THE BENEFITS OF MINING DEVELOPMENTS FOR ABORIGINAL AUSTRALIANS:

Mt Todd Case Study

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Dissertation for Masters Degree of Development Management

Mt Todd Mine

Declaration

No part of this dissertation has been submitted for a degree or other qualification to any other University or other institution of learning.
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Abstract

The purpose of this research is to assess the benefits to Aboriginal Australian populations of resource developments on their land and in the vicinity of their communities. The question of mining developments contributing to reduced Aboriginal dependency on government funding is also considered.

The involvement in mining of the Jawoyn Association in the Katherine region of the Northern Territory has been studied with particular reference to the Mt Todd Mine Agreement.

The present economic and social situation of Aboriginal people in northern Australia and their participation in the mining industry is considered. The role of the major stakeholders, the government, mining companies and Aborigines and their organisations, is examined in relation to the Mt Todd Mine Agreement to ascertain the sustainable benefits to the Jawoyn Association.

The report concludes that since the gain of Land Rights Aborigines and their organisations have been able to become powerful players in the development of resources. The Jawoyn Association have negotiated for the implementation of priorities that they see as most important for their community.

Development projects can serve to supply funds for projects designed and controlled by Aboriginal organisations, as well as opportunities for training and employment. The acknowledgment of Aborigines as stakeholders in the process of development on their land has been one of the most significant changes in modern mining negotiations. It is realistic to expect that Aboriginal involvement in mining, whether on their land or in the vicinity of their communities, has the potential to benefit Aboriginal people and reduce their dependency on government funding.

TABLE OF CONTENTS

Abstract ......................................................................................................................... 0

CHAPTER 1: INTRODUCTION .................................................................................. 5

Purpose ........................................................................................................................... 5
  Background ................................................................................................................... 5
  Why this research is important .................................................................................. 7

Research Questions to be Addressed ................................................................. 8
  Limitation .................................................................................................................... 9
  Ethics ......................................................................................................................... 10
  Data Collection ......................................................................................................... 10

CHAPTER 2: LITERATURE REVIEW ....................................................................... 11
  Significance of mining to the northern Australian economy .................................... 11
  Aboriginal population significant and growing ....................................................... 11
  Aboriginal Employment Opportunities .................................................................. 12
  Dependency .............................................................................................................. 13
  Aboriginal Living Conditions and Economic Situation ............................................ 13
  Aboriginal Incomes .................................................................................................. 14
  Aboriginal Contribution to the Economy of Northern Australia ............................ 15
  Aboriginal people and their land ............................................................................. 16
  Aboriginal Land Rights and Mining ........................................................................ 17
  Aboriginal Governance and self-determination ....................................................... 18
  Effects of Mining ...................................................................................................... 19
  Aboriginal attitudes to mining ................................................................................ 21
  Non-Aboriginal attitudes to mining ........................................................................ 22
    Land Rights .......................................................................................................... 22
    Present attitudes .................................................................................................. 23
    Northern Territory ................................................................................................. 24
  Mining Payments and Royalty Equivalents ............................................................. 25
  Issues of Concern Relating to Agreements and Payments from Mining .................. 26
  Aboriginal Participation in Mining .......................................................................... 26
    Hindrance to Aboriginal Participation in Mining .................................................. 27
  The Future ................................................................................................................. 27

CHAPTER 3: CASE STUDY ...................................................................................... 28
  The Jawoyn Nation .................................................................................................. 28
  Background .............................................................................................................. 28
Map 1: Land Tenure and Mining Tenure on Aboriginal Land.................................29
Jawoyn Association..............................................................................................30
Problems and constraints....................................................................................30
The Jawoyn and Mining......................................................................................31
Mineral Resources................................................................................................31
Historical Background........................................................................................31
Jawoyn Mining Policy..........................................................................................32
Mt Todd Mine......................................................................................................32
History..................................................................................................................32
The Mt Todd Agreement......................................................................................34
  From the Northern Territory Government:.......................................................34
  From the Zapopan NL, whose major asset is the lease:-.................................35
  From the Commonwealth Government:.........................................................36
Status of the Mt Todd Mine 1998......................................................................36

CHAPTER 4: OUTCOMES FOR THE STAKEHOLDERS.................................37
  Benefits for the Jawoyn Association arising from the Mt Todd Agreement........37
  Employment and training..................................................................................37
  Return of their lands saves the pain and money of land claim negotiations........39
  Negotiation and Mining Experience..................................................................40
  Mining Opportunities.........................................................................................40
  Social Implications............................................................................................43
  Benefits for the Aboriginal Organisations of the Mt Todd Agreement............44
  Benefits for the Northern Territory and Federal Governments of the Mt Todd
  Agreement........................................................................................................44
  Benefits for the Mining Company of the Mt Todd Agreement..........................45
  Benefits for the Region of the Mt Todd Agreement..........................................46

CHAPTER 5: DISCUSSION..............................................................................47
  Mt Todd Agreement..........................................................................................47
  Employment and training..................................................................................47
  Mine closure.......................................................................................................49
  Changing strategies............................................................................................49
  Desire to break the cycle of dependency..........................................................50
  Attitudes............................................................................................................51
  Royalty Equivalents and Payments....................................................................53
  Powerful Players.................................................................................................54
  Workforce Participation.....................................................................................55
1999 Update.........................................................................................................56
Diagram 1: Major Benefits of the Mt Todd Mine Agreement for the Aboriginal Community

CHAPTER 6: CONCLUSION

Wider Implications of the Mt Todd Agreement

The Future

Bibliography

Appendix 1

Variations to work practices when employing Aboriginal people in remote areas

Appendix 2

Numbers of Aboriginal staff employed at Mt Todd Mine
CHAPTER 1: INTRODUCTION

Purpose

The purpose of this research is to assess the benefits to Aboriginal Australian populations of resource developments on their land and in the vicinity of their communities. With this knowledge Aboriginal land holders will be more informed when choosing the types of developments and negotiating the conditions for development of their lands. The need and opportunity for financial self-reliance of Aboriginal communities is also considered. The involvement of the Jawoyn Association in mining is the particular case study chosen for this research.

It is anticipated that this research will continue as part of a much larger project to be conducted by the Centre for Indigenous Natural and Cultural Resource Management to explore and compare the relationship between Aboriginal communities, the resource industry and governments. Various communities are subject to different state and territory laws and governments of varying persuasions, and have negotiated a variety of individual agreements with the mining industry. The Native Title Act, the Native Title Amendment Act and recent legal cases continue to affect the benefits to Aboriginal people from their land.

Background

Mining activity is presently the largest private industry sector in northern Australia and is therefore ‘significant in underpinning the local and regional economies’ (Langton, 1998). Aboriginal communities receive various forms of remuneration as a result of mining projects and some employment and training opportunities but there is a lack of data concerning the extent to which Aboriginal communities benefit from these projects (Fletcher, 1998, 14).

With Aboriginal unemployment rates more than four times the national average and their population growth rates more than twice that of all Australians, (Taylor and

1 The terms Aborigines and Aboriginal people are used to include all people of Aboriginal or Torres Strait Island descent. In quotations 'Indigenous' is sometimes used to convey the same meaning.
Altman 1997, 4) it will become increasingly difficult for Aboriginal populations to support themselves despite the desire of Aboriginal communities to become increasingly self-reliant (Morony, 1996, 4). As Langton states

A major challenge for economic development in northern Australia is the utilisation of the region's resources in a manner that meets the needs of the region's long term and potentially dominant resident Aboriginal population by decreasing their artificial economic dependency. (1998, 5)

The varying agendas of state, territory and federal governments, high court decisions and legislative responses overlaid with the mining companies' interests, require new strategies for dealing with the issues of negotiation with Aboriginal land owners. In Langton's terms

An approach of "enlightened self-interest" by these [mining] companies has resulted in limited, but unprecedented consensus between resource industry representatives and Aboriginal representatives for both economic and political reasons. (1998, 2)

The two reasons cited by Langton for this are:-

(1) the advantage to the corporate sector ... is the potential for tangible evidence of benefits to Indigenous communities affected by mining

(2) the advantage to Indigenous representative bodies is the potential for greater levels of community development than can be achieved by present rates of government investment ... (1998, 2-3)

Due to the lack of data concerning the benefits from mining to Aboriginal communities, the long term effects of corporate investment are relatively unknown, yet agreements continue to be negotiated (Langton, 1998, 3). By determining financial and other benefits received from mining activity Aboriginal communities can work to establish how to maximise the long term benefits from mining. This will involve consideration of the present statutory conditions and negotiated agreements from which benefits flow to Aboriginal communities and possible changes for future arrangements.

This research will study the Jawoyn Association's Agreement for the Mt Todd gold mine, the first mining agreement to be signed following the Native Title Act, and subsequent Jawoyn exploration agreements. In contrast to many other mine agreements signed with Aboriginal organisations, the Jawoyn Association did not receive any
royalty equivalents from Mt Todd, as allowed for on Aboriginal Land under the Aboriginal Land Rights (NT) Act 1976, but preferred to negotiate a varying range of benefits.

Although this study is concerned with outcomes of mining, some of the findings may apply in relation to the development of other commercial ventures on Aboriginal land.

**Why this research is important**

Presently, Aboriginal Australians experience poor health and living conditions, a lack of housing and inadequate access to secondary education (Langton 1997,1). Their unemployment rate is around 26 percent compared to 8.5 percent for non-Aboriginal Australians. As a result of population growth Taylor predicts this will rise to 32 percent by 2006 (ATSIC News, 1998 Aug, 9).

At present the Aboriginal population is heavily dependent on welfare payments or government employment schemes, such as Commonwealth Development Employment Projects (CDEP). The 1994 National Aboriginal and Torres Strait Islander Survey (NATIS) reported 63.4 percent of Aboriginal adults were receiving government payments as their main source of income and this was, on average, below $10,000 per person per annum (Taylor and Altman 1997, 29). Changes to taxation, particularly the introduction of a Goods and Services Tax, will also have adverse effects on the already low buying power of Aboriginal people living in remote areas where food is more expensive than in larger centres (Crough, 1993, 41).

In the ten years to 1996, the Aboriginal population increased by 55 percent compared to 14 percent for the Australian population as a whole. 29 percent of Aboriginal children were being raised in a single parent family, more than double the Australian rate (Sommerfeld, 1998). Since the Howard Government came to office in 1996 the system of welfare payments and employment programs have been revised and reduced. Such Commonwealth programs as the Contract Employment Program for Aborigines in Natural and Cultural Resource Management (CEPANCRM) have been stopped.
Changes have been made in the assessment and eligibility of welfare payments and the impact of new schemes is still to be assessed.

The question of government expenditure adequately meeting the future needs of Aboriginal people living in remote areas is particularly uncertain but the demand for welfare assistance and employment opportunities will rise dramatically with the increase in population if current trends are maintained. Taylor and Altman stress that the indirect costs of long term economic marginalisation and associated social problems are difficult to estimate, but will undoubtedly increase exponentially. (1997, 6)

It may therefore be argued that it is in the government’s interest to address these problems and to support Aborigines in their drive to become more economically independent (Langton, 1997, 9).

With government policies of economic rationalism and withdrawal from rural areas, funding and services for remote locations will be further reduced. Many mineral rich areas in Australia are located in poor agricultural and farming regions so mining is one of the few viable economic and employment activities for the resident population of these areas, the majority of whom are Aboriginal Australians. It is in Australia’s short and long term interests to negotiate fair and equitable agreements with mining companies that enhance future opportunities for financial self-reliant Aboriginal communities.

Without that resource base, Australia will not be able to serve the increasing Indigenous population and its need for jobs, infrastructure and services. (Langton, 1997, 9)

Research Questions to be Addressed

The primary research questions concern the benefits of mining to Aboriginal communities and whether these benefits are sustainable. The research will consider whether the benefits can lead to a reduced dependency on government funding of Aboriginal communities.
The Jawoyn Association’s involvement in the Mt Todd Agreement and subsequent mining agreements are examined as a case study.

