

### 3. Indigenous participation in the regional labour market

Indigenous participation in the Pilbara labour market is long-standing and stems from the first incursion of pastoralists and miners into the region in the latter part of the nineteenth century (Holcombe 2004; Wilson 1980). Within more recent history, however, the significant development was the eviction of Indigenous labour from the pastoral industry, a process that commenced with the declaration of the equal pay award in 1968 (Edmunds 1989: 28). While this shedding of labour has yet to be replaced by any firm engagement of Indigenous people in the regional labour market, the current expansion of mining activity combined with the framework of agreement-making and corporate resolve to employ Indigenous workers has the potential (in terms of scale at least) to offer unprecedented opportunity for enhanced Indigenous participation. While this current impetus is generated by mining and related activities, it should be remembered that the contemporary expansion of the regional labour market has also been associated with the growth of tourism, provision of government services, and the Indigenous community sector.

The rich and diverse history of Indigenous engagement with the labour market reveals a population achieving highly varied outcomes, balancing pressures to survive in the modern economy with the need and desire to retain culture, and moving, as a consequence, between many employment niches in all sectors including mining, pastoralism, private business and community organisations (Olive 1997). Others saw themselves as simply excluded from opportunity (see Interview segment 6, p. 58; Interview segment 13, p. 61), a view supported by more formal analyses of the historic record (Cousins & Nieuwenhuysen 1984: 131–40). Whatever the circumstances, the net effect, despite substantial growth in economic activity and employment opportunity in the Pilbara since the 1960s, is that the overall employment rate for Indigenous people rose only slightly from 38 per cent of all adults in 1971 to just 42 per cent in 2001. This compares with equivalent figures for non-Indigenous adults in the Pilbara of 81 per cent and 80 per cent respectively. Thus, over the past 30 years, the rate of Indigenous employment in the Pilbara has risen from just less than half of the non-Indigenous rate to just slightly over half. In terms of numbers, non-Indigenous employment has risen from 16 352 in 1971 to 19 671 in 2001, while Indigenous employment increased from 814 to an estimated 1808. However, much of the growth in Indigenous employment, certainly through the 1990s, was due to increased participation in the Community Development Employment Projects (CDEP) scheme. It is therefore necessary to adjust for this in any discussion of employment gains. Before reviewing the present composition of the regional workforce it is also necessary to establish some basic population parameters.

Given the nature of the regional economy and its part-dependence on a peripatetic workforce, we have to be clear about which workforce population is being referred to in any analysis. This is because of the distinction between individuals who consider the Pilbara to be their usual place of residence, as opposed to those who might be counted in the Pilbara on census night but whose usual place of residence is actually elsewhere. This latter group can include many FIFO workers as well as others who acquire short-term contract work, or who service the region from an outside base. While such individuals experience high turnover, as a group they comprise a vital and constant structural component of the regional labour market (Storey 2001). Any discussion of workforce levels and composition must, where appropriate, include such elements.

While this much seems unequivocal, accurate data on this mobile workforce for the region as whole is difficult to compile as this would ideally require the bringing together of disparate company records. As a fall-back, census data can be used to estimate the size of the temporary workforce. Thus, in 2001, the number of employed adults counted in the Pilbara on census night was 13 per cent greater than the number of workers who indicated that the Pilbara was their usual place of residence. At face value, then, it might be suggested that any difference between population counts by employment status provides for an indirect measure of the temporary workforce. On this basis, the size of the census-derived temporary workforce in 2001 would have been around 2500, or 11 per cent of the total. Virtually all of these would have been non-Indigenous workers since Indigenous usual residence counts and place of enumeration counts were very similar.

While the regional labour market has grown in both size and complexity, Indigenous participation has remained relatively marginal. In effect, the past 30 years have witnessed a shift from an almost total reliance on the private sector for employment (mostly in the pastoral industry), to increased reliance on the government sector in the form of CDEP and the community services industry. Beyond this, as noted, only 30 per cent of Indigenous adults participate in the mainstream labour market compared to 80 per cent of non-Indigenous residents, and a rising share of this mainstream employment is now in the mining industry. This structural gap in employment, together with overall low levels of Indigenous labour force participation, has significant consequences for current Indigenous economic status.

In this context, one question that looms large is whether the targets set by Pilbara Iron and other companies for recruiting Indigenous labour have the capacity to lead to improvement in overall regional labour force and economic status. This is not to suggest that such goals should necessarily be met by mining company employment strategies alone, rather that even despite these strategies it is possible that effecting overall change in regional labour force status may prove to be

intractable. The essential background to considering this question is one of projected growth in the Indigenous working-age population set against likely future employment demand and labour supply. To explore this we begin by estimating current levels of Indigenous labour force status.

## Regional labour force status: rates and estimated levels

Rates of labour force status are presented in Table 3.1. for Indigenous and non-Indigenous residents of the Pilbara, using 2001 Census usual residence counts. Also provided are estimates of 2001 labour force status levels derived by applying the census-derived rates to the respective Indigenous and non-Indigenous adult ERPs. This compensates for census undercount. Three standard indicators of labour force status are established:

- the employment to population ratio, representing the percentage of persons aged 15 years and over who indicated in the census that they were in employment (either in CDEP or mainstream work) during the week prior to enumeration;
- the unemployment rate, expressing those who indicated that they were not in employment but had actively looked for work during the four weeks prior to enumeration, as a percentage of those aged 15 years and over;
- the labour force participation rate, representing persons in the labour force (employed and unemployed) as a percentage of those of working age.

**Table 3.1. Labour force status rates and estimated levels<sup>a</sup> for Indigenous and non-Indigenous residents of the Pilbara, 2001**

	Employed		Unemployed	Not in the labour force	Total 15 +
	CDEP	Mainstream			
Census rates					
Indigenous	12.3	30.2	8.0	49.5	100.0
Non-Indigenous	0.1	80.3	3.0	16.6	100.0
Estimated levels					
Indigenous	524	1284	339	2108	4256
Non-Indigenous	20	19 651	731	4058	24 460

<sup>a</sup>Based on ERP.

Overall, in 2001, an estimated 1808 Indigenous adults were employed, with 71 per cent of these in mainstream work. From these data, a further 339 were unemployed and actively seeking work, while 2108 were not in the labour force. Interestingly, this estimate of unemployed numbers is far lower than the 670 Indigenous Centrelink clients in the Pilbara who were in receipt of Newstart payments in 2005. Even though these data refer to different points in time, this discrepancy is significant after accounting for variation in the definition of unemployment in the two collections. Why such a gap should occur is not known. One possibility is that many Newstart clients were exempt from activity

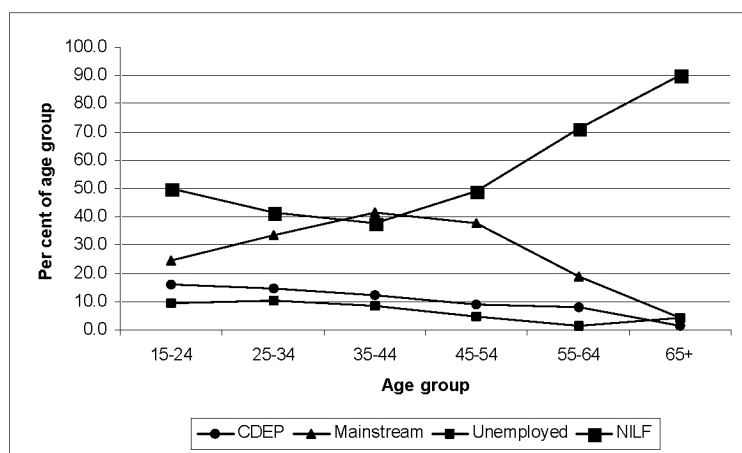
testing and may have been recorded under 'CDEP' or 'Not in the Labour Force' in census data. At the same time, the estimate of 524 employed in CDEP is way below the figure of 1032 Indigenous participants recorded by ATSIC in Pilbara CDEP schemes at the time of the 2001 Census. Once again, it is not known why this discrepancy occurs, but it may reflect the fact that the census records employment in the 'last' week, while CDEP work is intermittent and predominantly part-time.

Indeed, given the administratively-determined nature of much Indigenous economic activity in the region, the boundaries between officially recorded employment, unemployment, and consequent labour force participation, are sufficiently blurred to require approaching all these data with some caution. They are best seen as rough estimates rather than as robust measures. Of interest, though, is the fact that each of the census-based Indigenous labour force status rates for the Pilbara are almost identical to the Western Australia Indigenous state average. It should also be noted that current (2005) figures for the five CDEP schemes in the region based on administrative data indicate a total of 550 participants, which is very close to the census-based estimate derived above.

It is clear that the Indigenous labour force is much smaller than the non-Indigenous labour force, and disproportionately so as Indigenous adults comprised only 9.5 per cent of the resident regional labour force despite accounting for 15 per cent of the resident adult population. Of course, if we now add the estimated 2500 non-Indigenous non-residents who are employed in the region on temporary arrangements as in our previous calculation, then Indigenous people would account for an even lower share of the effective regional labour force.

Of particular interest for social impact planning is the distribution of labour force status by age. This is shown in Fig. 3.1 for Indigenous adults in the Pilbara with the actual rates provided in Table 3.2. The most striking feature is that those outside of the labour force comprise the largest single category in all but the 35–44 age group. This is especially noticeable among young adults aged 15–24, half of whom are outside of the labour force. The main reason for this at older ages is a steady falling off in labour force participation beyond age 54, with mainstream employment declining substantially. Thus, those most active in the labour market are in the fairly narrow age range of 35–44 years. As far as CDEP is concerned, there does appear to be some relationship between participation and age with rates highest among those aged 15–24 and declining steadily thereafter.

**Figure 3.1. Labour force status rates by age group: Indigenous adults in the Pilbara, 2001<sup>1</sup>**



Source: ABS 2002b.

