

Boyer Lectures 2012

Lecture 1 - Changing the paradigm: Mining Companies, Native Title and Aboriginal Australians

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Part of [2012 Boyer Lectures](#)

In this first lecture Professor Langton explores the changing relationship between Aboriginal communities and mining companies since the 1993 Mabo agreement and native title legislation, and asks whether this could offer a model for the economic empowerment of all Indigenous people in Australia.

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IMAGE: [MARCIA LANGTON](#) (PATRICK HAMILTON PHOTOGRAPHY)

Transcript

The emergence of an Aboriginal middle class in Australia in the last two to three decades has gone largely unnoticed. While the numbers remain small, this change heralds an economic future for Aboriginal people, unimaginable fifty years ago. When WEH Stanner delivered the Boyer Lectures in 1968, *After The Dreaming: Black And White Australians—An Anthropologist's View*, he gave credence, perhaps inadvertently, to the widely held assumption at that time that Aboriginal life was incompatible with modern economic life. Today, the expectation is quite the reverse.

The policies of federal governments for the last decade have implied, and increasingly made explicit, the expectation that educational achievement and employability will be the key outcomes of spending in Indigenous Affairs portfolios. This is a view generally shared by most ordinary Australians.

But on the left, and among those opinion leaders who hang on to the idea of the new 'noble savage', the Aboriginal poverty is invisible, masked by their 'wilderness' ideology. They describe the Aboriginal situation through a romantic lens. Their unspoken expectation is that no Aboriginal group should become engaged in any economic development. I will return to these matters of Aboriginal poverty, welfare dependency and the 'wilderness' campaigns against economic development in the next lecture.

By the late 1980s, Indigenous policy and much public commentary in Australia was based on a paradigm which saw Aboriginal people as victims of a brutal colonial legacy, as residents of remote regions where they strove to maintain the vestiges of a traditional way of life, an endeavour in which they needed the support of government through income assistance schemes and other policies that would help them to stay on their traditional lands. Over the following two decades this paradigm came under increasing attack, led by Noel Pearson, on the grounds that it fundamentally misunderstood the nature of contemporary Aboriginal life in Australia, the problems facing Aboriginal people and appropriate policy responses.

Indigenous people came to be treated, not just as different, but exceptional, and inherently incapable of joining the Australian polity and society. The history of legislation and policy applied to indigenous people demonstrates this in a number of ways: not citizens until after the 1967 Referendum; the shameful effects of the nearly half century-old Community Development Employment Program (a work-for-the dole scheme); entrenchment of Aboriginal people in welfare dependency; and the NT Emergency Intervention; all these exceptionalist initiatives have isolated

the Aboriginal world from Australian economic and social life. The Mabo case, the Native Title Act and engagement with the mining industry have changed the assumptions of that paradigm and catapulted Aboriginal people engaged in the mining industry into the mainstream economy. I have worked at mine sites and witnessed this extraordinary change.

The Argyle Diamond Mine is the world's largest producer of diamonds. It sits atop and eastwards of a dramatic red mountain range to the south west of the Ord River Dam in the east Kimberley region of Western Australia. I have often approached it from the southwest, driving back from the Warmun Aboriginal community. The mine pit breaks the horizon with a sharp V cut into the ridgeline. The old Aboriginal women, who know the story and care about this place, with a vigilant regard for even the mine itself, look at it and think of the ever present Barramundi woman, Daiwul, just below the haul trucks circling down the huge excavation.

When I first went to the east Kimberley in 1980, I was deeply shocked at the poverty and racism that seemed then to be the unalterable fate of the Aboriginal people living in Kununurra, Warmun (or Turkey Creek, as it was known then) and the stock camps. Cruel, hard white men ruled the region, and their behaviour towards Aboriginal people in the townships was malevolent, random and without cause.

Still today, for most Aboriginal people there, life is hard, very hard.

