



2016
Indigenous
Engagement
Survey

SUMMARY REPORT



**Business Council
of Australia**

We're proud to report that in 2016, eight years after starting this survey, a focus on Indigenous economic and social inclusion is ingrained in what we do as Business Council of Australia companies – and it's making an impact.

Business has come a long way since the first few corporate Indigenous engagement strategies emerged. We now have 90 per cent of Business Council companies reporting that they have an Indigenous engagement approach. By this, we mean one or more of the following activities:

- » increasing Indigenous employment
- » bringing Indigenous businesses into the supply chain
- » investing in Indigenous education initiatives
- » building the capability of Indigenous organisations
- » educating the workforce about the history and cultures of Aboriginal and Torres Strait Islander peoples.

These survey results show us the evolution of Indigenous engagement from a stand-alone Corporate Social Responsibility agenda to being operationally integrated across employment, supply chain and sustainability plans.

Cover: © Wukun Wanabi *Trial Bay*, licensed by Buku Larrngay Mulka Art Centre

Trial Bay is located between Caledon Bay to the north and above the larger Blue Mud Bay on the western side of the Gulf of Carpentaria. Wukun has painted Marparrarr or milk fish, which represent clan and ancestral connections to Law and Country. The Business Council acquired this work during our 2016 business leaders delegation to the Garma Festival where we discussed with Traditional Owners ways to support their aspirations for economic opportunity.

Getting it right

Despite the positive trends in this report, the ongoing impact of poverty on Indigenous life outcomes means we have to work hard and embrace fresh ideas in our efforts to build Indigenous prosperity.

We must change the way policies are developed and programs are delivered to Indigenous communities. We must further adopt an investment approach that encourages and rewards Indigenous innovation, Indigenous-led solutions and entrepreneurialism.

We need to deliver on the promise of Indigenous land rights by working with Indigenous peoples to translate their rights into opportunities.

The Business Council recommends:

- » Developing an Indigenous-led, multi-sector plan for supporting growth and employment opportunities on Indigenous-held land. This includes strengthening initiatives like Indigenous carbon projects, Indigenous land management and working on Country programs.
- » Adopting a consistent model for setting supplier diversity targets for the private sector. The Business Council is working with our partner Supply Nation on rolling this out in 2017.
- » Continuing to drive reform, efficiency and innovation in the delivery of funding and services to Indigenous communities. The Empowered Communities model provides a solid template for this reform, backed by strong business–community partnerships to help build community capability.

Key findings

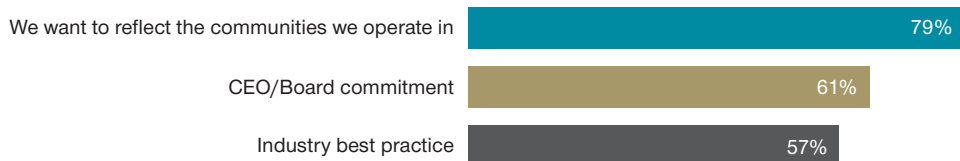
In 2016

- » At least **20,000** Indigenous Australians are working at Business Council companies
- » **\$355,776,619** spent with Indigenous enterprises and joint ventures
- » **\$40,064,000** contributed towards Indigenous education initiatives
- » **77,920** pro bono hours provided to Indigenous organisations and communities
- » **90 per cent** of companies surveyed have Indigenous engagement activities
- » Companies are working with more than **69 Indigenous partner organisations**
- » There are **965 staff** across companies working on Indigenous engagement activities.

Top 6 Indigenous engagement activities



Why do companies focus on Indigenous engagement?



Length of time the company has had an Indigenous engagement strategy



% = percentage of respondents

Eight years of growing commitment

	2009	2010	2011	2012	2013	2014	2016
Indigenous employment strategies (Number of companies)	21	29	55	44	59	60	62 companies
Increase in Indigenous employees/trainees in the last 12 months ¹	N/A	700	1,430	2,700	3,500	2,045	4,766 (4,095 new employees/ 671 trainees/ apprentices)
Reconciliation Action Plan (RAP)	9	14	22	29	28	40	52 RAPs current or in development
Used an Indigenous business in supply chain	16	17	N/A	43	49	51	57
Member of Supply Nation	16	17	22	35	48	49	55
Implemented workplace cultural awareness/ education	N/A	24	43	49	50	53	60
Member of the BCA's Business-Indigenous Network ²	30	30	32	50	80	80	85
Number of responses	35	46	88	95	95	89	94
Main barriers	Slower and more resource-intensive than expected	Time, effort and resourcing	Not in line with business objectives Limited resources	Limited resources Lack of expertise	Limited resources Not knowing where to start	Not in line with business objectives Limited resources	Competing priorities/ limited resources

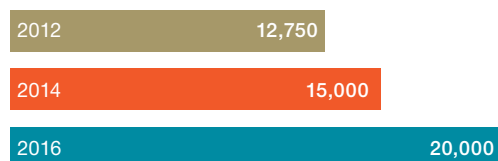
1 Many companies do not identify their Indigenous employees.