**Table 3.2. Labour force status rates by age group: Indigenous adults in the Pilbara,<sup>a</sup> 2001**

	CDEP	Mainstream	Unemployed	NILF <sup>b</sup>	Total
15-24	15.9	24.7	9.6	49.8	100.0
25-34	14.7	33.7	10.3	41.3	100.0
35-44	12.4	41.5	8.6	37.6	100.0
45-54	8.8	37.6	4.7	49.0	100.0
55-64	8.1	19.0	1.4	71.4	100.0
65+	1.4	4.3	4.3	89.9	100.0

<sup>a</sup>Based on place of enumeration

<sup>b</sup>NILF = not in the labour force.

Source: ABS 2002b.

## Dependency ratios

Measures of the potential economic implications of a given age structure can be combined with data on labour force status to produce a range of dependency ratios. These are shown in Table 3.3 for the Indigenous population of the Pilbara in 2001, with comparisons drawn from Western Australia as a whole. The *childhood dependency* ratio is the simplest of these measures and expresses the number of children in the population (aged 0–14 years) as a ratio of the working-age population (defined here as aged 15–55 given the significance of premature adult mortality). A ratio of 1.0 would indicate that the size of the two age groups is the same and that there is one person of working age for every child. A figure greater than 1.0 indicates more than one child to each person of working age, and less than 1.0 indicates less than one child to each person of

<sup>1</sup> Based on place of enumeration.

working age. Obviously, this only provides an indication of potential economic providers to dependents as it takes no account of the economically inactive.

**Table 3.3. Dependency ratios for the Indigenous population of the Pilbara and Western Australia,<sup>a</sup> 2001**

Dependency ratio	Pilbara	Western Australia
Childhood dependency	0.6	0.7
Childhood burden	1.2	1.6
Childhood burden (excl. CDEP)	1.8	2.3
Dependency ratio	2.0	2.2
Economic burden	2.6	2.9
Economic burden (excl. CDEP)	3.7	4.8

<sup>a</sup>Based on place of enumeration.

Source: ABS 2002b.

In the Pilbara, the childhood dependency ratio was 0.6 which is broadly similar to the 0.7 reported for Indigenous people generally in Western Australia. In effect, there are 0.6 Indigenous children to each Indigenous adult of working age. While this may appear to be a favourable ratio at one level, it represents far more children per adult compared to the ratio of 0.3 recorded for the non-Indigenous population of the region.

More refined measures of dependency attempt to incorporate some indication of the ability of working-age adults to support others. The childhood burden, for example, is defined as the ratio of the number of children to the number of employed persons. Once again, a figure of 1.0 indicates parity. According to census-based estimates, there were 1.2 Indigenous children to each employed adult if all those engaged by the CDEP scheme are considered to be in employment. However, if this calculation is based on those employed only in non-CDEP work the ratio rises to 1.8. The fact that the equivalent ratio for all Indigenous people in Western Australia was higher again at 2.3 underlines the fact that non-CDEP work is a relatively important support mechanism for large numbers of Indigenous child dependents in the Pilbara.

Another measure is provided by the dependency ratio, which represents the ratio of children and economically inactive adults to adults in the labour force (those employed plus those unemployed). This produces an average of 2.0 dependents per economically active person, although if the focus were solely on those in mainstream employment the dependency ratio would be much higher at 3.4.

Finally, the economic burden is a ratio of the number of children and economically inactive persons (including here those unemployed) to employed persons. This shows that for each employed Indigenous person (including those in the CDEP scheme) there are 2.6 other Indigenous people who are not employed, a figure close to the state average. If, however, those in CDEP are excluded from

the economically active then the economic burden in the Pilbara rises to 3.7 dependents per income earner, although this is still below the state average.

From a regional planning perspective, then, the youthful Indigenous age profile is a key demographic feature when set against the relatively poor labour force status of Indigenous adults. In effect, there are almost four dependents, on average, for each Indigenous employee in the mainstream labour market. In the local context of access to resources and consumer spending, this represents a notably higher economic burden for the regional Indigenous population than recorded for non-Indigenous residents (0.6 dependents per income earner) with whom Indigenous residents can draw direct comparison.

## Industry sector

Private sector economic activity dominates the Pilbara labour market and accounts for as much as 81 per cent of locally-resident employees. As noted earlier, Indigenous employment was also mostly in the private sector up to the 1970s, but with structural change in the pastoral industry and limited intervening opportunities found in the mining sector, the trend for the Indigenous workforce has subsequently been towards greater reliance on the public sector for employment. As Table 3.4 implies, only half (49%) of Indigenous employees in the Pilbara are now engaged in the private sector. Almost one-third (31%) are now employed by CDEP, while state government employment accounts for 13 per cent of the Indigenous workforce. This relatively distinct composition of employment by industry sector is reflected in the distribution of part-time and full-time work. Almost half of all Indigenous employment is part-time only (compared to just 27% overall), and a major reason for this is the reliance for much employment on CDEP.

**Table 3.4. Indigenous employment by industry sector and hours worked:<sup>a</sup> Pilbara SD,<sup>b</sup> 2001**

	Number			Per cent		
	Part Time	Full Time	Total	Part Time	Full Time	Total
Commonwealth government	10	24	34	29.4	70.6	100.0
State government	79	103	182	43.4	56.6	100.0
Local government	18	28	46	39.1	60.9	100.0
Private sector	222	456	678	32.7	67.3	100.0
CDEP	350	86	436	80.3	19.7	100.0
All workers	679	697	1376	49.3	50.7	100.0

<sup>a</sup>Excludes industry sector and hours worked not stated

<sup>b</sup>Based on place of enumeration.

Source: ABS 2002b.

Aside from CDEP, this portrayal of Indigenous employment by industry sector masks a very important component of the Indigenous labour market that has

been labelled elsewhere as the Indigenous community organisation sector (Rowse 2002). This sector is significant not only for its growth over the past three decades, but also for the fact that employment levels in Indigenous community organisations have invariably been counter to economic cycles as they are dependent more on government funding regimes and the flow of localised private sector monies, not least based around such initiatives as mining agreements. In the 1994 National Aboriginal and Torres Strait Islander Survey (NATSIS), an estimated 11 per cent of Indigenous people who were employed in the Ngarda Ngarli Yarndu ATSIC Region reported that they were employed by an Indigenous community organisation. The equivalent proportion in the Warburton ATSIC Region (the northern half of which falls within the Pilbara SD) was 58 per cent. While no more recent similar data exist, Table 3.5 comprises a list of Indigenous organisations in the Pilbara in 2004 in order to provide a measure of the likely scale and scope of employment in this sector. If each of these employed just three Indigenous workers, this would amount to more than the Commonwealth and Western Australian Government sectors combined.



**Table 3.5. Indigenous Organisations in Pilbara SLAs, 2004**

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**Port Hedland SLA**

Pilbara Aboriginal Chamber of Commerce  
Pilbara Meta Maya Regional Aboriginal Corporation  
Pilbara Native Title Service/Yamatji Marlpa Maaja Aboriginal Corporation  
Wangka Maya Pilbara Aboriginal Language Centre  
Western Desert Purntupukurna Aboriginal Corporation  
Jinparinya Aboriginal Corporation  
Marta Marta Aboriginal Corporation  
Mugarinya Community Association  
Tjalka Boorda Community  
Tjalka Waru Community  
Bloodwood Tree Association (Inc)  
IBN Corporation P/L (Foundation)  
Marapikurrinya Aboriginal Corporation  
Mulba Radio (Port Hedland Indigenous Media Aboriginal Corporation)  
Ngarda Ngarli Yarndu Foundation  
Pilbara Arts, Crafts and Designs Aboriginal Corporation  
Pilbara Indigenous Women's Aboriginal Corporation  
Port Hedland Regional Aboriginal Corporation  
Port Hedland Sobering Up Centre Inc.  
Punju Ngarugudi Njamal  
Wirraka Maya Aboriginal Corporation-Aboriginal Health and Medical Service  
Yandeyarra Aboriginal Pastoral Company Pty Ltd  
Yandeyarra Aboriginal Store Pty Ltd  
Hedland CDEP Aboriginal Corporation  
Mugarinya Community Association (CDEP)  
Pilbara Meta Maya Regional Aboriginal Corporation (CDEP)

**Roebourne SLA**

Mawarnkarra Health Service  
Bumajina Aboriginal Corporation  
Bujee-Nhoor-Pu Aboriginal Cultural Enterprise  
Ieramugadu/Mt. Welcome Pastoral Company  
Jukuwarlu Aboriginal Corporation  
Manga Thandu Maya-Roebourne Safe House  
Marra Gootharra Aboriginal Corporation  
Mingga patrol  
Minimurghali Mia Education Centre  
Ngarluma/Yindjibarndi Foundation  
Oondoomarra Ngarluma Aboriginal Corporation  
Pilbara Aboriginal Church  
Roebourne Sobering Up Shelter  
Roebourne Youth Centre  
Warba Mirdawaji Arts Group  
Warawarni-Gu (Healing) Art  
Yaandina Family Centre  
Yathalla Group Aboriginal Corporation  
Cheeditha Group Aboriginal Corporation  
Mingulltharndo Aboriginal Corporation  
Weymul Aboriginal Corporation  
Ngarliyarndu Bindirri Aboriginal Corporation (CDEP Roebourne)

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**Ashburton SLA**

Buurabalyi Thalanyji Aboriginal Corporation  
Gumala Aboriginal Corporation  
Jundaru Aboriginal Corporation  
Walyun Mia – Onslow Safe House  
Wanu Wanu  
Bindi Bindi Community  
Ngurawaana Aboriginal Corporation  
Wakathuni Aboriginal Corporation  
Bellary Springs  
Youngalina Banyjima Aboriginal Corporation  
Ashburton Aboriginal Corporation (CDEP Tom Price)  
Ashburton Aboriginal Corporation (CDEP Onslow)