My first visit to the Argyle Diamond Mine was in early 2000 when Rio Tinto Ltd was moving towards buying out the other shareholders. At that time, there were four Aboriginal employees. Two of them were gardeners. Two years later, there were many more. Among the people who made this change giving jobs to local Aboriginal people was the mine manager, Brendan Hammond, recently arrived from Namibia, and originally from the former Rhodesia, now Zimbabwe. Like other southern Africans, he had lived through the dismantling of apartheid and the independence movement in his own country as well as Namibia and Angola. He told me he was shocked at the racism in Australia, and that what he was dealing with in the vicinity of the mine was worse than anything he had encountered at home. The new Rio Tinto policy framework for engaging with Aboriginal people with respect for their rights gave him an extraordinary opportunity. He gave a direct order to the community relations staff to ensure that more Aboriginal people were employed. I attended a meeting with the staff of the mine in 2001 when discussions had commenced in earnest to identify jobs for Aboriginal people. With an undertone of aggression, a man said, 'We can't employ Aboriginal people because they have got problems with alcohol and they all have police records. This is a high security site. It wouldn't work.' Some shuffled subtly in their chairs and must have felt

embarrassed. Those who knew of the instruction from the manager must have been wondering 'how indeed would this work?' I said, 'The best thing to do would be to employ Aboriginal women. They don't have problems with alcohol or the police.' The response was a thick silence; but one man, the late Fred Murray, had a twinkle in his eye. When I next visited the mine, he made a great fuss about meeting me at the security gate. The security team was a group of tough local Aboriginal women, and Fred's face beamed with pride. Later, I learnt that they had busted the local police leaving the mine site for a weekend in Kununurra. They were caught with company bed linen in the boot of their police vehicle.

Brendan Hammond became a champion for the Aboriginal people of the east Kimberley. He revolutionised the culture of the Argyle Diamond Mine by opening the doors to Aboriginal people. Today, the rate of Aboriginal employment at that mine stands at 25 per cent of the total workforce. This remarkable change in the employment of Aboriginal people on mining projects accelerated throughout the first decade of this century. But is it threatened by the downturn in the mining sector, dependent as it is on China's demand for Australian resources?

In this lecture, I want to examine some of the significant changes in the Aboriginal world, changes due in some part to the changes in the mining industry. This story of the Aboriginal part in Australia's economic history begins in the protection era and ends with the collision of the Aboriginal remote world, the mining boom and incoherent government policies on Aboriginal economic development. Mining offers many indigenous populations a significant source of employment and contracting opportunities, as an alternative to the welfare transfers upon which many remote and regional Aboriginal communities depend.

We have a responsibility to ensure that what happens next is not a social and economic disaster for Aboriginal people. High costs, rising commodity prices and the economic downturn in China are the main factors that have slowed the mining boom of the last decade that has earned great wealth for Australia and instigated economic opportunities for Aboriginal entrepreneurs and workers. We need to understand the forces at work, the factors, historical and economic, that have produced the present situation.

We forget how recently Aboriginal people began to join the economy, moving from indentured and unfree labour status to full economic participation. In the 1960s laws changed. The 1967 Referendum on constitutional inclusion of Aboriginal people moved the policy momentum along, capturing the spirit of most Australians that demanded equal treatment and a fair go. Aboriginal people began to migrate from reserves, rural towns and fringe camps to the cities.

Aboriginal people entered the cash economy in greater numbers and more rapidly than ever before. In increasing numbers, Aboriginal people, for the first time, enjoyed the political and economic fruits of Australian citizenship: the social welfare safety net, some aspects of economic development, political representation, support for language and culture and government policy and funding to improve outcomes in health, education and sports.

In the last decade, the private sector, especially the resource extraction industries, have set bold Indigenous employment targets and to meet them, provided on the job training, contracting and procurement practices to ensure that Aboriginal people and their enterprises succeed.

There are hundreds of Aboriginal businesses, and even more Aboriginal not for profit corporations with income streams, delivering economic outcomes to their communities on an unprecedented scale.

In these lectures, I will examine the underbelly of the resources boom and the standing of the Indigenous population in the Australian economy—especially those who live in northern Australia and the remote regions which are the geographic heart of this activity.

Mining is the only significant industry in remote communities, and dependence on it may leave these communities in a precarious position when an operation closes. High levels of dependency on mining can be detrimental for Indigenous and rural and regional communities, so development aimed at increasing economic diversity is needed.

Now there is talk that the resources boom has peaked. How vulnerable to the mining downturn are these Aboriginal businesses?