The case study addresses the following questions:

- What were the benefits to the Jawoyn Association and other stakeholders from the Mt Todd Agreement?
- Are the benefits sustainable?
- Can mining be considered as a realistic option to reduce Aboriginal dependency on government funding?

Limitation

In researching this paper it must be stressed that all the people who were interviewed and supplied data were employed in paid positions in the workforce. In other words, they are all part of the commercial system and not those who are considered dependent on welfare, though some of the people interviewed have been welfare recipients in the past. Whether these people are truly representing the real aspirations of the Aboriginal population I have not tried to judge.

Another important point is that what has been successful in one circumstance and in one region is not necessarily appropriate for another. Just as in any society there is a wide range of opinions among Aboriginal people and the decisions taken and the future direction chosen may dissatisfy some people while satisfying others.

When researching this paper, people in the same organisations sometimes held opposite opinions to each other on specific issues. Sometimes their reasons appeared to be based on misinformation. This is not surprising when one begins to examine the enormous complexities and quantities of legislation that applies to land, mining and Aboriginal land rights.
Ethics

As this research will be carried out under the direction of the Centre for Indigenous Natural and Cultural Resource Management the ethics policy of the Centre and the NTU will be adhered to and ‘utmost care [will be taken] to avoid any detriment - or risk of detriment - to any person or entity, however directly’ (CINCRM, 1997, 10).

Data Collection

Research has been gathered from published sources; academic papers, journals, speeches, newspapers, radio, annual reports, government publications, the Internet, Aboriginal organisation reports and specialist literature.

Interviews were held with numerous individuals from Aboriginal organisations, local businesses, private individuals, mining companies and government departments and Northern Territory politicians.
CHAPTER 2: LITERATURE REVIEW

Significance of mining to the northern Australian economy

Mining, retail trade, construction, government administration and defence are the major industries in the Northern Territory. They account for 37 percent of Gross State Product (GSP) (the sum of consumption and capital expenditure). In recent years the economic importance of the public sector has declined as the private sector has played an increasing role in the provision of goods and services in the Northern Territory (NT Budget Papers, 1997/8, Ch 1, 8-9).

While mining is important to the Northern Territory economy, its dominance has decreased from a peak of 24.9 percent in 1990-91 (due to high oil prices and high production) to 11.7 percent of GSP in 1995-96 (NT Budget Papers, 1997/8, Ch 2, 9).

For Australia, the mining industry currently contributes over $36 billion in exports and accounts for over 60 percent of commodity exports. Over $12 billion worth of manufactured exports are reliant on mineral production (Kauffman, 1998, 2).

Despite the short term life of some mining projects, and the fact that the industry is subject to fluctuating international mineral prices, mining remains the largest private sector contributor to the north Australian economy. But in the Northern Territory, mining employs only 3.7 percent of the total workforce, not including those involved in minerals processing (NT Budget Papers, 1997/8, Ch 8, 7).

 Aboriginal population significant and growing

In 1997 the Aboriginal and Torres Strait Islanders population was 53,332, being 28.5 percent of the population of the Northern Territory (NT Budget Papers, 1997/8, Ch 1, 3). The Aboriginal population form the majority of the long term resident population of northern Australia and is mainly found living away from the major centres. In comparison, the majority of the non-Aboriginal population who are concentrated in the larger centres, have come to live in the Northern Territory from somewhere else and
rarely stay for their lifetime. A special analysis of the Northern Territory 1996 census figures revealed that 35 percent of the non-Aboriginal population were not resident in the Territory in 1991 (Dixon pers. comm. 1998).

The annual population growth rate for Aboriginal Australians is more than twice the national average; around 2.3 percent compared to 1 percent for all Australians. In the Northern Territory the resident population growth rate is even higher at 2.4 percent (Budget papers 1997/8, Ch 1, 1-2). Based on national figures Taylor and Altman have projected Aboriginal population growth to the year 2006 to increase by 40.5 percent, bringing the Aboriginal population of Australia to 400,000. The age structure of the Aboriginal population is also changing, with an increase of more than 30 percent in persons of working age, and 63.1 percent of Aboriginal people over the age of 15 years. This is equivalent to 56,000 more Aboriginal people entering the workforce by 2006 and this figure is expected to continue rising (Taylor and Altman 1997, 4, 8).

**Aboriginal Employment Opportunities**

In the Northern Territory, there has been an increase in urban job creation and a significant decrease in rural employment opportunities. Between 1991 and 1996, 2,505 jobs were lost in rural areas, despite the creation of 964 additional Commonwealth Development Employment Program (CDEP) positions for Aboriginal Territorians living in rural areas. This represents 93 percent of the additional jobs held by Aboriginal Territorians during that period (Reeves, 1998, Ch 7, 5).

The Aboriginal Land Rights (Northern Territory) Act 1976 (ALRA) Review points out...

...the emerging conundrum that land rights pose in terms of economic advancement of the Aboriginal people of the Northern Territory: their 'countries' are not, in general, located where the well-paying urban jobs are being created – on which they could base a less-dependent, more self-reliant, economic future. (Reeves, 1998, Ch 7, 5)

Taylor and Roach suggest that typically mining, pastoral or tourism ventures have been 'very localised, capital rather than labour intensive, highly resource intensive, and at times, subject to market fluctuation'. They suggest that as there is no evidence of Aboriginal people migrating off their lands, more effort should be directed towards the
drive for increased private sector involvement.' The Review acknowledges the need for continued government assistance on Aboriginal land and suggests more localisation of activities such as construction, maintenance, schooling, health and policing in Aboriginal communities (Reeves, 1998, Ch 7, 5).

Dependency

Presently across Australia around 65 per cent of the Indigenous population is dependent on government assistance in the form of work schemes or supporting pensions. Unemployment of Aboriginal people is dramatically high, being 4 times the national average in 1986. (Morony, 1996, 1) With government cut-backs in the CDEP and other community based programs unemployment rates are likely to increase from the 1996 level of 39 percent to 47 percent by the year 2006 (Taylor and Altman 1997, 4).

As the population increases, so too will the financial costs for support. The Aboriginal and Torres Strait Islander Commission 1996 Discussion Paper on sustainable economic development acknowledged that the...

...targets set down in the original Australian Employment Development Program (AEDP) are no longer achievable [and that] many communities will require significant ongoing funding from external sources. (1996, 2)

Aboriginal Living Conditions and Economic Situation

Aboriginal Australians experience an 'unacceptable level of ...economic disadvantage' which has remained 'intractably low' over the 25 years for which economic statistics have been kept. (Taylor and Altman 1997, 4) The living conditions for Aboriginal Australians are well below those of non-Aboriginal Australians and remain low despite attempts throughout this century to improve the situation. Government departments, charities, religious organisations and individuals have consistently established programs and strategies to try to raise the living standards of Aboriginal Australians. Statistics in Report Number 28 November 1996 on the provision of Health Services to Aboriginal Communities in the Northern Territory confirms that little has been achieved (Mills, 1998, 11).
Taylors and Altman's Report explains the underlying demographic trend that could see a worsening economic situation for Aboriginal Australians...

...despite considerable government intervention [by way of] improving program delivery and associated outcomes to Indigenous Australians in a wide range of areas including health, housing and infrastructure, education and training and employment .... (1997, 4).

For example in the Northern Territory where

...the capacity of government to meet its essential service obligations ... is measured by State standards, ... the quality of services received by Aboriginal communities is well below the standard of that received by other Australian communities. (Fletcher, 1998, 3)

This is despite the Northern Territory receiving funds from the Commonwealth Grants Commission estimated at 175 percent higher than the national average. The Commonwealth Grants Commission attribute the higher per capita amount to dispersion factors of high Aboriginal population and economies of scale (Fletcher, 1998, 28). But the situation in remote areas remains critical and has recently seen the Jawoyn Association resort to an agreement that trades their native title rights in return for essential medical services.

**Aboriginal Incomes**

Compounded with poor quality of service delivery is the reality that average incomes of Aboriginal Territorians, being between $2,080 to $20,800, are well below those of non-Aboriginal Territorians. The mean Aboriginal income is 41 percent below the rest of the NT population and the median income figure for Aboriginal Territorians is a third of that for non-Aboriginal Territorians. These figures have remained unchanged in since 1991. On average urban Aboriginal incomes are 50 percent of that earned by non-Aboriginal Territorians and rural Aboriginal incomes are 30 percent of non-Aboriginal rural incomes (Taylor and Roach cited in Reeves, 1998, Ch 7, 5). This low income is largely a result of Aboriginal dependency on welfare payments or CDEP employment which is, on average, 10 percent more, but quite often less than unemployment benefits.
Aboriginal Contribution to the Economy of Northern Australia

Langton reminds us that

There is little public recognition that Aboriginal people are engaged in a wide range of commercial activities, and their economic contribution to local and regional economies is systematically ignored in the public domain. In public debates...their economic status is cast as one of “welfare dependency”, a rubric used to justify accusations of ‘wasting “taxpayers” dollars’ and undermining economic development. (1997, 8)

In the ALRA Review Reeves writes that

Aboriginal Territorians also want to see economic and social progress on their own lands, using their own resources, and guided by policies, programs and institutions that they control (1998, Ch7, 7).

Where Aboriginal groups have had their land returned to them or their ownership recognised, many examples of a new move towards self sufficiency can be found. Land owners have established enterprises and invested in joint ventures, or leased land to commercial operators. Ah Kit speaks of ‘the value of the so-called “black economy”’ (1998, 9) which is the foundation of much of the rural northern Australian economy.

Gatjil Djerrkura, Chairman of the Aboriginal and Torres Strait Islander Commission (ATSIC), in requesting some “social dividend” for Aboriginal housing from the sale of Telstra, points out

That most of the money that goes to Aboriginal communities stays in the region. By contrast, most of the money invested by big business leaves in the pockets of contract workers. [For example,] ATSIC spent $210 million in WA... distributed to local communities for housing projects, work-for-the-dole-schemes, cultural activities and native title. In turn this money was spent on food, clothing, fuel, building supplies, vehicles, legal fees and other services. (ATSIC Homepage, 1998, 1)

Without such spending many remote small businesses could not exist. This is reinforced by Pritchard and Gibson who estimate the size of the Aboriginal economy as at least $482 million for the Top End in 1994-95 (Crough, 1997, 1).

Though a large part of this economy is funded directly and indirectly from Government sources, private sector business developments are contributing increasingly. 1994 data
showed an over 50 percent increase in the number of self-employed Aboriginal people throughout Australia. (Morony, 1996, 1)

With the financial benefits from resource projects Aboriginal people have been able to establish more sustainable forms of income and investment. In 1996/97 income received in the Northern Territory from Aboriginal enterprises such as cultural tours, sport fishing, safari hunting, feral animal and wildlife harvests and aquaculture was $267,301 (Langton, 1997, 5).

For Aboriginal people to pursue such a path towards economic independence, recognised rights to their land is essential.

**Aboriginal people and their land**

The interpretation of land ownership for Aboriginal people incorporates a broader interpretation than for non-Aboriginal people. It is not just a home, source of food and an asset for creating income, but also has spiritual significance. Aboriginal people identify with their land and see themselves as the custodians of that land and have a responsibility to protect sacred sites and the resource of the land for future generations.

Aboriginal people

...conceive of their relationship with the land as having continuity through all time. ... People are believed to be unified with the land, with natural objects, and with animal species by an indissoluble spiritual bond. [Their] Religious beliefs are of central importance to the social and economic organisation ... (Dixon and Dillon 1990, 13).

