

A Call to Arms: We have the weapons; we need the leadership to end the disparity



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Thanks Laurie for introducing me and the Press Club for having me.

Good day, Mr Chairman, ladies and gentlemen, and special guests In recognising Elders across Australia, past and present, and in particular, the Ngunawal and Ngambri people of this place, I want to draw your attention to a great Elder of mine. He was known across his vast, red Yamaji lands as the senior Law man and his name in Yamaji was Elleewana. The son of a fine Scots man and a proud Australian black woman, he earned his name - Scotty Black.

He was wise, strong, agile and proud. The gentle timbre of his voice resonated with unquestioned authority. As a child, he was everything I admired in a man.

While carrying out the traditions and customs of his people as a senior Law man, he carried another responsibility. For more than thirty years, he was Head Stockman on Minderoo, my family's sheep and cattle station, a much-coveted position by every white ringer who passed through. It was Scotty who taught me that Australian Indigenous people could walk as easily in two worlds as any other people on earth. He was the equal of anyone I knew, and more often than not, better.

When as a lost and missing toddler, it was Scotty and his wider family who spread out across the station buildings to search for me – and it was Scotty Black's strong brown hands who pulled me from a cattle grid when I was screaming, covered in red dirt, dressed only in a nappy - before the next station truck passed overhead. I welcome a member of that search party here today, Scotty's daughter, Eva Black. It was Scotty's kids who with my siblings formed the strongest bonds of childhood friendship, and it is the premature death of many of these kids in early adulthood that has moved me to act today. Eva could tell you about the wooden spoons she broke across our backsides, but she will also recall the enormous pride and dignity of the Aboriginal people, before white man's welfare cut in, and destroyed their lives by replacing jobs and hard work with sit down money, money for nothing.

It was Scotty who, with my mum Judy – also here – took me on my first muster when I was five years old, who taught me the deep respect I've always held for my elders, the camaraderie of friendship from people of all walks of life, and that it was never a matter of a person's station in society, nor their colour, creed or language on which you judged a person. It was only a person's values that had him – or her – stand as your friend.

It was also Scotty who joined me to my family's deep love for Aboriginal people. So now, with the privilege of wealth and the ability to make a small difference, I am committed to honour the memory of Scotty Black, to combatting the disparity between Indigenous and non-Indigenous Australians, to fight the welfare driven and thoroughly failed policies that have crushed the spirit of so many First Australians.

Aboriginal leaders have been saying this for generations: Galarrwuy Yunupingu said it in 1978; Noel Pearson said it again in 2000 and Marcia Langton said it again in 2002 who we are also privileged to have with us.

Today, I see an Australia ever more determined to stop the squander of our precious wealth on the poison of welfare and to finally end the disparity that our Indigenous brothers and sisters suffer.

I have lost too many childhood friends like Scotty's kids. Their elders have always known that the solution is employment. That is only possible through training that leads to a job that, in turn, leads to dignity and self-respect. But, too few have been listening.

This is a life and death issue and people are dying because of this disparity every day. And while other Australians can choose, it is glaringly obvious to me that this is the biggest moral issue facing Australia.

We no longer have the excuse that Australians don't wish to employ our First Australians. We now have the weapons: the companies wanting to employ Aboriginal people, the tens of thousands of jobs, and the attitudes of all Australians to end the disparity and not tolerate it for a moment further.

Let me be clear: This will not be achieved with the continuation of current policies which the Head of the Australian Employment Covenant, Rhonda Parker, recently described as 'the roundabout of failure.' The inequality that I care most about is the lack of opportunity afforded to people like the residents of Postcode 6770.

We can, we should, and we must destroy the disparity within our generation.

Let me explain. We now have:

- 250,000 members of GenerationOne, all of them demanding the government move from welfare to employment as the keystone of Indigenous policy;
- 330 proud corporate members of the Covenant, companies representing their employees wishing to make their own personal contribution of working with and continuing the training of an Indigenous person. They range from the smallest to the largest of Australian employers, and I salute each of you; and
- we have more than 61,000 jobs committed to Aboriginal people.