In the last decade, mining companies and ancillary services have employed Aboriginal people and Torres Strait Islanders in larger numbers than ever before in Australian history. Some mining companies, for example Rio Tinto Ltd, Fortescue Metals Group and BHP Billiton, have developed recruitment and other labour force strategies in the last few years that have contributed to creating the largest Australian indigenous industrial workforce ever. Mid last year, in the Pilbara alone, Rio Tinto Iron Ore had over a thousand indigenous employees and Fortescue more than three hundred. As proportions of the total workforce in both these companies, about eight per cent of the employees are Indigenous. Nationally, Rio Tinto had about 1,500 indigenous employees, and is the largest private sector employer of indigenous people.

These and other companies, such as Woodside Energy, are also offering indigenous entrepreneurs unprecedented opportunities to tender for contracts. Rio Tinto Iron Ore Ltd and Fortescue awarded more than \$300 million last financial year to indigenous contracting companies in the Pilbara. Last year, it was estimated that there were 52 contracting companies owned by indigenous businesses or in joint ventures with indigenous companies. These companies are also employing indigenous people at an unprecedented rate.

Yet continuing high levels of disadvantage remain, even among Indigenous populations located near resource projects. It is vital that we understand constraints on Indigenous economic participation.

Many of Australia's largest mines are in very remote areas, with substantial indigenous populations living nearby and are often on indigenous land. Once a battleground between Aboriginal people fighting for basic rights and ruthless mining corporations unfettered by legislation to protect local people or the environment, an accord has been reached in many areas where native title rights have provided the leverage for negotiated settlements.

Historically the mining sector had a poor record of indigenous employment and this led to the mistaken assumptions that indigenous people were not interested in working in the mining industry and unable to acquire the skills to do so.

Earlier this year, with Matthew Gray of the Australian National University, I addressed the question: 'What has changed?' We found that there were three factors which made this mining boom different, and for the first time opened up the possibility of economic benefits flowing to local people who live near the sites of these mines.

First, the current mining boom is very large. According to Treasury, in 2010, about 27,000 jobs were created in the mining industry. It looks like the boom will continue for a number of years. Mines now being developed will create many more jobs and their economic benefits will flow on to regional centres.

Second, the boom has taken place during a period of very strong growth in the whole economy. The resulting tight labour market has meant that mining companies have had trouble finding employees. Many Australians don't want to work in the very remote areas of Australia, and many who do are working on a fly-in fly-out basis.

Third, mining companies are increasingly seeing indigenous employment as an important part of agreements to mine on indigenous land. It maintains the companies' 'social licence' to operate. Companies with many indigenous employees have often made significant investments in recruiting and training them. Rio Tinto Iron Ore has provided literacy and numeracy programs, family and community support programs and mentoring of Indigenous employees. These have all been critical to increasing indigenous employment. Until recently, Fortescue Metals Group guaranteed employment and home ownership to members of the traditional owner groups that have signed land access agreements and completed training courses provided by its Vocational Training Education Centre. Companies have often increased cultural awareness within their workplaces and reduced discrimination.

While these programs involve costs to mining companies, the companies have found that the business case stacks up. Outside the mining industry, more indigenous people have also been finding work in the economy as a whole. The health sector is a major employer of indigenous people.

The recent increases in Indigenous employment in the mining industry have occurred in the context of substantial increases in indigenous employment since the mid 1990s. Between 1994 and 2008, indigenous employment increased from about 30% of indigenous people of working age to about half of that population set in the national workforce. Much of this growth was in the private sector.^[1]

A number of factors have contributed to increased indigenous employment since the early 1990s recession. Key ones include the strong macro-economy which has created many new jobs and the combined efforts by government, community organisations and the private sector to increase the skill level and employability of indigenous Australians.

The mining industry has created opportunities to make enduring inroads into the gap in employment rates between indigenous and other Australians. It has established a model for expanding these opportunities across Australian society. Achieving this will require significant investment and commitments from both the private sector and governments. This will be crucial to the economic success and social stability of Australia in the Asian Century. Maintaining the gains, and the momentum of change brought by the resources boom could be transformative.

The demographic profile of regional and remote Aboriginal populations is overwhelmingly young: their future depends on their inclusion in the economy, through education and work. The young age profile of the national Indigenous population—approximately 58% of the Indigenous population are

under the age of 25 —means that there are large numbers of young people who will be reaching working age over the next decade. Australia cannot afford for this group of young people to be excluded from the benefits of paid employment as many of their parents were. For the first time there are large numbers of good, well paying jobs to be had in remote Australia.