**East Pilbara SLA**

Irrungadji Group Association  
Jigalong Community Inc.  
Kiwirrkurra Community  
Kunnawarritji Aboriginal Corporation  
Mirtunkarra Aboriginal Corporation  
Nomads Charitable & Education Foundation  
Parrngurr (Cotton Creek)  
Pipunya Community Inc.  
Parnpajinya Aboriginal Association  
Punmu Aboriginal Corporation  
Warralong Aboriginal Corporation

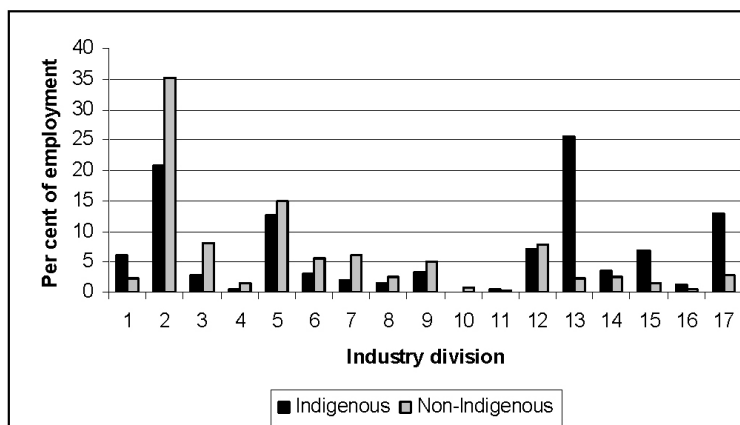
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Source: Pilbara Development Commission.

## Industry and occupation

In the final analysis, employment is a means to personal income generation, with the amount generated is determined largely by occupational status. In turn, the availability of particular occupations within the region is partly related to the industry mix of economic activities. Thus, the relative distribution of Indigenous and non-Indigenous employment by industry and occupational category is a vital feature of participation in the regional labour market and this is shown in Figs. 3.2 and 3.3 for male and female workers respectively.

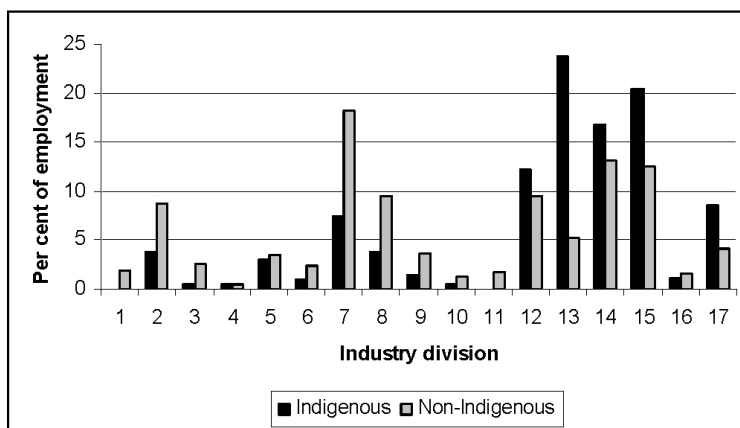
**Figure 3.2. Distribution of Indigenous and non-Indigenous male employment by industry division: Pilbara SD, 2001**



Source: ABS 2001 Census customised tables.

Key: 1. Agriculture, Forestry and Fishing; 2. Mining; 3. Manufacturing; 4. Electricity, gas and water; 5. Construction; 6. Wholesale Trade; 7. Retail Trade; 8. Accommodation, cafes and restaurants; 9. Transport and Storage; 10. Communication Services; 11. Finance and Insurance; 12. Property and Business Services; 13. Government Administration and Defence; 14. Education; 15. Health and Community Services; 16. Cultural and Recreational Services; 17. Personal and Other Services.

**Figure 3.3. Distribution of Indigenous and non-Indigenous female employment by industry division: Pilbara SD, 2001**



Source: ABS 2001 Census customised tables.

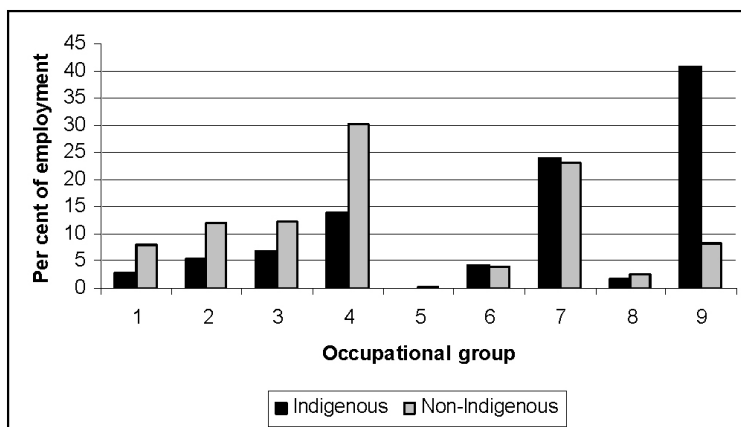
Key: 1. Agriculture, Forestry and Fishing; 2. Mining; 3. Manufacturing; 4. Electricity, gas and water; 5. Construction; 6. Wholesale Trade; 7. Retail Trade; 8. Accommodation, cafes and restaurants; 9. Transport and Storage; 10. Communication Services; 11. Finance and Insurance; 12. Property and Business Services; 13. Government Administration and Defence; 14. Education; 15. Health and Community Services; 16. Cultural and Recreational Services; 17. Personal and Other Services.

The overwhelming importance of employment in the mining industry for non-Indigenous males is clearly demonstrated with direct employment in the industry accounting for more than one-third of the regional non-Indigenous

male workforce. Mining is also of significance for Indigenous males, though it is outweighed as the primary employer by government administration (which mostly reflects ABS census coding for CDEP work). Construction industry employment (much of it tied to mining activity) is also prominent for both Indigenous and non-Indigenous males, while something of a historical legacy is evident in the greater representation of Indigenous males in agriculture and their relative absence from manufacturing. These variations contribute to relatively high indices of dissimilarity, especially for males. In short, if the Indigenous workforce were to participate in the industry mix of the regional labour market in the same fashion as non-Indigenous workers, then according to the index of dissimilarity more than one-third of them (38%) would need to change their industry of employment. Obviously, this would represent a substantial restructuring. The pattern of regional employment appears to be much more segregated between Indigenous and non-Indigenous women. The former are heavily concentrated in government administration (CDEP), education, and health and community services, and are notably absent, when compared to their non-Indigenous counterparts, from mining, retail trade, accommodation, and transport and storage industries.

A similar scale of difference in workforce participation is evident in respect of occupational distributions (Figs 3.4 and 3.5). Among males, the overwhelming pattern is one of under-representation of Indigenous workers in managerial, professional and trade occupations, and their substantial over-representation in labouring jobs. While much of the latter arises from the ABS tendency to code CDEP scheme workers as labourers and related workers, the contrasting distributions focused on either end of the occupational scale provide one measure of the skills differential between Indigenous and non-Indigenous males. The pattern of female occupational distribution is less diverse, although it is true that Indigenous women experience double segregation in the labour market since (as women) they gravitate to the same sex-segregated occupations as their non-Indigenous counterparts. However, Fig. 3.5 shows that Indigenous women are more heavily concentrated than other females in intermediate level clerical jobs while the relative proportions of para-professionals are reasonably close, certainly more so than among men. This is reflected in a lower index of dissimilarity between female workers compared to male (24.2 compared to 34.0).

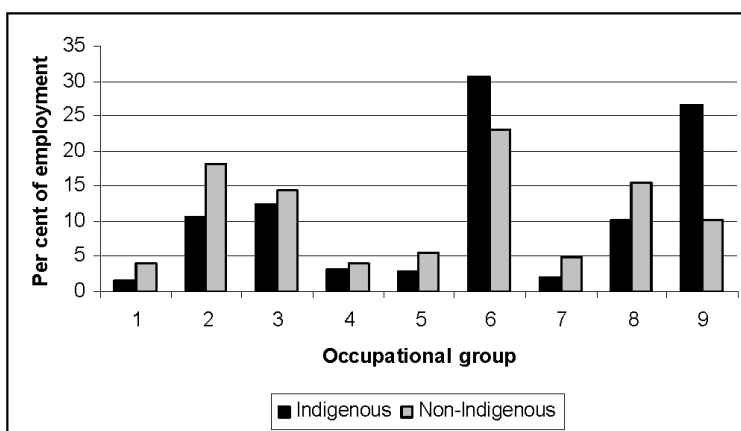
**Figure 3.4. Distribution of Indigenous and non-Indigenous male employment by occupational group: Pilbara SD, 2001**



Source: ABS 2001 Census customised tables.

Key: 1. Managers and Administrators; 2. Professionals; 3. Associate Professionals; 4. Tradespersons and Related Workers; 5. Advanced Clerical and Service Workers; 6. Intermediate Clerical, Sales and Service Workers; 7. Intermediate Production and Transport Workers; 8. Elementary Clerical, Sales and Service Workers; 9. Labourers and Related Workers

**Figure 3.5. Distribution of Indigenous and non-Indigenous female employment by occupational group: Pilbara SD, 2001**



Source: ABS 2001 Census customised tables.

Key: 1. Managers and Administrators; 2. Professionals; 3. Associate Professionals; 4. Tradespersons and Related Workers; 5. Advanced Clerical and Service Workers; 6. Intermediate Clerical, Sales and Service Workers; 7. Intermediate Production and Transport Workers; 8. Elementary Clerical, Sales and Service Workers; 9. Labourers and Related Workers.