The question of how Aboriginal people use their land to sustain themselves is complex. As Stretton says ‘...when people change the way they use resources, they change their relations with each other’ (cited in Leftwich, 1993, 607). With pressure for development, conflict over land use increases. For some the use of land for subsistence food gathering is threatened by more easily quantifiable economic activities of mining and pastoralism (where pastures are frequently over grazed).
Rose has drawn attention to the lack of knowledge and the misunderstanding by non-Aboriginal people in relation to ‘Aboriginal perceptions and aspirations of land use and land management issues.’ (1995,1) Land negotiations must follow the western legal framework and land use is similarly judged by western standards and economic criteria. This has resulted in Aboriginal marginalisation in relation to policy and development programs and no clear understanding of how Aboriginal ownership relates to issues such as development and conservation (Rose, 1995, 2).

In 1996 Cape York Land Council restated that

The essential truth is the unbreakable connection of Aboriginal people to their land ... It will never be possible to recognise that adequately in law. It can be achieved only at the local level and only by reconciliation founded on agreement.

(cited in Langton 1997b, 12)

Langton cites the comparative attitudes of the NT Government and the Litchfield Council towards two land claims. The Larrakia land claim on Cox Peninsula was opposed by the NT Government in a legal challenge lasting twenty years while nearby the Litchfield local government sought negotiations on behalf of residents with the Aboriginal community. As Rose writes

Without secure tenure Aboriginal people face enormous difficulties in coming to terms with the requirements of managing their land (1995, 10).

Aboriginal Land Rights and Mining

One of the most famous cases in Australian mining history is the opposition of the Aboriginal people of Yirrkala, the Yolngu, to the mining of their lands in North East Arnhem Land. In 1968 the Australian Government gave the rights to mine on Yolngu Land to Nabalco, a Swiss consortium. This company successfully argued in court that the land was owned by the crown and therefore available for mining.

Though the Yolngu people did not win their battle to be recognised as the rightful owners of land in 1968, their protests arguably led to the passing of Aboriginal Land Rights (Northern Territory) Act (ALRA) in 1976, the first legislation to recognise Aboriginal rights to their land (Young, 1997, 165).
Justice Woodward, the Royal Commissioner into Aboriginal Land Rights wrote

There is little point in recognising Aboriginal claims to land unless the Aboriginal people concerned are also provided with the necessary funds to make use of that land in any sensible way which they wish ... (Nettheim, 1996, 172).

So in relation to mining the ALRA specifically sets out terms and structures for paying and determining royalties and compensation for the use of Aboriginal Land and how ownership of that land is recognised.

Woodward found that ‘... to deny Aborigines the right to prevent mining on their land is to deny the reality of their land rights’ (Kauffman, 1998, 13). Although the Governor-General of Australia does have the right to over-rule an Aboriginal refusal to mine “in the national interest” and if both Houses of Parliament agree, this has never been done and it is generally agreed that Aborigines do have the ‘right of veto’ over mining of their lands in the NT (Kauffman, 1998, 16-7).

Aboriginal Governance and self-determination

Aborigines in Australia are living well below the standards of other Australians, in a cultural value system imposed on them by their invaders. Such a situation impedes their thinking of their objectives, undermines their confidence in their culture, leads to top-down management and converts participation into a system which serves the needs of the powerful (Sachs, 1995, 8). Examples of this can be seen in past Australian Government policies, mining practices and the actions of charitable organisations, some of which may have been well-intentioned, but have left legacies of exploitation, dispossession and tragedy. From positions of power people operated ethnocentrically, not bridging cultural barriers. Centralised bureaucracies have made and implemented decisions which are carried out with no flexibility or opportunity for fine-tuning. Ultimately decisions have been made for Aboriginal people rather than by Aboriginal people and they have been enforced with monetary policies and by applying non-Aboriginal law.

Howitt describes the situation in northeast Arnhem Land:-

Despite the obvious continuing strength of Yolngu cultural, social and political institutions in the lives of the people, the Aboriginal affairs system has acted as a
constraint on the development of political, economic and social development strategies in many ways, with the conflict over mining providing a focus for many aspects of bureaucratic attention on the area.

Obvious elements of this involve the bureaucratic criteria for funding community programs, the imposition locally of nationally defined goals. .. In many of these programs funding criteria and availability changes often, and usually without reference to local aspirations and priorities. In framing community plans, therefore, many groups are left to negotiate a haphazard array of policies, programs and funding sources. (1991, 40)

This has left regional councils under resourced while expecting them to conform to national procedures and policies that are forever changing.

**Effects of Mining**

Palmer and Williams write of the seriousness of

...the destruction or modification of places of spiritual significance [which] is then a threat to Aboriginal abilities to order their social and cultural relationships, as well as to achieve economic independence. (cited in Dixon and Dillon 1990, 13)

This destruction of sacred sites is seen as ‘...tantamount to the destruction of ancestral beings’ (Young, 1995, 177). Where this has occurred Aborigines have been left feeling as if they have failed future generations for not being able to protect their sites.

The social costs that result from the despair and breakdown of structures in a community are hard to quantify, but the resulting health and welfare costs may be enormous.

The impact of mining on the Alligator Rivers region has been described in the 1984 Social Impact Report (AISA) as follows:

...the current civic culture is one in which disunity, neurosis, a sense of struggle, drinking, stress, hostility, [fear] of being drowned by new laws, agencies, and agendas are major manifestations ...[It warns that] this is a society in crisis... further projects will see the aboriginal communities submerged and discounted in the rush to development (cited in O'Faircheallaigh, 1986, 2).

John Taylor’s research on the Kakadu region, incorporating the Ranger uranium mine and tourist developments, found that the economic and social situation of Aboriginal
people has not improved in the past fifteen years and noted that more than 90 percent of the people employed in the region were non-Aboriginal (Crough and Cronin, 1997, 29).

Large scale mining can dramatically change a landscape in a short time. The speed with which modern machinery can scar the landscape, combined with the large influx of unknown people into an area, can create a shock for the resident community and cause dramatic social changes. The increased movement of foreign people with different cultural values in and out of their land can impinge on the behaviour and way of life of the resident population.

The young, more educated people in particular, want to adopt the lifestyle of the newcomers and to have the material wealth which can lead to resentment of the higher living standards of the visitors. Disagreement over upfront payments and the distribution of royalty payments also creates tensions among different community groups and members (Dixon and Dillion 1990, 98).

Conflicts also arise over the recreational use of land outside mine sites and the access to sacred areas, such as water holes. Social exploitation is also common, as miners are frequently single men who form relationships with Aboriginal women (Young, 1995, 179).

With the development comes the increase in facilities, both commercial and services. Shopping centres create more opportunity for consumerism and access to 'junk food', which has been shown to lead to increased health problems. Positive side effects can be an improved supply of food and slight price reductions due to increased competition.

A larger population as a result of the mine can also lead to the establishment of improved health, education, social services and road and transport networks. Mining exploration tracks have been found useful for hunting and travelling around out-stations. But these benefits have to be weighed against the enormous social cost experienced by the changed life style and the inequalities in wealth between the Aboriginal and mining community members.
Aboriginal communities are continually evolving and adjusting to the presence of mining on their land. And then when resources are depleted, they have to adjust to the withdrawal of the mining activity and the departure of mine populations and the consequent implications of those departures.

At many mine sites the Aboriginal population live an artificially separated life from the well paid workers, particularly where there is a fly in fly out (FIFO) operation. This style of operation may have less impact than the establishment of a more permanent mining community, but its effect is still significant.

**Aboriginal attitudes to mining**

Aboriginal people hold a variety of attitudes towards the mining of their land. While many fear the adverse impacts of mining, others favour it and want it to occur on their terms. Some people fear mining as yet another form of dependency, or that it will be a reason for the government to reduce funding to Aboriginal communities, thus forcing them to approve more mining proposals (O’Faircheallaigh, 1986, 3).

Although they can appreciate the financial benefits of mining they do have concerns over the destruction of their lands. These physical concerns relate to the dangers to sacred sites, the dangers to themselves from mining, to the people doing the operation and to the Aboriginal people who should be looking after the land. They also acknowledge the social problems that result from negotiations and the distribution of royalties. The many government departments, mining organisations and other agencies all add to the confusion and complications of understanding the roles and interrelationship of the agencies involved in mining (Rose, 1995, xxii).

Unlike Australian law, Aboriginal law does not separate the surface and the sub-surface elements from each other in the same way that Aboriginals do not separate themselves from the environment but consider themselves part of it.

Trigger writes of the Australian attitude that mining is fundamental to the drive for ‘nation-building’ and to not support mining is viewed as a ‘type of betrayal’ of the
nation (1998, 156-7). The Jawoyn Aborigines opposition to uranium mining at Coronation Hill, in land they refer to as sickness country, was considered in this way by many who thought the mine should go ahead despite the fact that it was a sacred site on Aboriginal land and the traditional elders opposed it.

Conflicts of opinion over mining cause disharmony in communities. Some Aborigines hold no objection to mining as long as their sacred sites are respected and not damaged while others adopt the fatalistic view that mining will progress regardless so they should therefore accept financial offers in return. Others express concern for the integrity of the country, (it's spiritual strength), their culture and the environment. As one regional land council coordinator asked ‘Is this something we should accept, just in the interests of the nation, more degradation to our culture?’ (Trigger 1998, 158). Still others view mining as a legitimate way of utilising their land and supporting themselves.

Trigger states that

...the nature of Aboriginal ‘affinities’ with a national identity ...will rest upon ‘logics’ that are different from assumptions about ‘developing’ the land...[He argues] that real moral weight should be accorded to world views and practices that are at times inconsistent with predominant sentiments in Australian society. (1998, 164).

Trigger proposes the notion of ‘cultural citizenship’ in contrast to ‘citizenship’ as interpreted by much of Australian society (1998, 164).

Non-Aboriginal attitudes to mining

Land Rights

Although the Aboriginal Land Rights (Northern Territory) Act only applies to the Northern Territory, Libby argues that its ‘benefits to Aborigines ... had spread to other states in Australia where companies now understood the advantages of having good relations with Aboriginal traditional owners’ (Libby, 1989, 45). But this was not always the case. In 1985 James Strong, Chairman of the Australian Mining Industries Council, argued that the intentions of the Act had been subverted and that it was not serving the purpose for which it was designed, that being ‘to reconcile two competing interests for
land use’ (Libby, 1989, 117). He said that mining companies were leaving the Territory and this would not benefit the Aborigines or the Australian economy.

Mining companies have operated a Janus-faced approach in their dealings with the issue of mining and Aborigines. On one hand mining companies and pastoral interests have consistently publicly opposed Land Rights and stirred public opinion against support for Land Rights. During in the 1980's the mining industry spent over a million dollars on public affairs campaigns to mobilise the community against the government's efforts to implement Land Rights (Libby, 1989, 148). But in the country many mining companies and pastoralists worked positively with Aborigines. This is evidenced by mining companies' willingness to fund sacred site surveys before commencing exploration and the acknowledgment by pastoralists during land claim hearings of 'mutually cooperative relations' with Aborigines (Libby, 1989, 46, 159).

**Present attitudes**

In marked contrast to the confrontation approach of the 1980's, the present public attitude of the Mineral Council of Australia is one of open negotiation and cooperation with Aboriginal people while at the same time expressing concern at 'the increasing cost of gaining access to land.' (http://.../exploration.htm, 1997, 1)

In 1994 the High Court decided that Aborigines had rights to own land according to Aboriginal tradition or law. The details of that ownership, which did not apply to land under freehold title, were recognised in the 1996 Native Title Act (NTA). The Act, also established a system for negotiation between the various parties who wanted to utilise the same land and 'offered a very real opportunity for a greater share of the benefits from these large projects to remain in the local economy' (Crough, 1997, 5).

The Minerals Council of Australia saw the NTA as unworkable so 'decided to work with Governments to improve the certainty and security for all title holders, while being sensitive to the rights and aspirations of Indigenous people’ (http://.../ar_executive.htm, 1997, 1). The Council recognises 'that industry and Indigenous people will need to form cooperative partnerships', and acknowledges that this will involve '...pursuing different perspectives for legislative change, (which) will test the developing goodwill and
understanding’ (http://.../ar_landaccess.htm 1997, 7). The November 1998 court ruling on the Native Title claim in the Argyle region of northern Western Australia and western Northern Territory will have further implications for Aboriginal groups and their bargaining power over the use of their land.