Yet the responsibility for encouraging and funding education, health services, housing and other basic infrastructure lies with state and territory governments—which have historically neglected, and continue to neglect, the citizens of remote Australia, especially Aboriginal peoples. As John Taylor and Ben Scambary have reminded us, ‘Despite unprecedented labour demand...the capacity of local Indigenous people to benefit remains substantially constrained by their limited human capital.’

As Australia's resources boom has waxed and waned, its effects on indigenous people have been mixed. Scores of mines were commenced or expanded in the last decade, but in the last year, with the economic downturn in China, a few major expansions and projects have been delayed or closed, such as at Olympic Dam. Are we now in danger of losing the economic gains of the Aboriginal sector of the population—many driven, as we can see, by the private sector—of the last fifty years?

These questions loom large as governments and the finance sector come to terms—rather late in the piece—with the needs of the new Indigenous entrepreneurs. The governmental policy settings have been frozen for a long time in the apologetic 1970s view of the Aboriginal world. Now, almost fifty years after the first wave of policy reform, the stasis in indigenous policy threatens the fragile achievements of the Aboriginal workers and business people, by locking Aboriginal people out of the economy with policies that provide few incentives for participation and many disincentives. It is difficult to see how the federal policy on indigenous economic development is of any help at all in overcoming welfare dependency.

Government policies, media reportage and public attitudes have barely registered the extraordinary changes in the Aboriginal world of the last half-century.

First, the demographic and regional change in Aboriginal Australia in that period is remarkable: There is a growing difference between the indigenous population of the south and that of the north.

By 2040, half of the population of northern Australia will be indigenous. In the south, it will remain at about two or three per cent.

In 2012, indigenous people own 82 per cent of northern Australia in a variety of titles: pastoral leases, freehold, special leases, native title determinations and special Aboriginal freeholds, which include reserves converted to Trust arrangement and areas returned following successful land claims. Aboriginal pastoral properties are the second largest type of land holding in the Aboriginal domain.

The economic interests of indigenous and non-indigenous people in north Australia are closely aligned—mining, cattle and tourism are the industries that fuel the northern economy.

In the south, the predominant issues raised in the media and public domain by Aboriginal advocates concern human rights, reconciliation and ‘self-determination’. Practical issues—education, employment and health—take second place.

In the north, the predominant issues raised by Aboriginal advocates concern land acquisition, industry and commerce, education, training, employment, and health issues.

The rapid, if dispersed, industrialisation of remote Australia is changing the traditional balance of power between the cities and the bush. It is likely that the people of the outback will be less the stubborn, deprived victims of Pauline Hanson’s imagination, and more the avant-garde of a wealthier remote area workforce.

The shift of infrastructure from the east coast to the remote inland and west is striking. Our old and new mining towns are absurd contrasts of the primitive and modern. Since 1967 the mining industry has built twenty-six towns, twelve ports and additional bulk handling infrastructure at many existing ports, twenty-five airfields and over two thousand kilometres of railway line.

Australians mostly live in cities, far away from the mining provinces. They are also largely unaware of the great wealth they generate or the nature of twenty-first century industrial mining—the automation, giant machinery and capital intense way that minerals are now extracted from the ground.

An economic and cultural shift is happening in the inland, and it is barely sensed in the big cities.

How will our ways of life change as skilled workers are imported to cope with the domestic shortages? As the baby boomer generation retires, how will our cultures change? What will be urban Australia’s response to the Aboriginal north? These are the questions I have asked standing at a mine pit in remote Australia, peering over the edge.

It seems that the mining and allied metal industries are constantly the battle ground of public dramas. Indeed, this has been so since colonial times. In 1963, Geoffrey Blainey named one of his most popular books *The Rush That Never Ended* in which he reinterpreted the Eureka rebellion. The goldfields societies were the cauldron in which modern Australia brewed. It was gold that brought people to Australia and paid for banks and towns to be built. The lust for gold was responsible for an extraordinary population growth.