These unprecedented achievements were accomplished by the Covenant employers and GenerationOne members. They are offering to Aboriginal people a passport to an independent future.

When the Covenant was signed by the former Prime Minister Kevin Rudd at Kirribilli House in October 2008 it had three critical parts, not two. The **first** was the promise of 50,000 job offers for Indigenous people, the **second** was the Indigenous people stepping up to take the training for those jobs and the critical **third** was the government providing job-specific training for these guaranteed jobs. As written in the Covenant, right above the Prime Minister's signature.

It is the greatest disappointment to me that while the employers exceeded their commitment to roll out 50,000 job offers and while Aboriginal people, 10,000 of them, have taken these jobs, the government has failed to meet its obligation to the critical third of the Covenant – support for the right training, directed by the employers, specific to the jobs they have committed.

This concept is very simple: training directed by the employer for the employer because it is only the employer who will offer the jobs.

For those of you who believe I am too ambitious in my goal to eliminate disparity in my generation, allow me to tell you a story. I was born into a hard-working family that struggled to keep their station. Our grandparents pooled together to help my parents pay for the children's school fees. They gave us the enormous wealth of family and community. Money was always scarce, but we had a belief in our country and the values and principles which uphold her.

Take Fortescue. There was no buying and selling of assets before you had even developed them; no inherited wealth. Fortescue was started by a few friends with big ideas sitting at a kitchen table. Friends prepared to commit everything they owned in pursuit of a dream. It was a huge risk. The very real possibility of failure was our constant companion. We often teetered on the edge of collapse – and a few of the investment houses and not a few of our competitors did what they could to try to nudge us into the abyss.

I remember when we barely had the money for wages. We suffered in the face of ferocious competition, whilst under assault from the doubters who said it couldn't be done. The achievement was made ethically, efficiently, environmentally and with great cultural sensitivity. Thousands of jobs were created, billions of dollars of overseas investment were attracted, and contrary to the views of some, Fortescue has actually already paid over a billion dollars in royalties, taxes and government fees. Yet I still doubt that Fortescue could be created today under the current government, because the attitude of our government will kneecap the next generation of entrepreneurs.

It was determination; it was the clarity of thought to accept that the world had changed – and our steadfast commitment to meet that challenge – that led to the success of Fortescue.

However, like our work to end disparity, our vision took advantage of a change, a fundamental change we all believed in. An emerging Asia with a determined China within it, that was leading its 1.2 billion people to the living standards of the developed world.

Last week, Ministers Macklin, Shorten and Collins announced a new model for jobs for remote Australia. It was good news and an important step in the right direction. And, thank you, Ministers, for your encouraging words about the success of our approach – the Vocational Training and Employment Centre model or VTEC. But you have over-complicated the pathway to ending disparity. The reform that this people, this country and this economy are waiting for is very, very simple.

My strong recommendation to the Government is that not one more dollar be spent on Indigenous training – including Job Service Agencies and Indigenous Employment Programs – unless attached to a real job commitment by a participating employer.

Now, I do not want to detract from the hard work of Ministers Macklin, Shorten and Collins; nor that of the hundreds of companies providing jobs to Indigenous people. Many of the 10,000 placements by the Covenant employers were supported by IEP assistance at a cost of more than \$130 million.

Along with the story of success that comes with the announcement of 10,500 people moving into employment, a tale of frustration for employers and Indigenous job seekers is told.

Employers report that for every one job that is filled, two go unfilled due to a lack of available, job-ready Indigenous applicants. The jobs are there – AEC employers are doing a fine job of converting their commitments into real jobs.

But one key point must be foremost in the minds of would-be reformers: the EMPLOYERS created the jobs and EMPLOYERS designed the training for the Indigenous workers. There was no training for training's sake, and none of this money was wasted.