The data in Figs. 3.4 and 3.5 reveal only the broad outlines of the regional labour market. Each of these classifications can be disaggregated into more detailed descriptions of industry and occupation in a way that highlights the particular jobs that Indigenous and non-Indigenous workers congregate in. For example,

the Australian and New Zealand Standard Industrial Classification (ANZSIC) that the ABS uses to categorise industries can be broken down into 635 individual industry classes, while the Australian Standard Classification of Occupations (ASCO) is reduceable to 340 occupational unit groups. In identifying key components of the Pilbara labour market, both ANZSIC and ASCO categories utilised here.

When examined at this level of detail, the distribution of employment in the Pilbara, for both Indigenous and non-Indigenous workers emerges as even more concentrated into relatively few individual industries and occupations. Table 3.6 shows the top 20 industry classes (based on numbers employed) listed in rank order for both sets of workers. These top 20 out of 635 industries account for as much as two-thirds of all Indigenous employment, and approaching half (49%) of all non-Indigenous employment. Industries marked in bold indicate those that are common to the Indigenous and non-Indigenous lists; all others are unique to one list or the other. Thus, half of the top 20 employing industries are common to both Indigenous and non-Indigenous workers and, not surprisingly, many of these (such as iron ore mining, supermarkets, primary education, and hospitals) are major regional employers.

However, there are notable differences indicating significant structural breaks in the labour market. For example, Indigenous people are absent from certain components of mining and trade-based industries, as well as from key elements of the tourism sector such as cafes and restaurants. By contrast, they are more likely to be found in municipal-type service industries such as non-residential care, gardening, and waste disposal services, some of which are the result of entry-level employment and training programs sponsored by mining companies. Examples include the Ieramugadu Corporation at Roebourne that has provided contract gardening maintenance and clean-up services to Pilbara Iron port operations at Dampier, and the Martu Contract Gardening project at Newman developed by BHP Iron Ore and the Western Desert Puntukurnuparna Aboriginal Corporation. At a stroke then, the relative absence of Indigenous people from some of the region's top employing industries indicates that a significant contribution to the relatively poor labour force status of Indigenous people is their failure to achieve parity participation across the full range of activities associated with the region's key economic sectors.

**Table 3.6. Rank order of top 20 industries of employment: Indigenous and non-Indigenous workers in the Pilbara SD, 2001**

Indigenous	No. employed	Non-Indigenous	No. employed
<b>Local Government Administration</b> <sup>a</sup>	262	<b>Iron Ore Mining</b>	3515
<b>Iron Ore Mining</b>	113	<b>Primary Education</b>	551
Interest Groups, nec	59	<b>Supermarket and Grocery Stores</b>	526
Non-Residential Care Services, nec <sup>b</sup>	56	<b>Accommodation</b>	442
<b>Primary Education</b>	54	Non-Building Construction, nec	410
<b>Cleaning Services</b>	40	Cafes and Restaurants	351
Gardening Services	33	<b>Hospitals</b>	304
Central Government Administration	28	Electrical Services	272
Road and Bridge Construction	27	Secondary Education	271
<b>State Government Administration</b>	27	Metal and Mineral Wholesaling	265
Employment Placement Services	25	Oil and Gas Extraction	264
Waste Disposal Services	23	Road Freight Transport	257
<b>Beef Cattle Farming</b>	21	<b>Site Preparation Services</b>	241
<b>Hospitals</b>	21	<b>Local Government Administration</b>	237
Health and Community Services, undefined	20	Consulting Engineering Services	233
<b>Site Preparation Services</b>	19	<b>Cleaning Services</b>	230
<b>Supermarket and Grocery Stores</b>	18	Takeaway Food Retailing	225
<b>Accommodation</b>	18	<b>Beef Cattle Farming</b>	199
Health Services, undefined	18	Mining, nec	199
Community Services, undefined	17	<b>State Government Administration</b>	199
Total top 20 employment	1394	Total top 20 employment	18 887
% of workforce	64.5	% of workforce	48.7

<sup>a</sup>Shared categories in bold

<sup>b</sup>nec = not elsewhere classified.

Source: 2001 ABS Census of Population and Housing customised place of enumeration tables.

Segmentation and concentration in the regional labour market is also evident in regard to occupation. Table 3.7 reveals that the top 20 out of 340 occupations account for fully 55 and 40 per cent of Indigenous and non-Indigenous workers respectively, while the lists of occupations reveal significant differences. Only eight out of the top 20 occupational categories are shared in common, indicating greater occupational than industry segregation. While certain major occupations in the region are common to both populations, Table 3.7 also reveals a skill divide in occupational distribution. Thus, non-Indigenous workers are registered nurses and primary school teachers, whereas Indigenous workers are health workers and education aides. Labouring occupations do not appear in the non-Indigenous top 20, and professional/managerial occupations do not appear in the Indigenous list.

**Table 3.7. Rank order of top 20 occupations of employment: Indigenous and non-Indigenous workers in the Pilbara SD, 2001**

Indigenous	No. employed	Non-Indigenous	No. employed
<b>Cleaners</b> <sup>a</sup>	170	<b>Metal Fitters and Machinists</b>	1013
Education Aides	80	<b>Sales Assistants</b>	706
Garbage Collectors	52	<b>Miners</b>	689
Nursery and Garden Labourers	51	Electricians	591
Farm Hands	41	<b>Cleaners</b>	564
<b>Mobile Construction Plant Operators</b>	38	<b>Truck Drivers</b>	399
<b>Metal Fitters and Machinists</b>	37	Structural Steel and Welding Tradespersons	373
Labourers and Related Workers, nfd <sup>b</sup>	37	Other Building and Engineering Associate Professionals	348
Gardeners	34	Primary School Teachers	301
<b>Truck Drivers</b>	32	Shop Managers	290
<b>Miners</b>	32	<b>General Clerks</b>	287
<b>General Clerks</b>	26	Secretaries and Personal Assistants	250
Welfare and Community Workers	25	Office Managers	246
Intermediate Machine Operators, nfd	24	Storepersons	246
Other Labourers and Related Workers, nfd	23	<b>Mobile Construction Plant Operators</b>	242
Construction and Plumber's Assistants	21	Production Managers	228
Aboriginal and Torres Strait Islander Health Workers	20	Motor Mechanics	228
<b>Sales Assistants</b>	20	<b>Project and Program Administrators</b>	227
Kitchenhands	20	Checkout Operators and Cashiers	225
<b>Project and Program Administrators</b>	18	Registered Nurses	217
Total top 20 employment	801	Total top 20 employment	7670
% of workforce	55.0	% of workforce	40.3

<sup>a</sup>Shared categories in bold

<sup>b</sup>nfd = not further defined

Source: 2001 ABS Census of Population and Housing customised place of enumeration tables.

## CDEP activities

One drawback in relation to census-derived industry and occupational data is their tendency to apply blanket classification to CDEP scheme employment. As shown above, this results in a high concentration of Indigenous employment in government administration (especially local government), and as labourers. It is also the case that because of the employment substitution effect of CDEP, much work that is classified as CDEP actually covers a wider range of industry and employment categories than is apparent from census coding. Examples here might be CDEP work for a mining sub-contractor, or as a health worker, or teachers aide. The argument here is that census coding of CDEP can mask diversity in the pattern of Indigenous participation in the regional economy. Given the key role played by CDEP in terms of bolstering regional labour force status there is a need to establish and account for this diversity of economic activity and explore ways in which vital elements might more fully articulate



with mining-based developments either via direct contracting, sub-contracting and/or joint venturing.

## The temporary workforce

As noted earlier, an estimate of the size of the temporary workforce in the Pilbara can be derived by comparing employed persons counted in the Pilbara on census night against their usual place of residence. On this basis, temporary workers account for around 11 per cent of the total workforce, although their presence in the region appears to loom larger than this in the minds of some local Indigenous residents (see Interview segment 2, p. 57; Interview segment 7, p. 58; Interview segment 14, p. 61; Interview segment 21, p. 74). The main distribution of these workers according to their detailed industry and occupational classifications is shown in rank order in Table 3.8. As might be expected, the largest number of temporary workers is found in iron ore mining with FIFO arrangements no doubt accounting for many of these. This is also the case for other areas of the mining industry as well as with allied activities such as site preparation and consulting engineering services. The construction industry is also prominent in employing temporary workers, while areas associated with tourism and the pastoral industry also emerge. Not surprisingly, this industry mix is reflected in the sorts of occupations undertaken by temporary workers. Thus, miners, drillers, metal fitters and geologists are listed, as are electricians, carpenters and civil engineers. Interestingly, also in the mix are more service-oriented workers such as registered nurses, secretaries and sales assistants.

**Table 3.8. Temporary workers by rank order of top 20 industry and occupational classifications: Pilbara SD, 2001**

Industry class	Occupation unit
Iron Ore Mining	Metal Fitters and Machinists
Non-Building Construction	Electricians
Consulting Engineering Services	Mobile Construction Plant Operators
Beef Cattle Farming	Geologists and Geophysicists
Other Mining Services	Structural Steel and Welding Tradespersons
Site Preparation Services	Livestock Farmers
Electrical Services	Drillers
Accommodation	Building, Architecture, Surveying Assistant Professionals
Metal Ore Mining	Truck Drivers
Gold Ore Mining	Building and Engineering Professionals
Construction Services	Farm Hands
Road and Bridge Construction	Registered Nurses
Cafes and Restaurants	Miners
Copper Ore Mining	Carpentry and Joinery Tradespersons
Grain-Sheep and Grain-Beef Farming	Secretaries and Personal Assistants
Mineral Exploration	Structural Steel Construction Workers
Hospitals	Mining Support Workers/Driller's Assistants
Business Management Services	Mixed Crop and Livestock Farmers
Road Freight Transport	Sales Assistants
Contract Staff Services	Civil Engineers

Source: 2001 ABS Census of Population and Housing customised place of enumeration tables.