The Ophir gold rush was only the second major gold rush in the world after California and attracted prospectors from all over the globe to the Central West of New South Wales.^[2] Ballarat, Bendigo, Bathurst and a few other towns survived the gold rushes as thriving rural towns, but most did not. Many, such as Cooktown in Cape York, or Pine Creek in the Northern Territory, are quiet backwaters. There are ghost towns scattered across the country.

Mostly now though, the small outback towns are Aboriginal communities, as generation after generation from the old white families moved to the cities.

The demographic of the remote inland is becoming a majority Aboriginal world, broken up by islands of mine workers, and a few service towns.

After World War II, geologists and others (such as Lang Hancock) discovered a series of gargantuan ore bodies. These discoveries—iron ore in the Pilbara, bauxite in Cape York and Arnhem Land, for instance—heralded two developments in Australia: a vast expansion of industrial scale mining by corporations and conflict with local Aboriginal groups.

Whereas gold mining in the nineteenth century had been largely artisanal with diggers pitching their tents in the anarchy of the early goldfields, a different scale of mining such as at Broken Hill starting in the 1880s and at Mt Isa from the 1920s, represented the beginnings of the corporate mining industry that is driving the resources sector today. In the nineteenth century and for much of the twentieth century, mine operators and governments paid little regard to the detrimental impact of mining operations on neighbouring Indigenous people. Indeed, governments often removed Aboriginal people from the areas of mining operations to allow their unimpeded establishment and continuing operations.

In 1963 this began to change with a campaign against a mining company that joined Aboriginal people with churches, unions and international groups to protest at the treatment of Aboriginal people. The Queensland police burnt down the houses and church of the Aboriginal community

living at the Mapoon mission and forcibly relocated the residents to New Mapoon. It was clear that the government's intention was to remove the community to allow the unimpeded development of the bauxite mine at Weipa.

In the Northern Territory, in northeast Arnhem Land, a bauxite mining operation was imposed on the Yolngu people, who litigated and resisted for another forty years.

These events had lasting implications for relations between the Indigenous people and the mining industry. Several Aboriginal land councils were formed to prevent such occurrences and to obtain recognition of their rights to their traditional land including the North Queensland Land Council in 1977, and the Cape York Land Council in 1990.

Only an official apology by the Premier of Queensland and the successful negotiation of the Comalco Western Cape York Communities Coexistence Agreement with the Wik and other peoples in 2001 has overcome the legacy of the police operation at Mapoon in 1963. But this is to anticipate the advent of the recognition of native title.

Conflicts with Aboriginal people exploded in the 1980s.

Events in the Kimberley in 1980 at Noonkanbah also pitted the mining industry against Aboriginal people seeking to protect a sacred site when the Western Australian government ordered the drilling of the site by Amax Pty Ltd to pursue mineral exploration objectives. In 1978, elders and traditional owners established the Kimberley Land Council to obtain recognition of their rights to their traditional land and to prevent mining companies from proceeding without their approval.

Again, an international campaign protesting the desecration of Aboriginal sacred sites damaged the reputation of the mining industry. There were other similar events during the mining boom of the 1960s and 1970s.

The standing of the industry changed with the damage to its reputation. Whereas there had been few questions about the way the industry operated, and governments had encouraged the opening of new mining operations and exploration because of its contribution to economic growth, concerns were raised that caught the public imagination throughout the world as protests were delivered to national and international forums.

A view of the mining industry emerged among its critics that forced the industry to rethink its relationships with Australian Indigenous people. The rights of Indigenous people, cultural heritage,

environmental management, and the reputation of Australia as a first world nation with a fourth world underclass suffering at the hands of mining industry; all of these issues troubled those Australians who wanted a better deal for Indigenous people. Some in the mining industry and in government were sceptical about the purpose of what they saw as the 'politics of embarrassment', yet the incentives for the mining industry to build and maintain distinctive internal capabilities, such as the ability to handle and resolve social issues to maintain their mandate, grew, and this involved reconsidering their relationships with Indigenous people.

In the 1960s and 1970s, an earlier, smaller mining boom and recognition of Aboriginal rights to land in the Northern Territory, coincided. Lobbyists in the mining industry held that Aboriginal responses to the many proposals for exploration and mining were unreasonable because they were different from the conventional arrangements with land-owners and others impacted by the industry. The industry bodies of the day also insisted that Aboriginal objections to the rapid encroachment of mining operations into their domain was holding back economic development in Australia with the result that Aboriginal people were demonised in the industry. Gloomy investor forecasts contributed to the hateful attitudes towards Indigenous people. Some feared that a future of open-ended land claims by Aboriginal people would limit the expansion of the exploration and mining industry, and that the new land rights legislated for Aboriginal people would lead to unsustainable legal and financial consequences.