**Northern Territory**

In the 20 years of land rights in the Northern Territory, the Northern Territory Government has opposed every land claim but has only been successful in one action. (Fletcher, 1998, 4) Thus the land claims have turned into ‘legalistic battlefields’ which have been time consuming, costly and have caused enormous stress to many people (Nettheim, 1996, 178).

Langton writes that

Indigenous and non-indigenous stakeholders have been caught in the conflict and detrimentally affected by the stalling of social and economic development which vexatious litigation has caused. (1997b, 7)

Fletcher estimates that the average cost to the Land Councils of a contested claim in the Northern Territory would be over $500,000, and on average there are 2.5 contested claims per year (1998, 10). In addition the NT Government estimates the administrative costs related to the Land Rights Act are between $5 to $6 million for the period 1994 to 1997 (Fletcher 1998, 25-6). Former Chief Minister, Ian Tuxworth places the figure much higher, saying that the ‘... Northern Territory has spent about $400 million fighting land claims’ (cited in Kaufmann, 1998, 26).

This expenditure has meant that the cost of acquiring Aboriginal land has been far greater than the market value of that land. As Reeves writes in his Review of the Land Rights Act

Opportunities have been missed to acquire even more land or to use more funds for social and economic advancement of Aboriginal Territorians through expanded programs for Aboriginal education, health, technology and business. (http://.../nextgeneration/pf&rr.htm, 1998.14).
**Mining Payments and Royalty Equivalents**

The payment of money for mining on Aboriginal Land is complex and involves many types of payments. Since the introduction of the Land Rights (Northern Territory) Act 1976 statutory legislation has specified the payment of royalties for exploration and mining on Aboriginal Land. The value of royalty payments are affected by fluctuations in world mineral prices and can be manipulated by the mining companies depending on company structures and the particular figures used to determine the sale price of minerals.

Royalty payments are made to the NT Government, or in the case of uranium to the Commonwealth Government, and are then forwarded, less some administrative costs and Mining Withholding Tax, to the Aboriginal Benefit Reserve (previously the Aboriginal Benefit Trust Account) for distribution by land councils (Crough and Cronin, 1997, 17). The specified proportions are 30 percent to be paid to Aboriginal groups whose members are traditional owners or reside in the ‘affected areas’ (undefined), 40 percent to finance Aboriginal Land Councils and 30 percent to be paid for the benefit of Aboriginal people throughout the Northern Territory (Altman and Smith, 1994, 6). The Mineral Royalty Act 1982 (Northern Territory) determines the basis for most royalty agreements, but does allow parties to negotiate their own arrangements (Kauffman 1998, 174).

In addition to statutory royalty payments, mining companies can make negotiated and ‘up front’ payments to traditional owners, Aboriginal organisations or the land councils (Altman and Smith, 1994, 7).

For the Aboriginal populations of many remote communities there is little commercial enterprise conducted so their financial survival is largely dependent on government payments and, where mining is carried out, some financial remunerations from the royalties payments. For some Aborigines, these payments can be substantial, but this is not commonly the case. O’Faircheallaigh showed in his study of the communities affected by the Ranger Mine that individuals each received cash payments of only $1000 per year from 1979 to 1985 (1986, 6).
Issues of Concern Relating to Agreements and Payments from Mining

The division of funds causes disagreement and ‘intense regional politicking’ among Aborigines (Altman and Smith, 1994,24). Some Aborigines resent the fact that only 30 percent of royalty equivalents come to those living in the area affect by the mining, while 70 percent is taken up in administration and used in other parts of the Northern Territory. Problems also arise when defining the ‘areas affected’ by mining and in the past this has been challenged in court.

There has also been criticism of the way funds have been spent particularly when they have been used to meet short term needs. But this is not surprising when Aborigines are living on welfare payments and costs of necessities are high in remote areas. Aboriginal communities which received royalties from the Narbalek Mine ‘...had very little to show for the monies disbursed’ in comparison to the Gagadju Association which used over 50 percent of their income to purchase assets for long term investment and invested in education and health services (Young, 1995, 176).

Aboriginal Participation in Mining

Another area of dissatisfaction relates to the employment and training guarantees specified in mining agreements. Until recently, the number of Aborigines employed or trained by mining companies operating on Aboriginal land was minimal. As Altman and Smith write in their study of the Narbalek Mine ‘The urgent need for investment in human capital has been largely overlooked’ (1994, 26).

In October 1996 the Aboriginal Mining Enterprise Task Force (AMETF) was established in the Northern Territory to strive to ‘increase Aboriginal participation and employment in the mining industry’ (AMETF Annual Report 1997, cover).

- 26 -
Arguments for Aboriginal involvement in mining are that:-

- Mining is already present in remote regions where the majority of the resident population are Aboriginal.
- Mining occurs across much Aboriginal land and is not confined to specific regions.
- There are few prospects for other viable economic activities in these regions.

**Hindrance to Aboriginal Participation in Mining**

Gatjil Djerrkura sees the main reason that the mining industry has been reluctant to involve Aborigines in the process is '... the fear that today's success could be tomorrow's failure' (AMETF, 1997, 2).

From the Aboriginal point of view mining is seen as very demanding and culturally different with its adherence to rules, regulations and uniformity and its demands of commitment and time structures.

From the mining point of view the main problems are the poor education level of the Aboriginal workforce, their 'lack of commitment' to the mine work (cultural and family needs frequently take priority) and "time management" problems. Social and cultural problems also arise between managers, non-Aboriginal and Aboriginal workers. At the Ranger Mine in Kakadu some Aboriginal staff had lost their driving licences so this further reduced their employment prospects (O'Faircheallaigh, 1986, 5).

**The Future**

The future economic needs of Aboriginal populations are very great and growing. One possibility to contribute to meeting those needs and funding investment for a sustainable future is through the development of resource projects and related entrepreneurial ventures.
CHAPTER 3: CASE STUDY
The Jawoyn Nation

Background

The Jawoyn Association was established in 1985 to represent the Aboriginal people who have collective ownership of language and responsibility for approximately 40,000 square kilometres of land, referred to as Jawoyn lands or Jawoyn traditional lands, east of and including the township of Katherine in the Northern Territory (Jawoyn 5-Year Plan 1996, 1) [See Map 1]. The settlements of Wugularr, Barunga, Manyallaluk, Jilkminggan, Werenbun are within this area. The people increasingly refer to themselves as the ‘Jawoyn Nation’, of whom there are around 600 adults. The Jawoyn people form the minority of the residents living on their traditional lands, comprising only about one fifth of the population and about 38% of the Aboriginal population (Gillespie and Cooke, 1998, 15). The Jawoyn have strong obligations to provide for all Aboriginal people living on Jawoyn lands, but especially those with whom they have traditional ritual ties (Jawoyn Assoc. Annual Report 1993-93, 17).

Within the Jawoyn lands there is land that belongs to the Jawoyn and is held as Aboriginal inalienable freehold land, granted under the Aboriginal Land Rights (NT) Act 1976 (ALRA), or as NT freehold land, granted by the NT Government. There is also land that is alienable to non-Jawoyn interests including some that is still under claim through the ALRA.

Unlike some remote communities, the Jawoyn people have experienced dispossession and marginalisation from their lands since last century. Early settlers arrived in the area and established the nearby Springvale Homestead, the first pastoral lease to be stocked with cattle in the Territory. The Pine Creek area was extensively mined for gold from the 1880’s onwards. Large numbers of miners, including many Chinese, moved into the area which later saw the development of tin mines and thirteen uranium mines. Local Aborigines have had a long association with mining and some were employed as labourers in the early mines.
Map 1: Land Tenure and Mining Tenure on Aboriginal Land
Jawoyn Association

In 1993 the Jawoyn Association produced its first corporate plan, on which it continues to build. It includes training strategies, economic and development plans and 'nation building' components. Robert Lee, the Executive Director of the Jawoyn Association, says that the Jawoyn people want

... to build on the past to create a future where Aboriginal Australians can break away from welfare dependency, and live on the wealth of the land as our ancestors were able to do. (Jawoyn Mining Policy, 1997: back cover)

The Jawoyn acknowledge the fact that little development has occurred on their land, except in the area of the Katherine township, and in their 1996 5 Year Plan they state ‘...We do not pretend that economic and social development for our people is a simple process’ (Jawoyn 5 Year Plan, 1996, 2). But they are aiming to achieve economic independence from government funding of their operation by the year 2000 (Gillespie and Cooke, 1998, 16).

Problems and constraints

There are many historical, cultural, social and environmental difficulties which the Jawoyn face in attempting to achieve their aims. Their 5 Year Plan recognises that literacy and numeracy are very low, probably below 14%, while only 6% of Aboriginals have any post-schooling qualifications. The perception of poor work force reliability is another major constraint which the Jawoyn are addressing with ‘Preparation for Work’ courses. The lack of trained staff and the need for work supervision is also a barrier to their inclusion in mainstream employment. The Jawoyn also recognise their need for outside expertise in the way of technical, management and financial skills.

Some residents are unwilling to leave their communities for employment. Thus, work may involve long travelling times. For example a 12 hour shift at the mine site, can result in 14 hour working days. Constraints on the availability of capital for investment and the limited number of suitable entrepreneurs is another problem for Jawoyn business development (1997, 2-3).
The Jawoyn and Mining

Mineral Resources

There are two major mineral provinces, the Pine Creek Geosyncline and the McArthur River Basin, which are partially in Jawoyn land. The provinces both contain several highly prospective areas of significant potential. In 1997 43 percent of Jawoyn lands (including NT freehold, Aboriginal inalienable freehold and alienable to non-Jawoyn interests) was under exploration. Since 1991 and up until 1997 over $1.6 million has been spent on exploration on Jawoyn lands. (Jawoyn Mining Policy, 1997:6)

Historical Background

Mining and the Jawoyn Association has not been without controversy. Just prior to the signing of the Mt Todd Agreement the Federal Government supported Jawoyn wishes and stopped the development of a uranium mine at Guratba or Coronation Hill. The elders feared serious consequences from the disturbance to spiritual forces if the mine had gone ahead on the land known as 'sickness country'. Jawoyn people had not thought they would win the battle to stop the mining on this sacred land. (Ah Kit pers. comm.).

As the proposed development was on Aboriginal land the traditional owners had the right to refuse the mining project but this veto could be over-ridden by Parliament. From 1986 to 1991 the issue caused controversy and conflict within the Jawoyn community, Government and mining circles as well as in the wider Australian society. After a public inquiry into Jawoyn religious beliefs it was accepted that the ‘... proposed developments would cause great damage to our culture and the future of our people’ (Jawoyn 5 Year Plan, 1996, 4). The Jawoyn ‘... were vilified as ‘anti-development’ and their religious beliefs attacked as ‘spurious’ (Gillespie and Cooke, 1998, 15). Such damaging criticisms promoted the incorrect assumption that Aboriginal communities were opposed to all mining and development and could not be seen as business partners; an image the Jawoyn were working to achieve.
Jawoyn Mining Policy

The Jawoyn Association is involved in a number of mining and exploration ventures on its lands and in the region but sees mining as just part of a range of commercial activities in a portfolio of investments. In the introduction to their Mining Policy, Jawoyn Executive Director, Robert Lee writes of the Jawoyn people’s awareness of their ‘... responsibilities to the wider Katherine and Australian community – as well as our own people – to use our mineral resources as efficiently and effectively as possible’ (Jawoyn Mining Policy, 1997, 2) But they do not ‘... regard mining as the ‘be-all and end-all’ as at times ‘... certain activities may be preferred over mining, even if they do not generate as much, if any, money’ (Mackinolty, 1997 Sept, 8).