## Mining employment

The nature of mining development in the Pilbara since the 1960s (essentially a series of inland mines linked by rail to coastal processing and shipping operations) has produced two broad regional networks based around the operations of Hamersley Iron and Robe (now Pilbara Iron), and BHP Iron Ore (now BHP Billiton). The first of these networks links mines at Brockman, Marandoo, Paraburdoo, Channar, Eastern Range, Mt. Tom Price, Yandicoogina, and West Angelas to Dampier and Cape Lambert, and the second network connects the Yarrie mine, the Yandi and Area C mines, along with Mt Whaleback and Jumblebar in the Newman area to Port Hedland.

Of course, other significant mining operations exist throughout the Pilbara region, including the Woodside, Chevron Texaco, and BHP installations offshore, but Pilbara Iron and BHP Billiton have long been the dominant employers in the region and remain so. According to the Western Australia Department of Industry and Resources (2004: 46–9) Pilbara Iron and BHP Billiton accounted for as much as 10 315 (69%) of the average of 14 900 employed in Pilbara-based mine sites and associated operations in 2003–04. Interestingly, according to these estimates, these two companies had almost equivalent average workforces (5187 for Pilbara Iron, and 5128 for BHP Billiton).

However, the task of establishing the size of mining-related workforces at any one time is contentious. For one thing, workforce data inevitably contain a Perth-based component, while a distinction exists between direct company employment and workers engaged by contractors. Quite where the boundaries of this outer group of workers should be drawn is a moot point. For example, in 2003, the workforce employed directly by BHP Billiton in its Pilbara operations amounted to 2093 people, whereas a total of 4109 workers were employed by contractors engaged by BHP Billiton (BHP Billiton Iron Ore 2003: 9). Given the inherent market uncertainty in both the timing and scale of mining and related activity, both the balance and size of these relative numbers are subject to volatility. Notwithstanding these caveats, the ATAL unit of Pilbara Iron maintains a growing database of Indigenous and total employment as part of the company's Indigenous Employment Strategy and these are used extensively here to explore company aspirations for engaging Indigenous labour against regional demographic and socioeconomic trends.

Despite long-standing (and often independent) participation in mining employment in the Pilbara extending back to the early twentieth century (Holcombe 2004), Indigenous people have been only marginally engaged by the industry until very recently. For much of the period since the 1960s, the emphasis on rapid resource development in the Pilbara resulted in less concern for the welfare of Indigenous people, including in their employment (Cousins & Nieuwenhuysen 1984: 131–40). Not surprisingly, as recently as 1996, Indigenous people comprised barely 2 per cent of all workers in the Pilbara mining industry, and mining comprised only 10 per cent of all employment among Indigenous people in contrast to its dominance in the region among the non-Indigenous workforce. Largely in response to such disengagement, ATAL was formed in 1992 by Hamersley Iron with the aim of assisting Indigenous people to participate in and benefit from the company's operations. Training and employment opportunities have formed a key part of this strategy while, more recently, the establishment of Land Use Agreements with various Pilbara Aboriginal groups has increased and formalised the company's obligations in terms of heritage activities, thus widening the scope for engaging local Indigenous people.

Accordingly, Pilbara Iron has successively raised its Indigenous employment targets with a view to aligning these with the Indigenous share of regional population. As of April 2005, Pilbara Iron had 97 Indigenous staff in direct employment or training with the company, with an additional 63 employed by other companies who contract to Pilbara Iron. This represented 4.5 per cent out of a total workforce of 3555. Presently, the medium-term company aim is to ensure that the Indigenous share of its total workforce reaches a minimum of 15 per cent. Existing plans to attain this target, as outlined by ATAL under its current Indigenous Employment Strategy, extend to 2010. By this time it is expected that 12.3 per cent of the Pilbara Iron workforce will be Indigenous.

Continuing on this planned trajectory, a 15 per cent share is expected to be achieved by 2013.

Between 1992 and 2004, a total of 131 Indigenous trainees had passed through ATAL training programs. Of these, the majority (101) graduated while just under 10 per cent withdrew before completion. A total of 17 individuals were still in training as of August 2004. Of interest, in terms of Pilbara Iron's employment targets, is the fact that fully one-fifth of ATAL graduates are now employed by non-Rio Tinto companies, underlining the fact that companies compete for labour from the same common regional pool. Also of interest is the fact that very few graduates (just nine) were unemployed. Recruitment to the program has been largely, though not exclusively, from local language groups as indicated in Table 3.9 with around one-third drawn from Yindjibarndi and Banyjima.

**Table 3.9. Group affiliation of ATAL graduates, 1992–2004**

Group	No.	%
Yindjibarndi	23	17.6
Banyjima	22	16.8
Nyamal	12	9.2
Kurrama	11	8.4
Ngarluma	11	8.4
Yinhawangka	8	6.1
Thalanyji	5	3.8
Thursday Islander	4	3.1
Kariyarra	2	1.5
Pinikura	1	0.8
Jaburara	1	0.8
Niabali	1	0.8
Other groups	30	22.9
Total	131	100.0

Source: ATAL, Dampier.

Employment with Pilbara Iron in mid 2004 at the commencement of the current (2005) Employment and Training Strategy is outlined in Table 3.10. This shows the distribution of the Pilbara Iron and Robe workforce at that time by company worksite, including the Indigenous component and spread of Indigenous occupations. Overall, the Indigenous workforce was just 3.8 per cent of the total, but despite this small proportion the Indigenous workforce was spread across most worksites, though predominantly at Pilbara Iron sites. The majority were engaged at Pilbara Iron Dampier and Pilbara Iron Tom Price. As for occupations, the majority of Indigenous workers (65%) were employed as plant operators, with only one in a managerial role.

**Table 3.10. Total and Indigenous workers at Pilbara Iron/Robe worksites, 2004**

Worksite	Total workforce	Indigenous workforce	Indigenous occupation	No.
Robe Cape Lambert	342	18	Plant operator	7
			Liaison/Community	2
			Trainee Car Examiner	3
			Apprentice/Business	6
Robe Pannawonica	237	1	Business	1
Robe West Angelas	262	7	Plant Operator	7
Robe Perth	78	0	N/a	0
Pilbara Iron Dampier	710	35	Trainee Plant Operator	11
			Plant Operator	5
			Office Based	3
			Apprentice/Business	15
			Superintendent	1
			Trainee Operator	9
Pilbara Iron Tom Price	674	28	Plant Operator	11
			Liaison/Community	1
			Lab Assistant	1
			Apprentice/Business	7
Pilbara Iron Marandoo	121	6	Plant Operator	6
			Trainee Plant Operator	1
Pilbara Iron Paraburdoo	451	6	Plant Operator	3
			Manager	1
Pilbara Iron Channar		1	Plant Operator	1
Pilbara Iron Yandicoogina	162	5	Plant Operator	5
Pilbara Iron Brockman	128	0	N/a	
Pilbara Iron Perth	249	1	Office Based	1
Ieramugadu Crew	4	4	Gardener	4
Bridda Crew	14	14	Plant Operator	12
			Trainee Plant Operator	2
Other Companies Contracting to PI		6	Plant Operator	4
			Tradesman	3
Dampier Salt Pty Ltd		3	Plant Operator	3
Totals	3531	135		135

Source: ATAL, Dampier.

In addition, there are part-time work activities associated with site heritage clearance. Aside from working group and monitoring-liaison meetings paid for via the Pilbara Native Title Service, Pilbara Iron employs casual Aboriginal consultants for archaeological and ethnographic work. In 2004, Aboriginal heritage survey work involved 170 individuals (mostly males) from a variety of Pilbara Native Title Claimant groups and language groups including Gobawarra Minduarra Yinhawanga (GMY), Wong-Goo-tt-oo, Yapurarra Martuthunira, Kurrama, Ngarluma, Yindjibarndi, as well as the Innawonga Banyjima Nyiyaparli claimant group. Within the framework of the Indigenous Employment Strategy, this survey work is seen as providing ongoing opportunities for part-time work

on country, amounting incrementally to the equivalent of an additional eight full-time positions each year. In 2004, such work accounted for a total of 1300 consultant days. However, such work is not regular and represents more of a windfall activity spread across select groups of people, although demand for labour is directly tied to the amount of land disturbed and so is likely to keep pace with the expansion of exploration and mining.

Pilbara Iron (and other companies) also contribute to Indigenous employment via support for contracting businesses, either directly through Indigenous contracting businesses, or by stipulating the use of Indigenous labour quotas for other contractors. For example, the 1997 Yandi Land Use Agreement opened the way for the establishment of joint venture businesses between the Gumala Aboriginal Corporation and Hamersley Iron. Today, Gumala Enterprises manages two such businesses – Gumala Contracting, an earthworks business which contracts to Pilbara Iron and other industry and government organisations, and Gumala Eures Support Services, which provides cleaning and gardening services to Pilbara Iron sites and services the Savannah Campgrounds facility at Karijini National Park. Presently, the contracting arm employs 13 people of whom seven are Indigenous. It is anticipated that by the end of 2005 contracting will employ 20 people of whom 10 to 15 will be Indigenous.

In addition to this, Brida Contracting was established in a collaboration between ATAL and the Roebourne community. Brida is fully owned by the Ngarliyarndu Bindirri Aboriginal Corporation in Roebourne and presently employs 27 people on earthworks and camp landscaping, 23 of whom are Indigenous. Current work is associated with Pilbara Iron's Dampier port expansion, which was due to conclude in August 2005. However, further work is likely to come via other Pilbara Iron and Woodside infrastructural expansions, and company estimates point to the prospect of employing 70 to 90 Indigenous people by the end of 2006. Other enterprises include the Wanu Wanu and Ngurra Wangkamagayi cross-cultural training businesses in Tom Price and Roebourne respectively. These companies provide an important input to capacity building on the non-Indigenous side of the workforce in order to assist in making Pilbara Iron operations more amenable to Indigenous workers (see Interview segment 3, p. 57; Interview segment 8, p. 59). Recently, a business alliance has also been formed between representatives of the Eastern Guruma group, contracting company Civil Road and Rail, and Pilbara Iron, associated with contracting out services to Pilbara Iron's rail duplication project (ATAL 2005).