When mining company employees began to explore the reasons for Aboriginal opposition to mining in the 1980s, they discovered that many Aboriginal groups were not opposed to mining itself, but were concerned about the racist and inequitable situation of the past being replicated and consolidated in new ventures.

It was widely assumed that Aboriginal people were making ambit claims for land and financial returns to which they were not entitled, and many in the mining industry treated Aboriginal objections to mining proposals with contempt. The State governments had dealt with Aboriginal demands in less than constructive ways that further held back the possibility of mining companies and Aboriginal groups talking about the issues constructively.

Aboriginal people were opposed to the potential for worsening racial discrimination and abuse that so often accompanied mining projects imposed on them by state governments (such as the *Comalco Act* achieved in 1957 in western Cape York). Aboriginal people wanted guaranteed recognition of their inherent rights and entitlements, and acceptable terms and conditions for their cultural, social and economic futures.

At that time, legislation requiring that the mining industry consult with Aboriginal people about mining proposals did not exist in most states, and in the Northern Territory where the *Aboriginal Land Rights Act* had been introduced, the mining provisions had not been tested. The mining industry in Western Australia, where there were no Aboriginal rights, was expanding, with the Pilbara mining operations growing, and companies exploring for diamonds in the Kimberley and uranium in the Western Desert.

Indigenous people feared that their cultural heritage would be destroyed, the environment degraded and that their rights and interests as traditional owners would be lost as leases were obtained by mining companies. In making their objections, Indigenous people were fulfilling their customary responsibilities to 'look after country' and to protect and promote their cultural integrity and social vitality.

Mining companies had long discriminated against Aboriginal people, and there was little evidence that companies would provide employment for local Indigenous people.

It was the Mabo decision of the High Court on the 3rd of June, 1992, that changed this history of conflict.

The twentieth anniversary of the Mabo decision in the High Court has been celebrated throughout Australian indigenous communities this year. Mabo's legacy is profound.

Though unanticipated at the time, the Mabo decision and the Native Title Act provided a formal place at the table for Aboriginal people. These newly won native title rights have placed them in a key position in the market economy with companies seeking land access.

Aboriginal people have used the 'Right to Negotiate' provision in the Act to negotiate agreements for access to their land to great advantage, settling many thousands of agreements, many of them with mining companies and other resource extraction companies. There is no right of veto, but a seat at the table. This is where ingenuity and leadership counts. These agreements, such as between the Wik people and Comalco, amount to a bargain between Indigenous peoples and the mining companies, producing income streams—which in the best circumstances—could accumulate several billions of dollars for future generations, along with jobs and enterprise development, in return for the impacts of mining.[\[3\]](#)

By translating the recognition of their native title into tangible economic and social benefits for their communities, native title groups have achieved far higher levels of economic participation and wealth creation through employment and enterprise development.

The challenges that lie ahead, however, are complex. If I were to describe them in one phrase, it would be economic empowerment. How do we unlock the economic potential of these mining agreements? In one sentence, it would be to say that, if Aboriginal people had access to jobs and communities, had access to genuine economic and investment advice, and equality in education and training, this would enable Aboriginal people to participate in the market and accumulate wealth. Some Aboriginal assets would be converted to commercial assets with income streams. If this were to come about, there would be no 'gap', no alarming rates of disadvantage for Aboriginal people across most of the socioeconomic indicators. Some thousands of Aboriginal men and women who are working in the mining and other industries have imagined this future for themselves and achieved it. Why not all Aboriginal people? This—a rather large question with many facets—will be addressed in the forthcoming lectures.

[1] The health sector provides a large majority of the jobs taken by indigenous people joining the workforce in the last two decades.

[2] In 1852 alone, 370,000 immigrants arrived in Victoria and in just two years the State's population had grown from 77,000 to 540,000 and by 1871 to 1.7 million.

[3] At March 2012, there were 588 ILUAs registered with the NNTT.