



SETTING THE SCENE:

Indigenous Participation in the Resource and Energy Sectors

www.rby.net.au

www.aemee.org.au



AEMEE

OUR VISION

To gain true market share for Indigenous Businesses within the mining, energy and exploration sectors

OUR MISSION

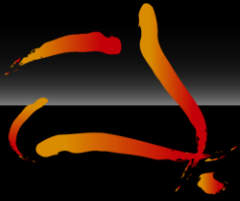
Develop and connect Indigenous Businesses with real business opportunities

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AIMS OF AEMEE

- **AEMEE was established to support Indigenous businesses**
- **We are focused on economic and commercial success**
- **We do not get involved in social policy**
- **We see that growing successful economic enterprises will contribute to achieving social and community benefit and removing welfare dependency**
- **We engage with industry and government**



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- **An all Indigenous Board directors all running their own businesses**
- **National Conference (26-28 October Adelaide this year)**
- **Networks of Indigenous Business Owners**
- **Alliances and Collaboration**
- **Building business skills**
- **Commercial – (not policy, activism or social services)**
- **Influencing the big end of town**
- **Opening up business opportunities**

RBY Projects

- **Began in mining sector 15 years ago and moved to CSG sector 3 years ago.**
- **Delivering civil construction contracts for Origin, QGC and Santos in the CSG sector of Qld**
- **Employ over 100 staff**
- **35% Indigenous staff**
- **Aim to broaden the model to other parts of Qld and assist Oil and Gas to companies to build on their own models**

Disadvantage into Economic Prosperity

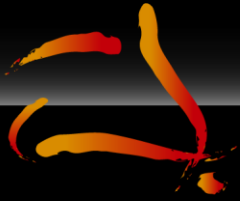
The disadvantage suffered by many Indigenous Australians is the product of historical disadvantage and has resulted in poverty, poor social conditions and a paucity of economic opportunity.

Economic participation and employment provides a pathway for Indigenous Australians to enjoy the same opportunities as other Australians.



The Opportunities are Real

It is anticipated by 2050, 50% of the population in Northern Australia will be Indigenous. The level of both current and anticipated minerals industry activity in Northern Australia provides an incredible opportunity for creating wealth and economies that Indigenous people will benefit from.



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Resource Sector -- Social and Economic Growth

A clear opportunity exists to leverage the increased economic activity associated with resource wealth to enhance the social and economic capacity so Indigenous people can become long term contributors to, and drivers of, regional and community development.

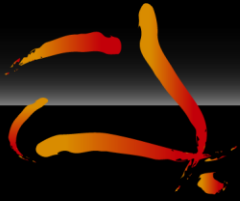
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Employment and The Industry

In Australia, the Resources industry provides direct employment opportunities as well as creates opportunities for Indigenous people to be employed by contractors and other industries. In 2006, Indigenous Australians made up 8% of the mining workforce.

Minerals Industry Indigenous Employment Research Project, Australian Government

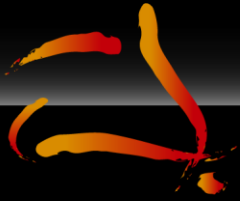


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Sector Biggest Employer of Indigenous People

This represents an increase from 2001 national census figures of 1.9%. The Australian minerals industry is the largest private sector employer of Indigenous Australians. Engagement at sites varies widely and is as high as 35%.



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Indigenous Contractors and Employment Rates

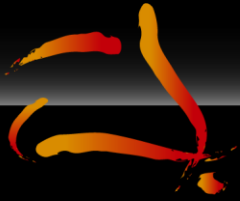
- **Aboriginal contractors working in the industry have Aboriginal employment rates. Pilbara's average is 45%.**
- **NPC had 80% Indigenous with the mine carrying 20%**
- **Mining companies with high percentages employment usually coincide with high number of Indigenous contractors**



Growth of the Indigenous Contracting Sector

More Indigenous owned firms are starting to develop, variously owned and operated by Aboriginal individuals, partners, families, communities or as joint ventures.

There is a strong move to establish more sustainable ventures, competing on a commercial basis with other supply chain companies. There are highly successful Indigenous businesses.



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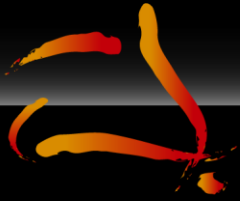


How Oil and Gas Industry Compares

- Oil and gas industry in Australia needs to catch up with mining in terms of indigenous engagement.
- RBY largest Indigenous organisation in sector – fought long and hard to get opportunity.
- Canada is leading the way in terms good models for the industry.

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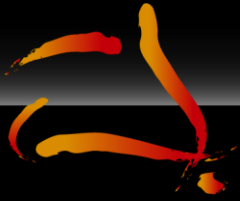
**BIGGEST CHALLENGE FOR RESOURCE COMPANIES IN
EXTERNAL ENGAGEMENT**

= The internal capacity problem

Culture, skills, systems, leadership

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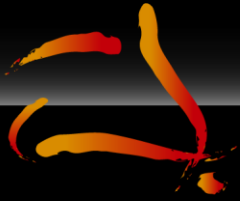
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DEVELOPING AND IMPLEMENTING A LOCAL INDIGENOUS PROCUREMENT STRATEGY

- **Develop a local procurement strategy**
- **Build internal capacity to deliver the strategy**
- **Identify opportunities**
- **Establish and manage contracts**
- **Grow local SME capacity**
- **Monitor**

University of Queensland: Procuring from SMEs in local communities report



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In summary, sharing the benefits from the oil and gas industry the following is required:

- **Company engagement and capacity**
- **Communities engaged in recognising the opportunities**
- **Government commitment (health, education, housing) to position Indigenous people to take advantage of economic activity**
- **Building business leaders and entrepreneurs**
- **Identifying and opening up business opportunities (ring fencing contracts, JVs etc)**



Beware of Power Trap