The major Indigenous enterprise in the region is Ngarda Civil and Mining. In 2005, this company employed 170 personnel with Indigenous workers accounting for as many as 140 of these in line with the company aspiration of maintaining a minimum Indigenous share of its total workforce of 85 per cent. Ngarda provides contracting services to the mining and construction industries including

contract mining, earthworks, road and rail construction and maintenance, mine site support services, haul road maintenance, crushing and screening operations, rehabilitation and environmental services. In 2004 a total of 81 Indigenous workers were evenly divided between Pilbara Iron (Pannawonica) and BHP Billiton (Finucane) worksites. Other significant enterprises include Indigenous Mining Services Pty Ltd in South Hedland which had 21 registered workers in 2004, while Woodside and Brambles Industrial Services also have agreements with Nyamal Crane Hire and the Ngarluma and Yindjibarndi Foundation at Roebourne for the provision of employment and training opportunities via the LNG4 expansion project. While precise numbers employed in these ventures at any one time are unclear, and while they may change according to normal business fluctuations, it appears that collectively the Indigenous business enterprise sector is a significant contributor to the regional Indigenous employment profile, possibly accounting for somewhere in the region of 200 workers, or around 15 per cent of Indigenous employment in mainstream work.

To appreciate the dynamics of the ATAL strategy in raising employment levels across all of these activities, it should be understood that its employment target is built around the notion of a potential Indigenous labour supply that is resident within the region but has varying human capital capacities and employment aspirations. For this population, the routes into Pilbara Iron employment are varied and include a combination of on-the-job apprenticeships and traineeships, as well as direct employment in mining operations and Indigenous enterprises. These opportunities are backed up by education and work-ready programs as well as pre-employment training. The Pilbara Iron Aboriginal Employment Strategy is therefore constructed around four strategic action areas:

- Capacity building: this includes education initiatives, scholarships, pre-employment training, fitness-for-work programs, and programs directed at reducing the impact of alcohol and other drugs.
- Training and direct employment: this includes traineeships, apprenticeships, earthworks, clerical training, and direct employment strategies.
- Improving retention: these are support strategies to assist in holding on to workers once employed, they include cross-cultural training across the workforce.
- Business development: this is a long-standing strategy to work with Indigenous individuals and groups to develop viable business enterprises, mostly contracting businesses.

The manner in which these strategies seek to direct Indigenous labour into Pilbara Iron operations is summarised graphically in Figure 3.6. As can be seen, most routes into Pilbara Iron employment involve some form of up-skilling or remedial input from the company. Aside from the capacity building activities that are directed towards increasing the potential stock of employable labour

within the region, company inputs are mainly via (STEP) apprenticeships and various on-the-job traineeships. The other main flow into Pilbara Iron operations involves the interaction with Indigenous contracting businesses, as well as other businesses that seek to engage Indigenous labour. Interestingly, these also generate their own inter-business flows, although no data on these exist. What this diagram does not show, of course, is the leakage from this single company system to and from other components of the regional labour market – for example, to and from other mining and private sector companies, to and from public sector agencies, and to and from Indigenous organisations (including CDEP schemes). In the latter case, issues arise with regard to the potential impact of the drive to meet employment targets on source communities with limited skilled personnel (see Interview segment 5, p. 58; Interview segment 12, p. 61).

**Figure 3.6. Indigenous employment routes into Pilbara Iron operations**



Source: ATAL 2005.

In estimating the growth of Pilbara Iron’s Indigenous workforce towards the achievement of the company target of a 15 per cent Indigenous share of total workforce, ATAL uses these component routes into employment for its projections. Thus, commencing with 160 Indigenous employees at the end of 2004 (including those with contractors), the current ATAL schedule aims to see this number added to by 20 workskills employees, 5 direct employees, 20 apprentices in training, 18 apprentices into employment, 15 port/mine trainees into permanent positions, and 8 full-time equivalent heritage positions, less a



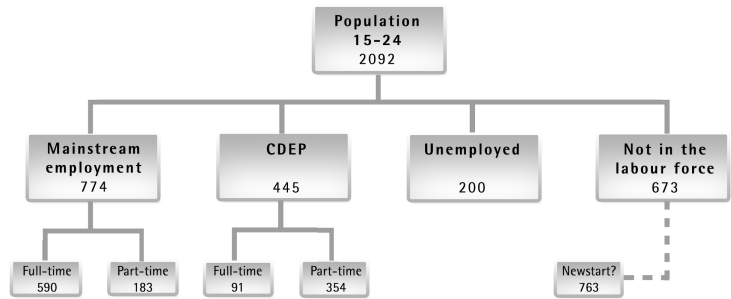
15 per cent turnover, to produce an Indigenous workforce by the end of 2005 of 209. If this were to be achieved, it would represent 6 per cent of the total Pilbara Iron workforce. The current plan would see this number grow in similar fashion to 430 (12.3% of the total workforce) by 2010. Against this trajectory, the ultimate goal of 15 per cent of the workforce would require a total Indigenous workforce of 525 (an extra 365 positions compared to the 2004 level), and would probably be achieved by 2013. If we hold the current proportion of male to total Indigenous employees constant (at 85%), this would imply an additional 310 male and 55 female workers by that date.

In order to benchmark these targeted outcomes against existing regional employment levels, Figs. 3.7 and 3.8 outline the estimated numbers of Indigenous males and females aged 15–54 in 2006 (based on the projection in chapter 2) according to their different labour force status categories (based on 2001 Census-based rates and 2005 CDEP participant numbers). Thus, out of a total of 2092 males in the prime working age group, an estimated 774 will be in mainstream work in 2006, and 445 in CDEP. Based on census rates, 200 would be unemployed, while those not in the labour force (673) would be almost as many as those gainfully employed. As noted earlier, confusion surrounds the true level of unemployment (and therefore the size of the labour force) owing to the large number of Indigenous adults on Newstart Allowance.<sup>2</sup>

If we compare these levels of ‘current’ (2006) employment, we can see that the Pilbara Iron target for male employees amounts to more than half of the ‘current’ number that is ‘presently’ employed in full-time mainstream work in the Pilbara region as a whole. As for females, the target amounts to around one-third of the ‘current’ mainstream full-time employment level. Set against these levels, the targets set by Pilbara Iron represent potentially substantial impacts on regional employment levels. However, Pilbara Iron is not the only corporate seeking to meet Indigenous employment targets – BHP Billiton, for one, has a 12 per cent target by 2010 which would translate into something like 300 Indigenous workers, or an increase of two-thirds over existing levels (as at February 2005 approximately 8–10% of BHP Billiton’s Iron Ore’s operational workforce was Indigenous). In effect, the various plans for Indigenous engagement in the region, from the resources sector alone, appear to have the capacity to virtually double the size of the full-time Indigenous workforce in the mainstream labour market, at least in theory.

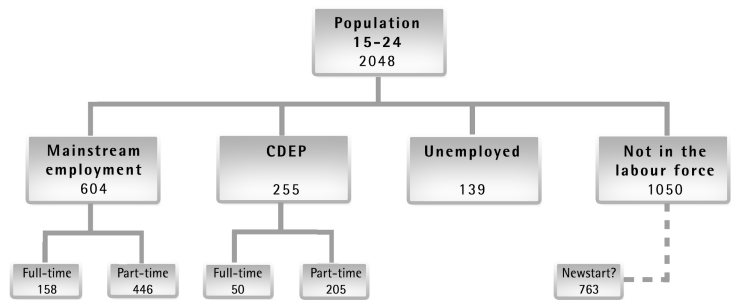
<sup>2</sup> For confidentiality reasons, a breakdown of these Newstart customers by age and sex was not available from Centrelink.

**Figure 3.7. Estimated numbers of Indigenous males aged 15–54 by labour force status: Pilbara SD, 2006**



Note: CDEP figures based on 2005 participant numbers. Newstart figure is for all such payments (no sex breakdown available).

**Figure 3.8. Estimated numbers of Indigenous females aged 15–54 by labour force status: Pilbara SD, 2006**



Note: CDEP figures based on 2005 participant numbers. Newstart figure is for all such payments (no sex breakdown available).

With this observation in mind, a number of questions arise as to feasibility. First of all, if we examine Figs. 3.7 and 3.8 and consider the potential sources of this labour, we can see that targeted expansion on this scale can only be achieved by drawing from the ranks of those in part-time mainstream employment and CDEP (many of whom would have some work experience), but also from the pool of those unemployed. However, this assumes that all such labour is capable of being directed to the mining sector, or even wants to be, which, of course, is unlikely to be the case. As indicated in Table 3.4, only 72 per cent of the non-CDEP Indigenous workforce is in the private sector, with Indigenous people more likely than the rest of the Pilbara labour force to be in public sector jobs, notably in community services, education and health (Figs. 3.2 and 3.3).

While some of this sectoral distribution reflects the relative lack of industry-based skills and qualifications among Indigenous adults, some of it no doubt also

reflects choice, particularly for work in the community services sector. Unlike the non-Indigenous workforce that the mining industry can (and does) augment by recruiting from outside of the region, the basic premise of Indigenous workforce planning under existing corporate social responsibility goals, and in line with regional Indigenous aspirations and agreement-making, is that labour be sourced primarily from within the Pilbara. The extent to which this is presently the case is ultimately unknown since a number of Indigenous workers do not reveal their group affiliation in Pilbara Iron records. Nonetheless, according to 2004 data for the Pilbara Iron Indigenous workforce, it would appear that only 62 per cent of those who stated a group affiliation are locally-sourced, as indicated in Table 3.11. Of course, if we were to include those engaged in heritage survey work, then the local component of the workforce would rise.