Before we established the Covenant, we didn't have the jobs available. We didn't have 330 ready and willing employers. We didn't have hundreds of thousands of Australians cheering for change. Now that we have the jobs waiting, the employer-driven, job-specific training becomes urgent. Any training not attached to a guaranteed job risks joining the long record

of billions of dollars wasted by consecutive governments. And we all know that billions of dollars have been wasted.

Let me repeat: No government money for programs that are not connected to jobs.

We have in our hands the policy power to refuse to continue training for training's sake and we must use it.

We have the weapons to break the cycle of despair. No longer can an Indigenous parent say to a child that there is no hope. There is more than hope. There is a guarantee of employment.

These 61,000 job opportunities are changing Australia and we must now accept the challenge of that change.

I ask my fellow Australians to take this message forward to all corners of our nation. We can use the promise of 61,000 jobs offered to Aboriginal Australians to empower them to do their part to end the disparity in our generation.

Now let me tell you another story. The Covenant employers achieve over a 70% retention rate at 6 months with Indigenous staff; while the government's JSA system achieves only a 45% retention rate at 3 months. Yet you can't break the welfare addiction in only three months. It takes, statistically, 6 months to turn to employment, forever away from welfare as a LIFESTYLE. The unacceptable JSA roundabout of failure for Indigenous job seekers must stop. Who recalls the Prime Minister trumpeting the recent Closing the Gap Report citing that the JSA's had achieved employment of 46,000 Aboriginal people? Who read the detail to note only 22,000 of these people were still employed at three months and many of those had applied and reapplied on the roundabout within that time? Who is getting most sick of the government spin? The media in this room? Perhaps. But spare a thought for the Indigenous people who were churned and burned to generate the numbers behind that spin.

I am proud of the company that I founded, proud of the employment opportunities that it has created, proud of the wealth it is creating for Australians and especially proud that my company runs training programs for Aboriginal people which trains them to be job-ready and guarantees a job once they successfully complete that course.

We didn't invent employer-directed job – specific training – and we certainly haven't perfected it.

However we have unleashed the power of training for the most disadvantaged and delight in watching them flourish in their new careers.

We call it Vocational Training Employment Centres (VTEC).

We commissioned an independent study of our VTECs. That independent research tells us that the VTEC model works.

The VTEC matches trained employees to jobs.

Now we need 25 VTECs across the nation to operate as pipelines to employment to abolish the disparity.

FMG employs over 350 Aboriginal people – over 10 per cent of our total workforce. They do real jobs with considerable career prospects. If we add on the additional 550 people employed on our projects with our contractors, we have 900 Aboriginal people working on Fortescue operations and projects. That figure represents the equivalent of a quarter of our total workforce.

More than a thousand men and women, have been through Fortescue's Indigenous training program and the vast majority are now gainfully employed. It is a start – one that proves that it can work. And that isn't the end of the matter: We place Aboriginal trained workers with Aboriginal contractors. Fortescue is also committed to building business capacity giving them the opportunity to create more jobs.

We have a target of achieving \$1bn of contracts to Aboriginal-owned businesses by the end of 2013 and we have already awarded over \$350m. We support those Aboriginal people that want to help themselves in every way that we can. We are joined today by successful Aboriginal business people working with Fortescue and across the WA mining industry.

'Training for training's sake' run by bureaucrats paid by the hour or by the head – who drop off unprepared candidates at work places only to have the candidates' hopes dashed. I can't tell you how many people I have met with a wall papered with worthless training certificates, which cost billions in government subsidies, who look at me with despair and disbelief when I say, give it one more go. Let us train you. We will stand by you and help you and if you will finish the training, I promise – I covenant – there is good job waiting for you.

This is training with a purpose. Training with a promise.

