

Community Wealth Creation

The Fortescue Story

Community Wealth Creation

Fortescue's commitment

- The core commitment to the Aboriginal people of the Pilbara:
 - Step up for training and we will give you a good job and help you keep it.
- Fortescue, like BHP, Rio and other companies in the Pilbara, have within their grasp the starting point to the creation of sustainable wealth for any community: well-paid, skilled jobs in large numbers.
- How can this enormous possibility be leveraged for the benefit of Aboriginal community?

The Pilbara

- Iron ore companies have been operating in the Pilbara for over 40 years
- The benefits to the Aboriginal community have been limited
- The Equal Pay decision in the 1960s was instrumental in the loss of economic agency
- Aboriginal people have co-operated with heritage clearances for industry
- There has not been an investment in developing a skilled Aboriginal workforce

The Project

- FMG has built a mine, 250 kilometres of rail and a port facility in the last two years at a cost of more than \$3 billion
- The present project is based on a target on 55mta
- The new expansion project is based on 160mta
- Fortescue is committed to developing an Aboriginal workforce comprising a minimum of 20% of operational staff

The Agreements

- The State Agreement commits Fortescue to a residential workforce and support for a diverse regional economy
- The Land Access Agreements with the native title groups commit Fortescue to substantial outcomes in Aboriginal training, employment, business development, support for Aboriginal contractors and royalties

Aboriginal Employment Policy

- Aboriginal people are given preference for employment in operational roles
- Preference for Aboriginal people who can perform the role adequately
- Order of priority: claim group members, other Pilbara people and others
- We have a STEP contract to employ 336 Aboriginal workers over the next two years
- There is a staff of 20, 12 are Aboriginal

Vocational Training and Employment Centre

- VTEC helps Aboriginal people get a job in the FMG project
- Facilitates job readiness and work skills training
- A guarantee of employment for those who successfully complete a training program
- Positions in mine, rail, port and housing have been identified as Aboriginal positions
- A partnership with government
- VTEC is located at Pundulmurra College, an Aboriginal TAFE

VTEC Support

- Provides support services to trainees, employees and other staff
- Support workers maintain close contact with trainees and employees
- Support supervisors provide support to operational supervisors and managers
- There are 800 Aboriginal people on our data base wanting a job
- 15-20 per day visit VTEC and ask for a job or a place in training
- There are currently over 100 Aboriginal employees, 53 in training courses at VTEC and 64 more MPOs will trained in Perth in the next five months

Fortescue VTEC Services

- VTEC Services aims to provide a range of employment opportunities for those who do not want to work in operational roles
- Landscaping, fencing, horticulture, renovations
- VTEC Services provides the participants flexible engagement, training, and employment through a project based contracts
- Drivers' licences program

Aboriginal Business Development

- The program aims to increase the number of business opportunities available to native title group members and existing Aboriginal contractors
- The BD unit gathers data about the technical and commercial capacity of Aboriginal contractors and assists where necessary
- Where capacity is insufficient for projects contracts then the unit helps with JV, partnership or sub-contracting arrangements
- Where there is no capacity then we consider other models of BD, eg the rehab project at Cloudbreak
- Other projects: rehabilitation at the minesite, landscaping, water management, waste management

Other projects

- Mobile training facility
- Aboriginal café
- Planning to relocate AAO to Pundulmurra
- Other facilities: childcare, early childhood education, after school care artists' studio
- Liaise with Australian Children's Trust

Community Wealth

- Fortescue engages with the Aboriginal economy in ways that go beyond the economist's calculation of the stock of physical or financial assets
- Aboriginal employment is at the centre of our strategy
- We are developing programs that focus on health and education, ie.. the human capital of the community
- The VTEC story provides another perspective on the 'passivity of disadvantage' - 800 Aboriginal people have come to us and asked for a job, and not just because Job Futures has sent them.
- The existence of a large economic opportunity in the community has moved people to get jobs.

Housing

- Housing is a critical barrier for Aboriginal employment.
- Industry is dominating the housing market to the exclusion of Aboriginal people and non-industry employees. Rents range from \$800-2000 per week
- FMG needs 500 houses and BHP needs 1300 over the next few years.
- Fortescue has embarked on a substantial project to address the availability of land and the cost of housing
- The Aboriginal community needs a 'parallel housing economy' where rents and house prices are within their means and suits their needs.
- VTEC is training Aboriginal people to work in building and construction

What is to be done?

- We all know there is no magic bullet
- There is much work to be done on a core set of relationships
- There needs to be a robust partnership between the Aboriginal community, government and industry to deliver on employment, housing, health and education.
- Process Vs outcomes; ideas Vs actions. The RPA-TWAF story.
- The future of the Pilbara is going to be awash with money – we need to do better to ensure that the present riches become community wealth for future generations