**Table 3.11. Group affiliation of Indigenous workers at Pilbara Iron, 2004**

	No. identifying	% of those identifying
Yindjibarndi	17	14.9
Nyamal	15	13.2
Thursday Island	13	11.4
Banyjima	12	10.5
Noongar	11	9.6
Kurrama	9	7.9
Ngarluma	9	7.9
Other groups <sup>a</sup>	28	24.6
Not stated	21	N/a
Total	135	

<sup>a</sup>Includes a wide range of individuals including from the within the Pilbara (Yinhawangka and Thalanyji) as well as Bunuba people, along with people from the Carnarvon area, Murchison area, Broome Area, Kalbarri Area, and Yorta Yorta people.

Source: ATAL, Dampier.

However, even if Indigenous labour supply were spatially confined to the Pilbara, it is still expanding since the local Indigenous population of working age continues to grow at 1.6 per cent per annum. At the same time, this labour is sought by a variety of potential employers, many of whom (particularly in the mining industry), are in competition for the same distinct labour pool owing to the specialist skills involved (as noted earlier, up to one-fifth of graduates from ATAL are employed by non-Rio Tinto operations). There is also the question of population distribution within the Pilbara to consider. If the population numbers in Table 2.3 are read in combination with Fig. 1.1, it can be seen that almost two-thirds of the Indigenous population (64%) is located in and around coastal towns, whereas a large share of the jobs associated directly with mining are at distant inland sites far from where most people live. Even for those resident inland, unless they are located within one of the company townships, physical access to mine work becomes an issue. For the most part then, mining

employment for Indigenous people requires some form of FIFO, or at the very least DIDO arrangement, requiring prolonged absences from a home base, something that can be viewed negatively in a society where responsibilities to family and kin are important considerations (see Interview segment 5, p. 58).

All of this aside, employment in mining, or in any other form of mainstream workforce engagement, may simply be a lower priority than the pursuit of more customary culturally-based activities (see Interview segment 5, p. 58; Interview segment 33, p. 94). However, there is also the much wider and structurally intransigent issue of the behavioural disengagement of many younger Indigenous people from mainstream (and customary) institutions that emerges from many of the interviews and that places substantial emphasis on the need for capacity building programs to increase their range of options (see Interview segment 1, p. 57; Interview segment 9, p. 59; Interview segment 10, p. 60; Interview segment 15, p. 61, Interview segment 27, p. 93; Interview segment 34, p. 94).

There is no question that ATAL's activities, and the general climate of economic growth in the Pilbara as a whole, has raised expectations among Indigenous residents about their prospects for enhanced participation (see Interview segment 1, p. 57; Interview segment 2, p. 57; Interview segment 11, p. 60; Interview segment 14, p. 61; Interview segment 16, p. 62; Interview segment 23, p. 75). However, the combination of demand- and supply-side issues outlined above raises a number of questions that go to the matter of whether or not these expectations are likely to be fulfilled. First of all, how many additional Indigenous jobs will be required over the coming years in order to achieve particular outcomes in terms of regional labour force status given the fact of high population growth? Second, what is the potential of Pilbara Iron's Indigenous Employment Strategy to make inroads into these requirements? Third, what social, behavioural, and human capital factors might impinge on the supply-side to influence the achievement of these potential outcomes? The first two questions can be addressed immediately. The last question provides the stimulus for the remainder of this monograph.

## **Future employment needs**

The lack of noticeable improvement in the labour force status of Indigenous people in the Pilbara over the last four decades is a function of their sustained inability to increase participation in the mainstream labour market in line with their rate of population growth. In effect, such participation has gone backwards as a proportion, with expansion in work opportunities for Indigenous people occurring instead largely via the CDEP scheme. At the same time, the thrust of current government policy aimed at reducing welfare dependence and raising economic status is, of necessity, towards increasing mainstream employment. In a region such as the Pilbara, this would have to place primary emphasis on the private sector.

As for labour demand in the region, the December 2004 version of the biannual labour market forecasts produced by the Centre of Policy Studies at Monash University indicate an increase of 1469 persons of prime working age in jobs in the Pilbara between 2004–05 and 2011–12, with two-thirds of these for males. As noted earlier, these estimates are likely to be conservative given their lack of local economic intelligence and input. For example, if we take resource projects alone in the Pilbara that are either underway or planned as at the beginning of 2005, these will require an estimated temporary construction workforce of 11 152 and permanent employment for an additional 2165 (Government of Western Australia 2005: 25), to say nothing of the employment multipliers generated by minerals industry expansion in Western Australia in areas such as services (Clements & Johnson 1999). Nonetheless, the Monash estimates provide a clear indication of sustained growth in employment demand in the years ahead, and certainly over the period for which Indigenous population quotas have been projected. At the same time, the Indigenous population of working age is also set to rise at around 1.6 per cent per annum. What then is the scale of the task ahead in terms of creating new job opportunities for Indigenous people if the aim of policy is to improve their overall socio-economic circumstances beyond the current low level? To establish this, we can use the projection of the future size of the Indigenous working-age population and consider this against expected growth in employment.

Overall, by 2016, the Indigenous population of working age is projected to increase by 17 per cent from 2006 to reach a population of 5555 – an increase of just under 800 persons. As shown by the percentage change for different age groups, much of this growth will occur in the older ages over 50 years. Realistically though, it is those in the age range 15–49 who are likely to be targeted for emerging opportunities in the regional labour market, and this age group is set to increase by a total of 477 persons over the 10 years to 2016.

Against the background of these population projections, Table 3.12 explores three future employment scenarios. The first considers the number of jobs that would be required by 2016 if the 2001 Indigenous employment to population ratio were to remain unchanged at 42.5 per cent (inclusive of CDEP). The answer is 2361, or an additional 553. This is in order of magnitude to the number of new jobs sought by Pilbara Iron and BHP Billiton combined in their Indigenous employment strategies. The second scenario considers the extra jobs required to maintain the reported mainstream employment population ratio of 30.2 per cent. This would require fewer jobs at 1678, an increase of 394 compared to 2001. If, however, the aim were to achieve parity with the regional non-Indigenous employment to population ratio of 80.3 per cent, then the number of Indigenous people in work in the Pilbara would need to more than double to 4460, requiring an additional 2652 jobs.

**Table 3.12. Extra Indigenous jobs required in the Pilbara between 2001 and 2016 against select employment rate targets**

Employment/population ratio in 2001	Base employment 2001	Total jobs required by 2016	Extra jobs required by 2016
42.5 <sup>a</sup>	1808	2361 <sup>b</sup>	553
30.2 <sup>c</sup>	1284	1678	394
80.3 <sup>d</sup>	1808	4460	2652

<sup>a</sup>The 2001 census-derived Indigenous employment/population ratio inclusive of CDEP.

<sup>b</sup>The 2001 census-derived Indigenous employment/population ratio exclusive of CDEP.

<sup>c</sup>The non-Indigenous census-derived employment/population ratio in 2001.

<sup>d</sup>Based on projection of working-age population to 2016 (5555).

What these projections suggest, is that the combined Indigenous employment targets currently set by Pilbara Iron and BHP Billiton, if achieved, will be more than sufficient to raise the Indigenous employment rate in mainstream work (exclusive of CDEP) to 33 per cent, will be just sufficient to maintain the 2001 employment rate (inclusive of CDEP), but (alone) will be far from sufficient to begin to close the gap with the non-Indigenous rate. In effect, because of population growth, the combined efforts of Pilbara Iron and BHP Billiton, substantial as they are in terms of potential increase in numbers employed, will only manage to keep pace with the extra numbers entering the working-age group. Thus, in terms of improving Indigenous labour force status to anything even approaching the norm for non-Indigenous residents of the Pilbara, this task is way beyond any impact that could emanate from planned mining employment.

Of course, the mining sector is not the only employer of Indigenous labour, now or into the future. Overall, Indigenous employment growth in the region between 1996 and 2001 was relatively high (5.6% per annum including CDEP), and this during a period of overall decline in labour demand in the Pilbara as indicated by a reduction in the overall workforce from 21 466 in 1996 to 21 058 in 2001. This reflects the segmented nature of the Australian labour market in terms of Indigenous engagement in so far as Indigenous people disproportionately occupy particular sectors (public/community/CDEP) and have been the focus of affirmative action programs that can produce counter-cyclic employment trends. On this basis, if we assume (perhaps optimistically) a continuation of this overall employment growth rate for Indigenous people then the overall prospects of significantly raising the regional employment rate appear promising given the solid base input from the mining sector.

## **Indigenous perspectives**

### **Interview segment 1**

We are trying to get our kids into those mining training areas to get ready for jobs coming up. Some of them don't have the education, or too much drugs or alcohol. We try to counsel them and say you got to get into these jobs, you need to prove yourselves and stop all this other nonsense. Lot of people don't get jobs because they right without, particularly with access to drugs and alcohol these days, they don't want to work. That's a big problem.

### **Interview segment 2**

All those new jobs coming up, well they'll be fly-in-fly-out. Yep. They don't give Aboriginal people the opportunity. You might get some good educated ones put in their resume and everything like that, but they don't even get an interview. And that's letting them down, and they think, 'forget it, I've had a go, my application was good enough to have an interview and I don't get one'. They just feel let down and that's when they let their self esteem go down, finish. And they don't worry about applying again. The best thing to do with Aboriginal people is the hands on, get em in there on job training. But they don't even give them that opportunity.

They reckon they got jobs after that training for us locals, and they do that training, you know, the local people, they stick to that training, and they think to themselves, 'I done all this training I might have a full time job then', but they aren't guaranteed a full time job which is very very sad, it's rough. It's all fly out and fly back, fly out and fly back! We don't want em' them peoples like that, and you know they say its there for the local people.