The Jawoyn argue that an over emphasis on high financial returns such as royalties and rentals can threaten the viability of mining projects, especially when companies are in the costly start up stage of a mine development. Therefore the Jawoyn are willing to negotiate royalty rates for the resource rental taking into consideration other benefits in the way of joint ventures or equity agreements which can offer higher long term returns. They have also been willing to trade compensation payments for the disturbances to land during exploration, usually paid at a fixed rate, for other arrangements such as a percentage ownership of the exploration company.

Mt Todd Mine

History

Zapopan N.L. is a Perth based, public listed gold mining and exploration company which operates under independent Australian management. The Company is a 53% owned subsidiary of Pegasus Gold, a North American based international gold mining company. Pegasus Gold were considered a world leader in the heap leaching process of gold extraction from low grade deposits (Australia’s mining monthly, 1998, 7). In 1987 the Company negotiated the Mt Todd Joint Venture with Billiton Australia Gold Limited, contributing $200,000 to earn a 50% interest in the project. In April 1992
Zapopan reacquired Billiton's 50% interest in Mt Todd and in September the Board gave approval for $40m Phase I development. (Pegasus Gold Annual Report, 1993, 1)

As a result of the Mabo (2) Court Case in mid 1992 the then Labour Prime Minister, Paul Keating, negotiated the Native Title Act. The full implications of that Act on mining were not clear and there was also a Federal election looming, possibly in the coming year. It was in this climate of uncertainty that the Jawoyn became aware that Zapopan were planning to mine gold on their land. On Christmas Eve of December 1992 the Jawoyn Association wrote to the Prime Minister and Minister for Aboriginal Affairs and threatened to lodge a Native Title claim over Mt Todd mine site (Jawoyn employee pers. comm.). The Mt Todd land was subject to a re-claim under the Aboriginal Land Rights (NT) Act but some Jawoyn considered the claim unlikely to succeed.

A few weeks later the Jawoyn Association Executive Officer, John Ah Kit, met with Zapopan Director, Terry Strapp, and representatives of the NT Government and the Office of Northern Development (part of the Commonwealth Department of the Prime Minister and Cabinet). The Northern Land Council was also involved in offering advice, unknown to the NT Government (Jawoyn advisor and Northern Land Council pers. comm.). After 8 days of 'hard' negotiations an agreement was reached which satisfied all parties (Lee 1994 April, 1). As Ah Kit stresses, the negotiations were carried out by ‘...the bosses of the country’ who ‘were directing the process’ (1994, July, 2).

At the Mine opening the Chairman of the Jawoyn Association, Robert Lee, referred to the Agreement as

...an historic breakthrough in Aboriginal/non-Aboriginal relations in Australia ...

...[with the] first equitable mining agreement between Aboriginal people and the mining company on land that does not have the benefit of laws like the Land Rights Act. (Lee 1994 April, 2)

This agreement, the first of its kind since the Native Title Act, was achieved in an extremely short time and laid the way for the commencement of the $1.5 billion gold mine operation (Jawoyn 5 Year Plan, 1996, 7).
The Mt Todd Agreement

The Jawoyn initially tried to gain some royalties from the mine but were not successful. They were also very concerned about the environmental impacts of the mine; the possibility of the cyanide used in the leaching process contaminating the water table, the disturbance to the endangered Gouldian Finch which inhabited the nearby hills and the overall rehabilitation of the site after mining ceased.

In the final outcome the Jawoyn Association agreed to drop a repeat Land Rights Act claim over Werenbun/Barnjarn (Mt Todd area) and not to put a Native Title claim over the area in return for concessions agreed to by the Northern Territory Government, the Federal Government and Zapopan.

Listed below are the major benefits of the agreement (Jawoyn Association, Details of the Agreement and pers. comm.):-

From the Northern Territory Government:-

- Transfer of Werenbun-Barnjarn land (1368 km²) to the Jawoyn under an enhanced form of NT Freehold (which allows significant control by the Jawoyn people over the development on their land). Zapopan NL were granted the Mineral Leases before the transfer of the land.
- NT Government agreed not to challenge the Land Rights claim on Catfish Dreaming (2ha), a sacred site on the Katherine River near Rockhole Aboriginal community
- Support by the NT Government for the transfer of Eva Valley Pastoral Lease as Aboriginal freehold under the ALRA. The eastern half then transferred to the Beswick Aboriginal Land Trust for tourism, pastoral activities and mineral exploration while the western half transferred to Jawoyn Aboriginal Land Trust for Nitmiluk National Park Lease.
- Transfer of ‘Conservation Land Corporation Block’ lands to the Jawoyn as NT freehold for Nitmiluk National Park Lease.
- Rent for extension to Nitmiluk National Park (western part of Eva Valley Station and Conservation Land Corporation Block) up to $25,000 pa to $140,000 pa. This additional land more than doubled the size of Nitmiluk National Park.
- Nitmiluk Visitor Centre transferred to the Jawoyn Association
- $30,000/year for cross cultural advice to Conservation Commission of the Northern Territory who were managing Nitmiluk National Park
- $1M for water, housing, power and sewerage for Werenbun out-station, just south of Mt Todd, also if required, funding through the Industry Housing Program, for accommodation for Aboriginal workers at the mine.
- $60,000 for capital works for tourist accommodation at Eva Valley station over next 2 years.

From the Zapopan NL, whose major asset is the lease:-

- immediate employment of 5 Aboriginal workers for positions that were identified and offer training where appropriate and the opportunity for the Jawoyn Association to preview any new jobs
- 5 secondary/post secondary scholarships and 1 university scholarship for Jawoyn youth, and possible expansion of this scheme in the future. The Jawoyn later chose to transfer the scholarships for other benefits, such as funding towards a position in the Jawoyn Association for 3 years, which also attracted Commonwealth Government funding. (pers. comm. Jawoyn employee)
- design work practices, wherever possible, that allow Aboriginal employees to meet their cultural obligations
- encourage maximum training and employment of Aborigines by Zapopan and their contractors
- recognise Jawoyn attachment to their land in the planning, development and decommissioning of the mine. Zapopan agreed to consult the Jawoyn over all issues relating to their land.
- Agreed with the Jawoyn and Government that they will operate in accordance with strict environmental guidelines contained in the Mineral Lease
- all non-Aboriginal staff do cross cultural training
From the Commonwealth Government:-

- Eva Valley pastoral lease (2926 km²) was Commonwealth inalienable freehold and was transferred back to the Jawoyn under the ALRA.
- Commonwealth assistance for the position of a Jawoyn Aboriginal Employment and Training officer
- Commonwealth was to support a skills audit to identify skills available to the Mt Todd Project and areas that required training
- Transfer of title for Catfish Dreaming (2ha), a sacred site which was under a Land Rights claim

Status of the Mt Todd Mine 1998

By October 1993 construction had been completed and the project moved into the commissioning phase. In 1995 Pegasus Gold Inc purchased the Zapopan NL share of the Mt Todd Mine. In the US Pegasus Gold owed $130 million in unsecured loans so this is thought to have affected the decision to place Pegasus Gold Australia under voluntary administration in November 1997 (Jawoyn advisor pers. comm.). Pegasus closed the mining operation but has continued the heap leaching process and the employment of 5 Aboriginal staff.

The Jawoyn Association believe that ore from future exploration sites in the area could continue to be mined and processed over the next fifty to sixty years (Ah Kit pers. comm.).
CHAPTER 4: OUTCOMES FOR THE STAKEHOLDERS

The three major players, the Jawoyn Association, Zapopan NL and the NT Government, were all keen to see the Mt Todd Mine proceed and all were satisfied with the outcome of the arrangements, although compromises had been made on all sides.

Benefits for the Jawoyn Association arising from the Mt Todd Agreement

The Jawoyn Association have secured more of their land, increased employment and training of Aboriginal people, established a good working relationship with the mine and gained experience and confidence to become more involved in business projects.

Employment and training

According to the Jawoyn Association the poor living standards of Aboriginal people and their income disparity with non-Aboriginal people affects their morale and attitudes towards planning for the future. This is why the Jawoyn Association saw the issue of training and jobs as particularly important to the Agreement.

The funding for the Werenbun out-station and for capital works at Eva Valley has supported the employment of the Jawoyn in the building and construction work. Though these operations are not commercially competitive, they are providing training opportunities and building facilities within the community.

At the mine, Pegasus appointed an Aboriginal training and employment officer and contributed to the salary for an equivalent position in the Jawoyn Association, which also attracted government funding. This position was important to the Jawoyn people who saw it as independent from the mine and working for them. The principle of the employee being employed by and working for the Jawoyn builds Aboriginal confidence and trust in the process. Funding was also supplied for a mining officer for the Jawoyn Association.
Mt Todd Mine employed around 250 people, of which, 24 percent were Aboriginal employees (mine manager pers. comm.). In 1997 there were 32 Aboriginal employees which dropped to 5 in 1998 when the mine operation ceased but heap leaching continued (Dept. Mines and Energy, NT pers. comm.). (This compared to Northern Territory figures of 4.5 percent in 1993 rising to 7 percent in 1997 (Aboriginal Mining Enterprise Task Force Annual Report, 1997, 9). These figures include Aborigines working for the mining company or as mine contractors, but not those doing contract construction work.) The mine manager reported that younger adult Aboriginals found it easier to adjust to the work environment than older people.

The majority of Aboriginal workers at Mt Todd were not Jawoyn people and some were from interstate (Jawoyn advisor pers. comm.). But the development of the Mt Todd Mine did lead to the establishment of a range of training programs and the successful tendering by the Association to become a broker in the national labour market Jobskills training program. This established 118 training and employment positions for Aborigines in the area (Jawoyn Assoc. Annual Report 1993-4, 17). In 1994 the Jawoyn Labour Market Database listed 280 Aboriginal people and had placed 30 employees with Zapopan, 7 with the Mirrkworlk Joint Venture, 15 with Theiss Contractors at Tindal, 3 in apprenticeships and 6 as ATS Clerical trainees. (Jawoyn Association Annual Report 1993-4, 17). Some Aborigines were also employed for casual and seasonal work such as fire burning and seed collection at the mine.

‘Directly and indirectly, Zapopan’s presence has led to the employment of about 60 Aboriginal people in the Katherine area.’ (Ah Kit, 1994, July, 5) Ah Kit and the mine manager stress that these are ‘real jobs’, not just created in order to employ Aborigines. The Jawoyn 1993-4 Annual Report records that over $2 million a year was paid in salaries to Aborigines working at the mine and Robert Lee, the Jawoyn Chairman points out, this is ‘...- a bigger amount than we may have got through royalties’(4).

After the closure all employees were paid their entitlements as well as an ex-gratia payment. All trainees were transferred to other projects, such as construction or road works. The future funding of the training and mining officer positions in the Jawoyn Association is unclear (pers. comm. Jawoyn Assoc.).
Pre-employment course

These courses were funded by the Commonwealth Department of Employment and Training and run for 6 weeks each year in order to give any Aboriginal who thought they might want to work at the mine an introduction to the environment and some of the necessary skills. The course involved 4 weeks of classes where safety, work routines and practical skills were taught. It was conducted over a full day so required being picked up early in the morning and staying on site all day. Then there were 2 weeks of on-site work experience which gave people a chance to experience the noisy or dusty areas of the mine as well as the office area.

By the end of the course individuals could make an assessment of whether they were suited to mine work and long shifts. For those who realised that it was not for them, the experience was seen as a training session and individuals were not treated as having failed the course. Of the 12 Aboriginals who attended each course between 1993 and 1997, about 60 to 70 percent went on to work in the mine, where they were given further job specific training (pers. comm. Jawoyn employee).

