



WHAT DOES THE CUSTOMER NEED/WANT?

Parry Agius - Chair AEMEE

**Mining Oil and Gas Local Procurement Forum
Perth March 2010**

Aboriginal Enterprises in Mining, Exploration and Energy Ltd

ECONOMIC EMPOWERMENT | COMMUNITY | PARTNERSHIP | COUNTRY

ABOUT AEMEE



- **Not for profit limited company**
- **Managed by a Board of Directors**
- **Conducts its business for the benefit of financial members**
- **A focus on:**
 - **increasing Aboriginal people involvement and interest in the resources industry through partnerships & commercial opportunities**
 - **Improving relations and understanding between Aboriginal people, Aboriginal corporations and the resource sector**
 - **Create opportunities for Aboriginal businesses to build wealth and assets and good will within the resource sector**
 - **Increase opportunities for Aboriginal businesses to develop, improve viable and profitable and successful businesses**

BROAD SOCIAL LICENCE PRINCIPLES



To gain and maintain approvals for Projects from the local community and society at large, thus having a “Social Licence to Operate” (“SLTO”) throughout construction, the operational life of the project and its closure

To assist the community to manage the social impacts which arise from all stages of the project’s life, especially given the potential increase in population at the beginning

To support the community to identify opportunities to derive benefit from all stages of the operation, thus assisting to build the local and regional economies

THE CHALLENGES



Respectful engagement

- Do companies take into consideration local issues before starting the engagement/negotiation process and do you listen or just tell people?

Effective Partnership

- Do Communities and Companies really believe in equal partnerships? Do we always appreciate who brings what to the table? Do we make allowances for differences/diversity/culture?

Equitable Negotiations

- Are the negotiation processes fair and equitable? Do some partners have greater negotiation capacity? Do people understand what could be on the table? Have we already made up our minds before going into negotiations and discussions?

THE KEY QUESTIONS



For Companies and Government

- Are we really exploring the unique/special opportunities the resource industry can bring to communities of interest?

OR

- Do Companies and Government still at times fall into the trap of taking on the role of “Benevolent Dictators”

WILL

- the creation of separate and relevant partnership agreements create the pathways for success in a big picture framework at the local level

PRACTICE WHAT WE PREACH THROUGH TWO WAY UNDERSTANDING



Partnerships for:

- community aspirations and companies SLO
- Pre-procurement
- Commercial partnerships
- SME contractual partnerships

Leads to

- Respectful Engagement
- Open & Effective Partnership
- Equitable Negotiations
- Working together to achieve possibilities

SUCCESSFUL PARTNERSHIP



have common interests *front and centre* for all to see:

Have an agreed vision (targets)

- unite in belief, unite in attitude, unite in agreed obligations
- processes for sharing information
- Internal mechanism and agreed processes
- managing grievances and internal disputes
- managing and keeping track of progress
- time tables, cost, partnership expenditure
- tools to address matters outside of partners control
 - behaviours, world issues, market issues

Partnership for Pre Procurement Preparation – where it begins



- Advise people early of up and coming contracts – before tenders are call so SMEs & community
- Work with local Aboriginal Businesses (local SMEs) to build a competitive and successful tenderers and ongoing contractors
- lay out the pathway and considers all phases of the operation – feasibility, construction, operation and closure
- Inform SMEs about the company's requirements & effective performance feedback processes
- commercial contracts – Can they be “broken up” to give SMEs a better change of winning business

WHAT DOES THE CUSTOMER NEED/WANT?



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