### **Interview segment 3**

Some of those white fellas in mining are racist too you know, they say, 'ah bugger Aborigines they got no brains at all, they won't hang in there long', and all those sort of things, you know. And our mob need the support when they get into those sorts of positions you know, encourage them more. If they can't pick up something well at least like supervisor go there and have a talk to them nice way, like not just tell 'em to just get on with that job, Aboriginals got a different feeling, you gotta have a really good person to talk to those fellas you know, the white bloke gotta come up and help those young fellas, and you gotta have another Aboriginal person, older one, old enough to tell them 'no don't do that' and help 'em, learn 'em you know?

### **Interview segment 4**

We got an art and craft program funded by CDEP and sewing but the main thing we need is this office here, the community office, so I'm doing work there and

underpaid. The community doesn't pay me for that. Working in the office is part of my CDEP hours. The government taken away ATSIC and they put in ICC, Indigenous Consultant Committee, an organisation that has been established by the government. Remember ATSIC and ATSI? When the government took away ATSIC they set up ICC, well there's no more ATSIC, and ICC investigated those two organisations. ICC, well it's still not what we want from them, what the community needs, it's what they think what's best for the community, for the people, see? But we want a full-time administrator in the office, a coordinator. We need someone who is tough and tell people what they need to do, and they gotta be paid to do it. But that ICC, they came here, but they ignored that.

### Interview segment 5

Life is a bit better out here because of mining and those agreements. But my thing is my own kids, we're not pushing them into what we want them to be. It's up to them as individuals. I believe that fair enough, they can go and work in the mine, but they will be men and will have kids of their own, and they need to be there for their own kids to learn and teach them their culture. Because it's about carrying on the traditional cultural ways teaching knowledge skills, and the country itself, all those kinds of things, the trees the language, going to ceremony, going out on country. My kid's father is teaching our kids. His grandmothers and grandfathers, they passed on all the knowledge to him, making him understand who he is, he hasn't missed out on anything, he's got it all and he knows what his role is as a cultural man and in our cultural life. But some of those mining men aren't there for all that and that's no good.

### Interview segment 6

Government has created a big problem by creating dependency. There's plenty of work around in these parts. When you look back at the 60s and 70s there was plenty of work for our people, yet we were kept out of that main workforce. My parents and my wife's parents worked, I suppose they were a little bit more education and others were a little bit shy because they didn't have that education, so a lot of them were kept out of the workforce. That's where it started, when Aboriginals one side and Whitefellas one side. It was all that old policy that contributed to what's going on now. The half-caste people were getting jobs, where the pure bloods weren't, so if you had a lighter skin then you had a chance, whereas if you had a dark skin you didn't have a chance. So it was still a policy of assimilation and the half-caste kids were taken away. It's still a bit like that too you know.

### Interview segment 7

Look at Tom Price, why aren't they building that into a town instead of making it all for fly-in-fly-out, it's all 12 hour shifts and there's no balance in the work.



They might be doing two weeks on and one week off, but that time is also splitting their family up, that time away. I used to work the three eights you know, eight-hour shifts. It was balance, and I was living in Wickham at the time. The town was prospering in the social life because they always had sports on, and everybody was socialising, there was a good atmosphere in the town, and Tom Price was the same, a lot of sports activities football and basketball, leisure time and speedway. But now you go there, you don't see that anymore, it's all one way. It's all work work.

## Interview segment 8

I've worked in mining and I know the mining world is the toughest of all. What a lot of our children don't have is that self-esteem, and the confidence to work with a non-Indigenous person, and to take all the crap that comes out of their mouth, and not take it in personally. You know what working people can be like! That is sad and that's that education part. But some of our young people are strong enough to have that confidence and say, 'no, I'm going to go to college and learn myself to do this, and learn a bit more'. I wish there was more of them.

It's hard for women to work too, you can't afford child care unless you are a high income earner, yeah that's an issue, and it puts a lot of pressure on old people to look after kids, and that family stuff comes into play, but it's the age barrier that's the biggest thing of all. You can't expect your grandmother to look after your kids when she's as blind as a bat and can hardly even walk!

## Interview segment 9

My concern is more to do with the numbers that are not preparing themselves for all this employment that is coming up. It's not the responsibility and the problem of the mining companies, it's the community. Why aren't we preparing our young people to move into better jobs? Are there things in Roebourne that can be tailored so that young people can step through a career path? There are a lot of kids that have not been given any direction in terms of love, care, parenting and education. They don't even know the importance of attending school or behaving well, and for instance they say things like, 'why should I be in bed by 10pm?', all of those factors make a person think in terms of whether they are going to go on in life or not. If you got a lifestyle of staying up late, and no one stops you from doing it, I can see that they have a problem with boundaries not being set. There is no discipline in terms of commitments, I'm not talking about punishment, I'm talking about the person committing him or herself to a direction, it's personal discipline. Because the parents aren't around young people miss out the love and the care of a family home, and that tells me that as soon as that is not there, that child no longer knows what will be expected of them as parents when they get older. So what that child will pass on to their

own kids is what they learnt off the streets. This all comes from a combination of alcohol and drugs and just plain poverty.

## Interview segment 10

Not everyone is a drinker, but in families where there is drinking there is a likelihood of separation, or it has already happened. In such cases kids usually end up living with grandparents or extended family, or they just move around from household to household with mates. Now you look at all of that, what is the chance of that guy trying to get to college? They might get to 16 or 17 and think, 'I got to go to college to try and make something of my life', and I got to give credit to some of those young fellas who make that decision and get so far, and yeah they might fail, but they should be given credit because a lot of times they have tried to come from having absolutely nothing. There's no pick up programs for kids like that. The Woodside employment and training program picks up a little bit. The education program (Gumala Mirnuwarni Education project) only picks the cream of the crop, which isn't fair on the ones that are never going to make it. I like seeing those that are less equipped in life being picked up and given the opportunity. That doesn't happen much in Roebourne. Then you have the assessments with Hamersley Iron or Woodside or another employer group, who wants to take people on. You'll get 20 people there, which is normal; I don't say that they shouldn't get every one in. But you know already that out of that 20 you will only get 5 because that other 15 aren't going to be able to answer the first lot of questions. So there is not a development program for up-skilling. There should be a program teaching 'why is it important for me to get to work on time, why is it important for me to go every day to work, why is it important for me not to drink heavily during my work period', all those kind of things. The employers might look at that and think that's molly-coddling, but we are talking about people who have no idea or don't even want to.

## Interview segment 11

We got a lot of kids out there too. A couple are working age, one teenager, the one who went through business. He just started on CDEP, I got him working out there keeping him out of mischief. Work they do is clean the toilets and water the trees. We are trying to get our kids into those mining training areas ready for that kind of thing. That ATAL, getting trainees through there to get ready for jobs coming up. Problem we have is that our people are lower in numbers than other Aboriginal people getting into the program, people from other areas. I don't know why, maybe Banyjima people don't have the education or too much drugs or alcohol or bloomin' thing.

## Interview segment 12

We got to target the young to do it because this age group now, the ones who are in the 18s are getting lost and dependent. On the other side of the coin, the good go, the educated who want to do something they can go on and do things. They go in the mining companies, or wherever. Then we are left with the ones who aren't fortunate. But where it starts to fall down is that we need workers in the community, and we haven't got the real skilled people in the community. They spend too many hours in the mining industry and have no time for family. We have lost kids here now as a result of all that.

## Interview segment 13

When they first started making the railway line something went wrong with the government and they didn't want Aboriginal people to work on it, but they brought other people from the Torres Strait Islands, to build the railway line. They stopped hiring Aboriginal people. Something went really wrong back then. I'm a machine operator. We used to be able to get a job anywhere, but now you got to be able to go through the school. You got to know computers too. I put in for a job with the miners and they asked me if I could read and write. They also told me I had to learn how to use a computer. Well blackfellas don't need a computer, they got a computer in their heads! I know all about engines, how to fix a car, how to drive truck, plant equipment all that. Well we can't get a job in mining so we started our own business.

## Interview segment 14

My understanding ATAL belongs to us, we have an agreement with Hamersley Iron if we really want to get down to the nitty gritty of it, but they also have a commitment to us as we have a commitment to them and that is to ensure that employment is there and waiting for these people at the end of their training. I mean I look at their fly-in-fly-out and these people are only here for x amount of years and then they're gone, what commitment do they give, compared to the ones that come from here? There's that problem, mmm.

## Interview segment 15

There's a lot of services in Roebourne, lots of organisations, and visits from training groups, its been available for quite a number of years, but the problem is if a person doesn't want to give it a go then there's not much that can be done. When you have a town that is welfare based like Roebourne, the thinking generally is along the lines of, 'I don't want to do any training coz I'm getting my fortnightly pay', and it doesn't do them any good because they don't look at their future. A lot of people look at it like, 'I'm only going to live in Roebourne, and there's nothing here, so why should I go to train to be something'. There's no outside thinking, I don't have any answers for that, but there should be ways

and means to give those young people encouragement to work further afield before they return to this town. They will bring back skills, and be more positive about the future. If you go away from a small town, or a community, you can see a lot better. You can see the needs but you can also see other things, a bit like sitting in the back row and observing.

## Interview segment 16

We got a few people working now. Hamersley put out a lot of training thing now. What they tell me, they go and do all the training at Pundulmarra College, but then they say, 'where we gonna go then, no jobs?' I been talking to mining companies, 'if you are going to give them a training, then you should give them a job too'. That word has gone around now, so nobody want to do the training, they think, 'well what's the point?' I think the problem is that they are hiring people from elsewhere with better qualifications than we can get around here. Sometimes they do ten month training but then get no job, but they say there are biggest mob of jobs, but they aren't training people to the right standard if they can't get a job at all. Also they are using government money to provide that training for mining.