Return of their lands saves the pain and money of land claim negotiations

The return of their ancestral lands for them to look after was a major benefit for the Jawoyn. Catfish Dreaming was first claimed in 1978 and Eva Valley in 1984. As a result of the Mt Todd Agreement, the return of these lands was guaranteed and finally given back to the Jawoyn in December 1994, though many older Jawoyn who originally requested the claim had since died. (Lee, 1994, 1)

Considering each land claim on average costs $0.5 million per year with around 2.5 claims per year (Fletcher, 1998:29) the saving for the Northern Land Council in not having to negotiate the Werenbun-Barnjarn and Eva Valley land claims can be said to be over $1 million. Added to this is the saving in time, effort and bother to Aboriginal people. The Jawoyn Association Report 1993-94 says ‘It is particularly hard on our old
people, who are the main witnesses in the court hearings held to “prove” we are the traditional owners of lands we have held for thousands of years’ (27)

If we assume that the NT Government would oppose the Jawoyn land claims, as it has consistently done for all Northern Territory land claims, the saving to the public purse is significant. There is also a saving to the Commonwealth Government in its costs associated with general purpose financial grants that include costs attributed to legal challenges (Fletcher, 1998, 2).

**Negotiation and Mining Experience**

The Jawoyn Association gained valuable negotiating experience to approach future business deals. As John Ah Kit relates ‘I remember looking across the table at the Government and Zapopan negotiators, all on good salaries, and looking at the senior Jawoyn men on our side, who would barely have $100 between the lot of them to last until next pension day. And here we all were, in the same room, talking about a $1.5 billion mineral development!’ (1994, 2).

Mt Todd Agreement was the first commercial agreement the Jawoyn entered into with private enterprise and this has helped to give them the confidence to embark on a range of commercial ventures including mining, contracting, pastoralism and tourism. Since 1993 the Jawoyn Association have built an asset base of nearly $5 million with their joint venture partners and their other investments (Lee, 1997, Jan, 4).

**Mining Opportunities**

The Mt Todd mine led to the Jawoyn Association’s involvement in the Mirrkworklk Joint Venture which won the Stage 1 and 2 contracts to carry out the contract mining at Mt Todd. Stage 2 was not completed due to the voluntary receivership of Pegasus Gold Australia (see insert on MJV).

In 1994 the Jawoyn Association went on to establish Barnjarm Mining Company and in 1996 entered a joint venture with Dominion Gold (later sold to Northern Gold and then
to Pegasus) to explore the region surrounding and to the north of Mt Todd. By accruing their exploration compensation payments to cover their 10 percent share of the Wandie Joint Venture the Jawoyn will own a share in the mine should exploration and the mine be successful. Since the closure of the Mine exploration has continued, but at a reduced rate (Jawoyn Association pers. comm.).

The advantages of the close working relationship with Pegasus and the Barnjarn Joint Venture has given the Jawoyn Association access to a great deal of information that is useful for their land management of the area, such as fire, environmental and tourism management (Jawoyn employee planning pers. comm.). With this information they are forming a data base called the Geographical Information System or GIS (Mackinolty, 1997, Sept, 3). Another advantage is the collecting of geological data from the area which can be used in the future.

Mirrkwoork Joint Venture (MJV)

How and why MJV was formed
The Directors of the Henry and Walker Group Limited had known Gatjil Djerrkura, Chairman of the Aboriginal and Torres Strait Islander Commonwealth Development Corporation (CDC) for some 15 years. In 1993 they attempted to organise a joint venture to purchase a contract mining and civil engineering business. This deal did not come to fruition but did lead to Djerrkura bringing the Jawoyn and Henry and Walker together to organise the MJV. Henry and Walker were preparing the tender for Stage 1 of the Mt Todd work at the time and saw it as strategically important to become involved with the Jawoyn Association.

Mirrkwoork Joint Venture (MJV) was established in 1993 with Henry and Walker Contracting Pty Ltd (50%), Jawoyn’s Gunyilli Mining Pty Ltd (25%) and the Aboriginal and Torres Strait Islander Commonwealth Development Corporation (CDC) (25%). (Jawoyn 5-Year Plan, 1996,7) [Henry and Walker Group Limited is a large contract mine and civil engineering company with operations in surface and underground mining across Australia and overseas. They are based in Darwin, Northern Territory].
The Jawoyn had no capital to invest in MJV so raised a commercial loan from the CDC for the funds. Discussions were held with a minimum of advisers to avoid the process becoming bogged down. The four major objectives of the MJV were:

- to be financially viable,
- to provide training and employment for Aboriginal people in the area,
- to create cross cultural awareness between Jawoyn people and the management and staff of the Henry and Walker Group and
- to enable the Jawoyn to have meaningful involvement in an activity impacting on their land.

Henry and Walker employed a consultant to prepare an Aboriginal Employment Strategy, with which they continue to work and apply to all their projects.

MJV won the Stage 1 contract, worth $26 million, to extract the ore for three years. The CDC became a shareholder in Henry and Walker and provided a commercial loan to Gunyilli. The initial capital in MJV was $3.7 million and cash supplied in proportion with their shareholding (pers. comm. Henry and Walker). Turnover for 1994 was $8.4 million and $11.4 million for 1995. By the completion of Stage 1 the Jawoyn were able to repay the loan to CDC and carry over $400,000 profit to Stage 2 (pers.comm. Jawoyn advisor)

The stage 2 contract was valued at $166 million over eight years and was awarded to MJV. When the mine went into voluntary liquidation in November 1997 this contract ceased and MJV is now involved in court proceedings to resolve the matter. Gunyilli Mining Pty Ltd may be liquidated and receive a minor dividend in the outcome.

The good relationships developed with Henry and Walker and CDC remains and may lead to further agreements in the future. This has ramifications for other Aboriginal communities as well as the Jawoyn Association.
Employment

Of the 24 employees in 1996, 5 were Aboriginal. Some of the problems encountered were absenteeism due to Aboriginal social issues, difficulties with 12 hour shifts, difficulties in conforming to safety requirements while trying to conduct on the job operator training and problems for full-time female administrative staff who have family commitments that prevent them working every day. Some problems are being overcome by using a ‘pool’ of trained operators to complete shifts and considering job-sharing for administrative staff. Another idea was the development of a mobile operator training unit in conjunction with Department of Education, Employment and Training, industry bodies and mining contractors but, to date, this unit has not been established due to the costs of the heavy equipment (Henry and Walker pers. comm.). (See Appendix 1).

Social Implications

This is difficult to assess as no follow up social impact statement has been done since the mine opened. The 1992 Mt Todd Gold Project Impact Statement recorded that ‘...Attitudes amongst local people towards the project are favourable ... [and there is] perceived social and economic benefit from expected business development and employment opportunities’ but no specific note was made of social benefits to Aboriginal people (Impact on Social and Urban Infrastructure, 1.1).

The funding of the Werenbun out-station has improved the living conditions for these people and the Mine has sponsored some Aboriginal community sporting teams but this has ceased with the closure of the mine.

The overall development made by the Jawoyn Association has given the Association the opportunity to implement their 1996 5 Year Development Strategy. It is these long term goals that have the potential to improve the welfare of Aborigines in the area.
Benefits for the Aboriginal Organisations of the Mt Todd Agreement

The Mt Todd Agreement represented an important turning point for the future of Aboriginal land negotiations and business developments.

- Firstly, it showed that negotiations can result in the rapid commencement of a mining project which can benefit all stake holders; the Aborigines, the mining companies and the Government, locally and federally.
- Secondly, it proved that Aborigines are willing to negotiate over Native Title and Land Rights and for their land to be utilised in non-traditional ways.
- Thirdly it has given confidence to Aborigines to negotiate and become involved in commercial operations.
- Fourthly, it is an example of a situation where Aborigines have been trained for work in commercial operations and this can be achieved while still respecting their cultural responsibilities and commitments. This may involve some changes to work practices and the serious consideration of the different needs of individuals in the workplace. (see Appendix 1)

Benefits for the Northern Territory and Federal Governments of the Mt Todd Agreement

The NT Government was keen to see the development of the mine for the stimulation that it would bring to the local economy, the flow-ons to all industries supplying the mine development and the tax revenue for government.

In agreeing not to oppose Aboriginal land claims the NT Government saved the costs of legal proceedings; savings which could then be spent in other areas. The approval of the land transfer meant the land could be leased for the extension of the Nitmiluk National Park which guaranteed the public access to that land.

It can be argued that the funds for tourism facilities and capital works on out-stations were the responsibility of Government anyway but the Agreement did secure the funds without delays or long bureaucratic consultation processes.
Mines operating in remote areas offer the potential for training and employment where there is limited scope for other commercial developments in the vicinity of resident Aboriginal populations. The employment and consequent transfer of some people from welfare payments onto the mine payroll is a saving for Government. The Aboriginal involvement in training has led to a more skilled and employable workforce for the community. This also resulted in more skilled Jawoyn workers and improved morale among Aborigines. The confidence to embark on further business agreements has the potential to lead to increased employment and skill development opportunities which could further reduce the Government welfare bill.

**Benefits for the Mining Company of the Mt Todd Agreement**

The most important benefit to the company was the ‘fast tracking’ of approval for the commencement of the mine without delays or long time consuming and costly negotiations. Zapopan were pleased to have avoided the legal complications that could have arisen from Native Title or Land Rights claims.

By maintaining good relationships with the Aboriginal stakeholders and respecting their concerns the mining company was able to proceed with its development without misunderstandings that could lead to mistrust. As Robert Lee, Chairman of the Jawoyn Association said at the opening of the Mt Todd Mine in 1994 ‘Too many mining companies dislike Aboriginal people and resent the rights to which we are entitled. Many more people are just plain ignorant (1994a, 4)’.

The establishment of a relationship of goodwill meant that problems could be approached amicably and resolved as they arose. Similarly, the working details of the agreement remained open for further discussion and negotiation when and as it became necessary. For example, when it was realised that the scholarships were not the most appropriate way of assisting young Jawoyn people they were traded for funding towards employment positions in the Jawoyn Association.

Work practices that were introduced to assist in accommodating Aboriginal needs have also benefited all employees and the Company. Recognising that at times Aboriginal
staff have to attend community business and ceremonies the Mine manager redefined all
time off, such as sick leave, holiday pay, or bereavement leave as ‘paid time off’. This
proved beneficial for the management as it reduced the amount of unforeseen leave taken
by staff. It was also popular with staff who wished to take long leave breaks and suited
the local Aboriginal workforce who needed more short periods of leave to attend to
local business.

Much of the assistance in the form of training and apprenticeships was financially
supported by Commonwealth Aboriginal Training Program strategies which the mining
company and the Jawoyn Association were able to utilise. This meant that a proportion
of their wages were paid by the Government. Another advantage of employing and
training the local population was that it ensured a long term resident workforce and one
that was familiar with and had knowledge of the land and the culture of the people in the
region. The company was also seen as a positive participant by the local community.

Strategically the company benefited from having established a proven record of trust,
cooperation and advantageous working relationships with an Aboriginal community.
This is strategically beneficial when entering future negotiations with Aborigines and
their organisations.

Benefits for the Region of the Mt Todd Agreement

The mine employed 250 workers during peak production. This employment increased
the population’s spending capacity within the small Katherine community, consequently
adding to the local economy. But the Mt Todd Mine and the other major development in
the Katherine region, the Royal Australian Air Force Base at Tindal, spent most of their
funds outside the region. Prichard’s and Gibson’s report into the Katherine region’s
economy described the mining and the military as ‘... characterised by low local
multipliers due to substantial extra regional financial leakages’ (1996, xi-xii). In
contrast, their research found that 92% of the expenditure of the five major Aboriginal
organisations and their companies remained in the region. This statistic supports the
significant of the Aboriginal population and their businesses to rural economies.
Mt Todd Agreement

Mining is a high capital/low employment industry involving a degree of risk. By its nature it is not sustainable but the benefits gained have the potential to be sustainable. Accepting this fact Aborigines have to consider how best to utilise any benefits gained for long term advantage. As with all mining, the Mt Todd Mine has proved the fragility of the industry and its dependency on external factors such as parent companies, commodity prices, exchange rates, export markets and world economies. It also involves up-front exploration costs and expensive establishment expenditure which Aboriginal organisations are not able to support at present. In the case of Mt Todd the Aborigines did not even have secure title to the land but shrewdly and skilfully negotiated an outcome that benefited their people. The Mt Todd Agreement represents a specific opportunity seized by the Jawoyn and used to negotiate outcomes that they had identified as important to them at the time.

