship.

• Both parties remaining independent entities but have identified a common platform to work from.

• Promotion of services to other contractors and potential partners.
Indigenous Contractors:

**KEY BENEFITS DERIVED FROM THE CONTRACTUAL RELATIONSHIP**

- Employment opportunities for local Indigenous people
- Business growth – other opportunities on site and through accessing the mining company’s contractor network to provide relevant product/service to other
- Breaking down perceptions surrounding Indigenous employment and enterprise development
- Indigenous people able to retain connection to land
- Increased confidence that the adverse environment and cultural heritage footprint of mining activity is minimised
- Rejuvenation and sustainability of cultural practices

Mining Company:

**KEY BENEFITS DERIVED FROM THE CONTRACTUAL RELATIONSHIP**

- Cost reductions such as reduced workforce costs and effective and innovative local solutions.
- Social license to operate and strong relationships with Traditional Owner groups
- Native title land use agreement obligations are met
- Economic diversity and long term sustainability of the community
- Local capacity to react quicker to changes in business conditions
- Access to local knowledge and expertise
- Development and implementation of tailored environmental technical programs that reduces costs and maximises the opportunities for success
Critical Success Factors