2 The BCA's Business-Indigenous Network of member companies meets at least four times a year to share experiences of their Indigenous engagement activities.

Employment

- » The data shows an increase from 15,000 employees in 2014 to 20,000 employees this year – a growth of 30 per cent. This data comes from 47 companies across a diverse range of sectors.

Indigenous employment growth



- » The overall Indigenous employment number across the Business Council membership is likely much higher, however most companies don't have a way of capturing their Indigenous employee numbers.
- » Fifty per cent of companies increased their Indigenous employment numbers or stayed the same in the last year, 40 per cent don't know, and only 5 per cent decreased.
- » Seventy per cent of companies said the main barrier to growing their Indigenous workforce is a lack of appropriately qualified candidates. Fifty per cent said an overall reduction in their workforce caused by industry/economic factors was the main barrier.
- » Ninety-five per cent of companies said they planned to bring on more Indigenous employees in the next 12 months.

Top Indigenous employment sectors

Industry	Total Indigenous employees
Retail/wholesale	6,184
Mining, energy and mining related services	5,509
Labour supply, construction, engineering, maintenance	4,160
Finance and insurance	1,729
Other	2,424

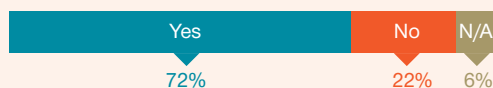
Coles has seen significant growth in their Indigenous employment in the last 12 months. They now employ 2,715 Indigenous team members across Australia, including over 90 in management roles.

Westpac The proportion of Westpac Group employees who identify as Aboriginal or Torres Strait Islander has reached 4 per cent this year, with almost 400 additional employees joining the company in the last three years.

Procurement and supplier diversity

- » Of the 39 companies that reported their supplier diversity spend, the combined total is \$356 million.
- » Sixty-six per cent of respondents said their spend had increased and only 16 per cent said their spend had decreased.
- » The big impact on this data between 2014 and 2016 is the overall reduction in spending in the resources sector as the industry shifts from construction to production. We see this in the 46 per cent of companies in the mining, energy, oil and gas sectors reporting a decrease in spend since 2014.
- » Thirty-three Business Council companies have a supplier diversity target, a strategy or both.
- » Seventy per cent of companies reported that they urged their major suppliers to engage Indigenous businesses.
- » The main challenges to setting a supplier diversity target were identified as the size and complexity of a company's supply chain and the lack of Indigenous businesses.

Do you encourage your supply chain to include Indigenous contractors/businesses in their supply chains?



% = percentage of respondents

Lendlease has been engaging Indigenous suppliers since 2010. In 2013, INDIGI Asbestos was engaged on the Barangaroo South project. Since then, INDIGI Asbestos was contracted for the demolition and hazardous materials removal at Lendlease’s Gosford Hospital Redevelopment project and the company has expanded its offering and now provides on site traffic management services.

The Commonwealth Bank has partnered with Supply Nation to develop an ‘Airtasker’-style app to connect Indigenous businesses looking to develop or access advice with skilled corporate volunteers. The app will launch in 2017 and will be accessible for all Supply Nation members.

Education

Seventy-five per cent of companies support Indigenous education initiatives, with a combination of financial, pro-bono and partnership assistance. In 2016 just over \$40 million was invested.

Top education activities:



% = percentage of respondents

Support for Indigenous education:



Community

- » Seventy per cent of respondents supply pro-bono expertise/advice and/or employee hours to Indigenous groups/organisations, individuals or NGOs.
- » Twenty-nine companies count their pro-bono hours, and the aggregate of those companies is 78,000 hours.
- » Companies are partnering with over 69 Indigenous organisations or NGOs with Indigenous programs. The top partner organisations are:
 - 1 Supply Nation
 - 2 Reconciliation Australia
 - 3 CareerTrackers
 - 4 Jawun

BHP Billiton employs around 860 Indigenous people and is committed to providing employment opportunities to Traditional Owner groups with whom they share land access agreements. They also have a broader impact through support for social investment projects like the Martu Living Deserts project in Western Australia. This partnership, through Kanyirrinpa Jukurrpa, helps employ around 250 Martu in casual and full-time land management roles.

About this publication

The Business Council of Australia (BCA) brings together the chief executives of Australia's largest companies to promote economic growth for the benefit of the nation.

This summary report provides a snapshot of the 2016 Indigenous engagement survey outcomes. Reports from 2009 to 2014 can be downloaded from the BCA website at www.bca.com.au



The Business Council of Australia is a supporter of the Indigenous Art Code.
www.indigenousartcode.org

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