The Jawoyn traded their power to delay the development of the Mt Todd Mine, a power afforded to them through newly enacted Australian law, for a range of conditions. Perhaps more importantly, the Agreement made a strategic statement about the thinking of Aboriginal people towards their land. After the stopping the Coronation Hill uranium mine Aborigines had been labelled as anti-mining in some circles. The speed with which the Mt Todd Agreement was reached over three weeks sent an important message to the industry and government that Aborigines, and in particular the Jawoyn, were interested in mining developments on their land.

Employment and training

No royalties were involved in this Agreement despite a general opinion in the Northern Territory community that Aborigines receive large amounts of money from mining. By forgoing their repeat land claim and native title rights they have given up the opportunity for future royalties from the site for all time. Instead the Jawoyn concentrated on training and employment and the resolution of some long term land claims. The guaranteed return of their land was obviously extremely important to them.
and is the basis from which they can try to build a future for their people and establish an economic base. Similarly, the funds for the Werenbun out-station were valued for improving the accommodation and facilities for some of their people. Training, which would not have been established without the Mine as a potential employer, is seen as absolutely necessary for Aborigines if they are to increase their employability or manage their own affairs.

The Mt Todd Mine was expected to continue for more than 10 years and the plant was expected to process ore from the surrounding area for 60 to 80 years, but this will depend on the new management and the gold market. Although few Jawoyn worked at the Mine, about a quarter of the mine’s workforce were Aborigines. This employment ratio was around six times the Northern Territory average in the mining industry and set an important new standard for the industry. Some work conditions and practices were adjusted to accommodate the different cultural needs of Aborigines and this is an area which can be developed further. Presently the mine talks of positions being ‘real jobs’ but perhaps the western concept of ‘real jobs’ should be reconsidered to suit the needs of the Aboriginal people. More flexibility with job sharing and the establishment of some sort of family centre and pre-school at the mine site are among the possibilities.

Aborigines from the region do not want to leave their country for work but there are few employment prospects locally. The lack of appropriate skills and the non-Aboriginal work environment of businesses has left most Aborigines dependent on welfare. It is important for agreements that involve the promotion of Aboriginal employment be enacted seriously, and not signed as token gestures, as has happened with mine projects previously.

The Pre-employment programs gave Aborigines some employment skills and an understanding of the type of work involved. Such courses can assist in the transition from non-work to work environments, but mine work is not necessarily suitable for everyone. Cultural factors mean that the reasons for work may be very different between Aboriginal and non-Aboriginal people. For non-Aborigines, the chance of making and saving money is attractive but for Aborigines, who often live more communally, funds are usually shared and therefore may not necessarily offer the same incentive to work.
At Mt Todd all staff were given cross-cultural training and this is a marked shift from twenty years ago when the mining industry ignored the existence of Aboriginal affiliation to the land and their culture and sometimes desecrated their sacred sites. But resentments are still held by some. For example, some mine workers resented the 'easy jobs', such as gate keepers, going to Aborigines.

Mine closure

The sudden closure of the mine after only 5 years reinforced the cyclic nature of the industry. All local Aboriginal employees were absorbed into jobs in the surrounding communities but the training programs ceased. There may be training and employment opportunities for two to three more generations of local Aborigines, but this will depend on the new owners and management of the mine. Should the rapidly growing younger population of Aborigines in the area choose to take on mine work, the existence of the mine and processing plant could be an asset to some in the Jawoyn community.

Changing strategies

In the past mining companies, frequently owned by overseas based multinationals, moved into an area and attempted to remain segregated from the surrounding population as much as possible. Companies did not employ mining contractors for the excavation, but preferred to use their own equipment and staff. Mines operated as a closed shop. More recently, specialist contractors have been contracted for the various operations and this has resulted in more players being involved in the mining process. As a result, there is now outside competition for mine work. Aboriginal organisations have been able to become involved in tendering contracts and forming joint ventures. This has encouraged the implementation of varied work practices and a broader interaction of ideas and options. Companies have recognised the strategic advantages of involving the Aboriginal landowners and the benefits of training and employing local people.

In forming agreements, the Jawoyn had to work with non-Aboriginal law and bureaucracy. Many attribute the success of the Jawoyn agreements to the manner in
which they were founded. The key people directly responsible for the land and the
companies talked together, consulting advisers when necessary, and built a trusting
relationship. They then went to their accountants, lawyers and bureaucrats and asked
them to enact the agreement. Such a process avoided red tape stalling the concluding of
agreements.

Desire to break the cycle of dependency

The Jawoyn accept that to break the cycle of dependency in their community will not be
easy but they have expressed their desire for economic advancement and independence
since their first land claim in the early 1980’s. In the Jawoyn Association Annual Report
1993-4 Robert Lee wrote:

In the old days, we looked after our land, and it looked after us. All we needed
was our Law, and respect for the knowledge of the old people about the land. We
can still do this, but it is modern days now, every thing has changed since the
coming of the white man. This means we have to be smarter: we have to have a
vision about where the future might take us. (6)

For this vision to occur, the Jawoyn have involved themselves in a range of activities,
some incorporating more or less management participation, high or low rates of
employment and none or some capital investment. Although the Mt Todd Agreement
did not involve high employment of Jawoyn people it can be considered as a step in the
process of increased employment opportunities for Aborigines in the mining industry.
The employment officer related, with pride, the story of a trainee who has since gone on
to earn $80,000 a year at another mine site. This story may be unusual but it is important
as proof that if the opportunities for training and employment are available, Aborigines
can benefit from them. But while many Aborigines experience poor health, and families
and communities suffer the effects of severe substance abuse, the potential of training
programs is hampered.

The severe health and social problems cause disruption and problems for many families
in the region. The Jawoyn have recently tried to address one aspect of the health issue in
a controversial way. They have agreed to forfeit a land rights claim and native title
rights over an area of land, and contribute $20,000 of their funds in return for the

- 50 -
establishment of an Alcohol Rehabilitation Centre and kidney dialysis facilities. The lands are to be used for horticultural development and the Jawoyn are discussing an agreement for the promotion of Aboriginal employment with one of developers.

(Jawoyn Press Release 1998 Oct, 2)

This agreement of trading ‘land for health’ has been widely condemned throughout Australia as satisfying basic health needs is a citizenship right. But the Jawoyn consider the agreement necessary if they are to save their people and try to help those who want to give up alcohol. It could be argued that the Jawoyn have sacrificed land with a potential long term financial return, for meeting short term health needs. But these immediate needs were not being satisfactorily addressed by government. In order to break out of a destructive, dysfunctional life style, which is damaging to the whole community and hindering other projects, the Jawoyn viewed the health facilities as a priority and an investment that met their community needs and benefited them for the future. Such an agreement reinforces the perception of the seriousness of the Jawoyn Association in tackling the problems they confront.

Attitudes

There has been a general attitude by governments that the granting of land rights was going to result in less mining and negative economic outcomes, but there is little evidence to support such an attitude. Reeves writes in his review of the Aboriginal Land Rights Act that ‘...The Land Rights Act has probably had negligible impact on the costs and benefits for the mining industry itself’ (1998, 577). Where Aboriginal land holders have been involved in development projects, negotiations have led to positive outcomes which stimulate the economy and, in the long term, reduce the economic burden of dependency on government welfare payments. As Tracker Tilmouth of the Central Land Council says in his letter to the NT News

...Aboriginal Land was by far the safest bet for mining companies, because it is immune from the NT Government’s political decision not to grant licences on pastoral leases ... Last year 98 percent of all mineral exploration licences granted in the Territory were on Aboriginal Land and ... at least 80 percent of mineral production in the NT comes from Aboriginal Land... (1 August 1998)

Yet Aboriginal Land covers only about half of the NT.
Unlike the Northern Territory Government politicians, mining companies and the Mines and Energy Department do have a successful working relationship with the land councils and Aboriginal communities. As a senior Government Departmental officer recounted ‘...There is a changing attitude within Government. Behind the froth seen in the media, underneath there is a good relationship generally.’ It is this desire for mineral development and the successful working relationship that can be built on to increase the benefits of mining for Aborigines and work towards their reduced dependence on government.

The effect attitudes have on the outlook of people is exemplified in the views recorded to the future of the Mt Todd Mine. While a ministerial officer saw the most likely future of the Mt Todd Mine as being sold for tax right off purposes, the Jawoyn Association felt very strongly that the mine was viable and would operate again in the future, as did a Mines and Energy Department officer.

The bad feeling that exists between the Territory Government and Aboriginal organisations appears to stem partly from a resentment that Aborigines have achieved the return of so much of their land. As Mr Manzie said in Parliament on 13 October 1998 ‘... in the early 1970’s ...the Fraser government, the Liberal-National Party government. At the time, all Australians were advised – Territorians in particular – that no more than 10% of the Northern Territory would be claimable under the Land Rights Act’ (Hansard, 47). Since then the Land Councils have successfully concentrated on reclaiming land to the point where 80 percent of the NT coastline and 53 percent of land (pers. comm. NT politician) is claimed or under claim. As a result of the sunset clause in the Act no new claims can be implemented, so the direction of the land council efforts has moved towards land management.

One Member of Parliament described Territory Aborigines as the ‘wealthiest land owners in the world’, and that if they ‘hooked into capital from world markets they could be absolutely self-sustaining’. But he admitted that this won’t happen quickly. The process could be assisted if the public antagonism displayed by the government
towards Aboriginal organisations ceased and all parties could direct their efforts towards mutually beneficial developments.

**Royalty Equivalents and Payments**

Strong opinions are also held on the moneys paid for mining on Aboriginal Land. When speaking to a ministerial adviser in the Northern Territory Government about the benefits of mining to Aborigines, he recalled an example of ‘Galarrwoy Yunupingu receiving $9 million in royalty funds while his relatives lived under corrugated iron sheeting’. A Government politician spoke of Aborigines receiving $60,000 plus each year tax free (Aboriginal Benefit Trust Account having already paid 5% tax) royalty equivalent payments (which are given as a credit note to the local store) while still receiving social security money.

The complex arrangements involving payments from mining has led to a general belief in both the Aboriginal and non-Aboriginal community that all mining results in a flow of funds to the Aboriginal traditional owners of the area. This belief was also true in the Katherine community, despite the fact that no royalties or moneys were paid to any individuals from the Mt Todd mine.

Royalty equivalents are seen as a necessary to raise the capital needed for any commercial development and to run Aboriginal organisations. But payment distribution is problematic, and some payments are spent on immediate needs, with no long term return. Bob Collins describes the system of payments and distribution as ‘... structurally, fundamentally flawed’ (Schulz, 1998. 30).

There is an argument that the payment of royalty equivalents to Aborigines is promoting a form of dependency, in the way that welfare money has been labelled ‘sit-down money’. Mackinolty sees royalties as painting Aboriginal land owners into a corner where they are passive recipients of ‘benefit’ rather than being actively involved in financing, managing and controlling development on their country. (1997 Sept:4)
This raises the fundamental question of what lifestyle and activities Aborigines want to have on their country.

The prospects of economic catch up from their present economic and social position is heightened as their population grows rapidly. Although the Federal budget has increased spending on Aboriginal health it has not done the same in other vital social policy areas such as housing and lifestyle needs (ATSIC News, 1998, 9).