We have proven the impact of the VTEC approach. There is no reason willing employers should wait years to benefit from an improved, streamlined process to prepare Indigenous job-seekers who add value to their employer from their first day at work. **Yet the Government just wants to do another study!**

On the eve of yet another budget, with the echo of politicians theatrically proclaiming their war on waste – let me tell you about the cost of today's waste: if the disparity could be eliminated, if Aboriginal women and men were able to achieve the same standard of living as non-Indigenous Australians today – then the budget could be improved by \$6.5 billion a year. That is \$4 billion in extra taxes and an additional \$2.5 billion in reduced welfare and related expenditure. I assure you that these figures are conservative.

Speakers often come to the National Press Club with new and ingenious ways to spend your money. This proposal will save billions of dollars in taxpayers' money, also end the disparity and save thousands of lives. Happily, it also makes profound economic sense.

Isn't it amazing that we have such an active 457 Visa skilled migrant program. That other countries with much poorer economies can so often train their indigenous peoples with such greater efficiency that they can export them to Australia because we have failed to train our own.

At Fortescue – all people are of equal value. What matters is what Scotty taught me: your personal values, 'hard yakka' and 'can-do attitude'. We feel the same about governments. It doesn't matter what the political colour is, what matters are their values and policies – they must be designed to further the interests of all Australians.

I founded the Covenant and GenerationOne in concert with the newly elected Labor Government. It has cost tens of millions of dollars and I turned to willing philanthropists like Kerry Stokes and Jamie Packer to help and guide me. It was not me who turned my back on the vision the Government and the Covenant announced together.

We have now lost patience with a government that does not understand what it takes to end the disparity.

Now there will be some who will dismiss this great cause if I neglect to mention an important truth. A truth I have seen best taught by Aboriginal elders, leaders and scholars – some of whom are in this room.

I understand what they are saying to me: "when it comes to having the respect of others, being Aboriginal is not an achievement in itself". It is not a right, a reward, or anything else that one earns by effort. It is a simple fact of birth which can be upheld with respect or cheapened by the actions of the Indigenous individual. The same is true for all of us.

Those parents of Aboriginal youth who stereotype their own people through misbehaviour cannot turn a blind eye to the impact of their example. Nor can they blame anyone else. The family unit so deeply and traditionally honoured in Indigenous culture means elders and parents take responsibility.

No longer can they say, "there are no jobs, there is no place for me".

The expectation is no different for Aboriginal people than for every other Australian. No segment of our society can excuse or blame bad behaviour on Aboriginality. But we must make sure that the opportunity to work is well and truly there, and our expectation of their duty just the same as for any other Australian.

FMG's policies are achieving these life-changing outcomes. When one of our Aboriginal friends graduates from the VTEC into a well-paying job, I give them a fishing rod. They get the message as well as the career. It is up to them to bring their children and families with

them on the path to an independent life by sending their children to school and giving them discipline and values.

Our underlying premise is that mining welfare should not replace or compound Government welfare because it perpetuates a vicious cycle of poverty and dependence.

I will personally commit to the success of any VTEC the Government supports to meet its AEC training covenant, and if invited, travel to and coach each and every one of them.

We have an opportunity without precedent to end the Indigenous disparity. Companies across Australia, like Fortescue, are crafting employer-driven, job-ready training programs. They are experiencing unparalleled success in placing and retaining Aboriginal employees who add value from their first day at work. But without adequate leadership, the pull and poison of welfare and the refusal to abandon failed programs threatens our progress. Billions of dollars could be saved and additional billions could be generated as welfare recipients become tax payers. More importantly, lives are saved and dreams are realised.

Let's set aside our differences and get to work.

I am calling on government to demonstrate good will, good sense and good character by stepping forward to make this fundamental reform.

My very strong recommendation to the Government is that no more Indigenous training and related expenditure including JSAs and IEPs is funded, unless attached to a real job commitment by a participating employer.

The social benefits of employment are immeasurable. Missing this opportunity would be unforgivable.

Thank you.

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