**Powerful Players**

By owning land Aborigines have become powerful players in negotiating with mining companies and governments for the advancement of their communities. As has been seen with the Jawoyn Association, the Mt Todd Agreement led to a range of benefits for themselves and the people of the region. It can be strongly argued that the Jawoyn people were entitled to many of these benefits regardless of the Mt Todd Mine. But the Agreement saw the speedy resolution of many issues and entitlements to the satisfaction of all parties.

As was seen in the case of the dialysis machines for Katherine, after the issue became public the NT Health Minister offered the machines to the community regardless of the land deal. The Jawoyn Association’s determination to be treated as equal players in society and to improve life for their people will go towards reducing the despair Aborigines have felt in the past.

Djerrkura, Director of ATSIC, sees

The key to participation is agreements — agreements on the economic use of our land ...participation and equity...if the private industry gets involved in job-creation process and brings the Aboriginal communities around Australia back into economic development the country will be a lot better off. (ATSIC News, 1998 Aug, 15)

For this to happen it is necessary for Aboriginal organisations to join with others who have the expertise. But in the past companies have seen no advantages in working with Aboriginal organisations. Developers and governments made little attempt to bridge the
cultural gap. It was a paternalistic approach that alienated Aborigines and destroyed their self-esteem.

The entering of Aboriginal representative bodies into the corporate world of mining and commercial agreements has meant an enormous cultural adjustment from communal traditions of ownership and behaviour. Present Aboriginal negotiators have adjusted to the European style of corporation leadership and these corporations are now becoming the tool for Aboriginal change and self-determination. Aborigines have had to accommodate many of the impersonal mechanisms of associations, and the difficult exhausting trials involved in negotiation agreements (ATSIC News, 1998 Aug, 10). It is inevitable that at times there will be dissension and some people will be dissatisfied with agreements as Aborigines are forced to manage their land and assets in a capitalist system.

**Workforce Participation**

For the transition into the workforce the reality of rigid work hours and demands on productivity means that many employers are unwilling to take on inexperienced staff. The manager of a local construction firm, while praising the success of the Jawoyn building team on communities, said that he had taken on some local Jawoyn but he had been ‘badly burnt’ and his industry could ‘not afford to operate as a charity’. To expect private enterprise to employ workers who cannot meet their expectations of productivity and commitment is not feasible.

The increased privatisation of government departments has resulted in a reduction in government employment opportunities for Aborigines and the increased technological sophistication of society has seen a trend towards fewer employment opportunities for less skilled people. Thus it is increasingly important for the Jawoyn, and other Aboriginal communities, to establish agreements with businesses which can incorporate workplace training for their people. There is a need for Government to continue to invest in training and subsidise salaries for training positions in the workplace in order for Aborigines to break into an environment in which few presently participate.
It cannot be assumed that *all* Aborigines want to actively be part of ‘mainstream Australian economy’. It must be recognised that, as Robert Lee has said, ‘...looking after our land, our Law and our culture’ is important to Aborigines and they should not be denigrated for doing so’ (1997a, 7). Comments by politicians such as ‘... Aboriginal Land Rights (NT) Act has ... led to a number of people trying to immobilise Aboriginal culture in a time warp to create some sort of living museum’ (Mr Palmer, Parliamentary Hansard, 1998, 32-3) show a lack of respect and understanding of Aboriginal values. One NT Country Liberal Party politician admitted that he had benefited from cross-cultural demystification education and that he had unsuccessfully encouraged his Parliamentary colleagues to attend training.

Obviously there will be many varied opinions as to the future direction Aborigines should choose and how far their decisions should be based on cultural obligations, short or long term needs or pragmatism.

Stakeholders involved in mining agree that mining does have the potential to contribute in a variety of ways to the advancement of Aboriginal conditions. Like all business, Aboriginal involvement in mining will require wise leadership and management for the benefits to be sustainable. Land rights, which have given Aborigines a position from which to negotiate, and, in recent years, the implementation of procedures in some mines that give consideration to cultural differences, have resulted in increased Aboriginal involvement in the mining industry.

**1999 Update**

In February 1999 Multiplex Construction Pty Ltd purchased a 93% share of the mine with General Gold Resources NL purchasing a small share and Pegasus retaining a minor interest. The sale price was $30 million (Multiplex pers. comm.). General Gold Resources NL, who will run the operation, will modify the ore processing plant to only extract the higher grade ore. By mid 1999 it is anticipated that the mine will again be extracting 8 million cubic metres of ore per year. Depending on the future gold price, it is anticipated that ore from the surrounding leases could also be processed in the future.
Although the new owners are sensitive to the local community, the Jawoyn Association have ‘only marginally’ been involved in the mine sale negotiations. The Jawoyn Association have been assured by Pegasus and General Gold Resources that the Mt Todd Agreement regarding training and employment opportunities will be respected. (Jawoyn Association employee pers. comm.)

In regard to health needs, the NT Government has agreed to fund the establishment of an Alcohol Rehabilitation Centre and the dialysis unit at the Katherine Hospital without the need for the Jawoyn Association having to forego any land claims.
Diagram 1: Major Benefits of the Mt Todd Mine Agreement for the Aboriginal Community

- Increased % of Aborigines in mine workforce set a new benchmark for industry
- Acknowledgment of Aboriginal communities' desire to be involved in mining
- Development of business negotiation skills and confidence
- Aboriginal cultural needs considered when designing work practices
- Settlement of outstanding Land Claims
- Commercial opportunities for Aboriginal organisations
- Workplace Training
CHAPTER 6: CONCLUSION

From the Mt Todd case study it can be seen that an Aboriginal community can involve itself in resource development and negotiate benefits that are sustainable.

For the Jawoyn Association large scale mining on land that is not sacred to them is an acceptable land use and an activity in which they chose to become involved. With strong and well informed leadership the Jawoyn Association have developed a corporate plan, of which, mining forms a significant component.

The Jawoyn Association showed that it was willing to facilitate the commencement of the Mt Todd Mine in return for benefits that were priorities for the people they represent. These benefits include (see Diagram 1):

- Development of business negotiation skills and confidence
- Public acknowledgment of Aboriginal communities’ desire to be involved in mining
- Recognised benefits by considering Aboriginal cultural needs in the workplace
- New benchmark for percentage of Aboriginal employment in the mining industry
- Workplace training
- Settlement of outstanding land claims
- Commercial opportunities for Aboriginal organisation

These are sustainable benefits that continue to assist the Jawoyn Association in becoming more self-reliant and actively involved in the development of their land.

The success of the Mt Todd Agreement was founded on face to face negotiations which involved Aboriginal traditional owners, government representatives and the mining company representatives meeting together to strike an agreement. Trust and the recognition and respect for each other’s needs was an important component of the Agreement. The Mt Todd Agreement showed that there is scope for agreements that are not solely financially based, but are participatory agreements involving flexibility and goodwill.
Although the number of Jawoyn Aborigines employed at Mt Todd was low, the Mine did offer an opening for younger Aborigines who were interested in mine work and provided opportunities for school leavers. But as in any society, it can not be expected that all Aborigines will want to work in the mining industry.

Wider Implications of the Mt Todd Agreement

It is only twenty-two years, or one generation, since Northern Territory Aborigines were first given recognition of their land rights. The Mt Todd Agreement is the first mining agreement to involve so many concessions from the Northern Territory Government. Such an agreement is significant as it acknowledges that Aboriginal organisations are legitimate stakeholders in the development of commercial activities in the Northern Territory and that positive outcomes can be achieved despite much of the public rhetoric heard in the media.

Many Aborigines, who are the major resident population in remote areas of the Northern Territory, do not want to leave their land for work. By being involved in development projects, Aboriginal organisations stimulate regional economies while simultaneously providing opportunities for training and work.

Workplace agreements that take into consideration cultural differences have resulted in a new acceptance of the Aboriginal community as a supplier of a potential workforce for mining in remote areas. This benefits mining companies, which can tap into a local workforce, as well as providing employment and training opportunities for Aborigines.

There is the opportunity for further flexibility and effort in the area of workplace agreements so that the transition from unemployment to employment is successful and sustainable.

It must be pointed out that this paper has not attempted to assess detrimental effects of mining, or to survey the members of the Jawoyn community. There is scope for future research to study the social affects of the Mt Todd Mine on the Jawoyn community over the longer term.
The Future

Mining development, like other commercial development, can create sustainable benefits for Aborigines, particularly in the areas of work and training and contribute to a reduced dependency on unemployment benefits and job creation schemes. But for commercial projects to be most effective, an inclusive process involving Aborigines at all stages of planning and development is necessary. Aborigines have always managed their land and are keen to continue this process, in conjunction with those who have the necessary finances and expertise. With the return of their land, strong leadership and direction, and the acceptance of Aborigines as legitimate business partners, Aboriginal organisations can develop projects that address their priorities.

It is argued that government funding will need to increase in the short term if any catch up is to be made in Aboriginal living conditions. But it is reasonable to expect that if Aboriginal organisations and mining companies can work more cooperatively with each other, and government, the benefits to all will be greater. Acknowledgment and respect of cultural differences, which has not happened in the past, is essential if this is to occur and Aborigines are not to be condemned as marginalised citizens.

Although these conclusions relate specifically to the Mt Todd Mine Agreement and the Jawoyn Association, many of the benefits may apply where circumstances and specific strategies may be different. But the successes achieved by the Mt Todd Agreement and the Jawoyn Association is cause for optimism. If Aboriginal organisations can successfully involve themselves economically and/or practically in mining projects, mining could contribute to increased Aboriginal self-reliance and reduced dependency on government funding.
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Appendix 1

Variations to work practices when employing Aboriginal people in remote areas

Varied work practices have been implemented by some contract companies who recognise the cultural differences and are willing to accept that there are ways of working that can accommodated Aboriginal social and cultural practices.

Job sharing

This allows a number of people trained and skilled in the same area to share one position and one salary. For example, three qualified truck drivers may share the driving of one truck and arrange between themselves the distribution of the work. This allows them time off during the day and the flexibility that is not available if one person is doing 10 or 12 hour shift 6 or seven days a week.

Alcohol intoxication

To discourage workers coming to work influenced by the effects of drinking alcohol, small self testing kits are available for those who require them.

Social Recognition

On one mine site the truck drivers started taking small diversions through the township in order to be seen driving the truck as this social recognition was important to the degree of satisfaction they gained from their work.

Pay times

When pays were transferred to the bank accounts before the end of the shift, some employees would leave early in order to collect their pays and would not return. By
delaying the transfer of pays to the bank until the end of the shift, employees would not leave early.

Re-introduction of smoko

The long periods of work with no breaks for 5 for 6 hours was found to be difficult to sustain so ‘smoko’ was reintroduced. The short break which may have involved the lighting of a fire and boiling the billy allowed for social contact and the continuation of work throughout the day without absenteeism.

Training

Training of people to operate large excavation equipment on a mine site is difficult as the equipment is very expensive and can be dangerous. Industry has suggested the establishment of a ‘mobile operator training unit’ which could train Aborigines in the community on excavation equipment. When they had gained sufficient experience they could progress to larger equipment at the mine site. But to date this has not occurred as the machinery is considered just too expensive. Some people have observed the large amount of equipment in Aboriginal community workshops that is not in working order. The feasibility of repairing this equipment for training purposes could be investigated if funding were available.
Appendix 2

Numbers of Aboriginal staff employed at Mt Todd Mine

Figures compiled from figures supplied by Mt Todd Mine and Department of Mines and Energy, Northern Territory.

Note: Some figures are % of mine staff who are Aborigines and others are number of Aboriginal employees at mine site.

1994  Feb - Mine opened with 27% of staff Aboriginal
1995  27% of staff Aboriginal,
1996  28 Aboriginal staff,
1997  July - 32 Aboriginal staff,
1997  Nov - Mine operation closed, but processing continues.
     Dec - 7 Aboriginal staff =13% of staff,
1998  June - 5 Aboriginal staff,

Maximum Aboriginal staff between 1994 and 1998 was 33% of workforce (pers. comm. Dept. Mines and Energy, NT).