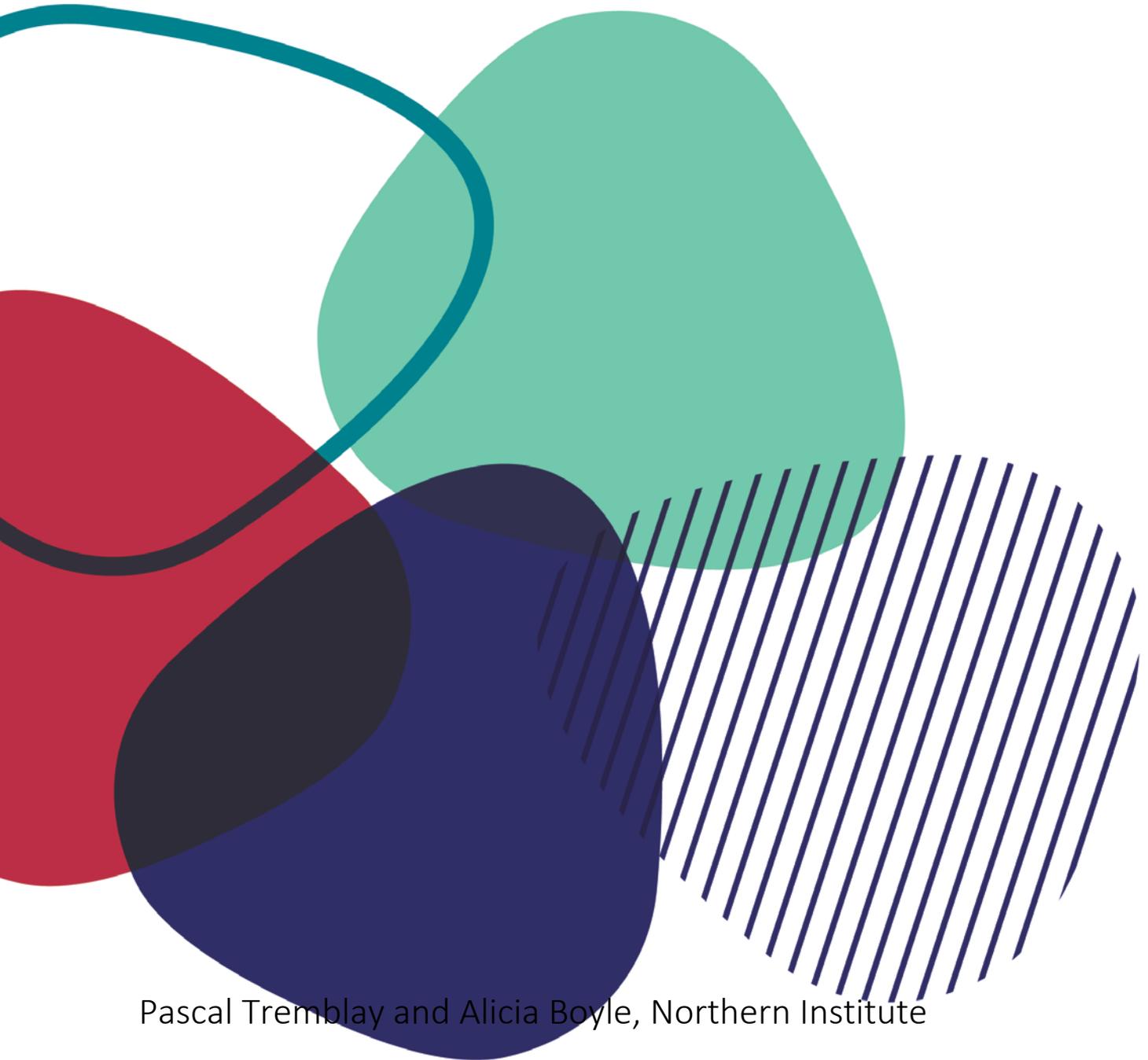# Charles Darwin University

Improving the contribution of major projects to local employment in remote regions

Report for the Regional Australia Institute
The Future of Regional Jobs 2019

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Research purpose

This project is part of the Regional Australia Institute (RAI)'s Inquiry Program 2019, as approved by the Secretaries and Directors' General meeting of December 2018. It is part of The Future of Regional Jobs theme that explores various employment contexts, and the continuing challenges associated with matching local skills with evolving economic opportunities shaping the regional landscape.

The focus of this project is specifically on remote regions, which are characterised by their sparse permanent population, the distance to access generic services (government, commercial and main industry clusters), and their commonly recognised limited skill pools and less diverse economic capabilities. The latter dimensions are usually perceived to create particular challenges to targeted workforce development and harmonisation thereby undermining the potential establishment of a sustainable economic base.

In Northern Australian regions, recurring economic and employment opportunities take the form of temporary 'major projects' frequently arising from the resources sector and complemented by government-procured investments in infrastructure, housing and construction activities. Much of the accumulated knowledge regarding investment and commercial decisions, and the management of workforce development in remote regions (including the use of labour from within and outside those regions of operation) resides with the 'major project' companies who have trialled models and contractual frameworks across distinct project scale and remote regions.

This state of affairs makes it worthwhile to probe, assemble and analyse the emerging evidence these businesses can provide, with the understanding that the dependability and sophistication of 'data' will differ across sources, but should contribute towards the latest insights surrounding those critical questions. The strategy adopted by the project is to gather evidence from a small number of types (of major project operators), and to concentrate initially on those most willing and capable of sharing the most comprehensive and verifiable evidence regarding the nature of local and regional employment impacts of major projects in remote regions, and some of the key internal (to businesses) and external influences on those impacts. For instance, preliminary discussions suggest that in many such projects, local employment opportunities are 'activity- or phase-specific' as some activities require imported technical skills while others explicitly target local involvement. This proposition will be tested across sectors, regions and individual business experiences.

Background

Whether they are examined during an escalating mining boom or throughout the bust that inevitably follows, Australian remote regions usually appear ill-prepared to cope with economic change. Commentators and policymakers have long expressed concerns about remote Australia's readiness to take advantage of recurring or sometimes more sporadic opportunities taking place at its doorstep; and have questioned its ability to anticipate subsequent downturns and find ways to reinvent itself. Regardless of whether projects arise from the resources sector or from government spending (typically linked to the provision of infrastructure or social services), a relatively steady assortment of severe challenges appear to afflict remote regions' capacity to act on the 'limited opportunities' to boost their economy.[i] There is of course an element of circularity in the association between geographical seclusion and economic inertia since the concept of remoteness is simply a statistically-defined term used to map

'disadvantage'. In other words, the term 'remote' reflects a generic set of regional barriers that stem from a central attribute: that those regions are afflicted by their poor connectivity to the rest of the country, to its mainstream society and its market economy. This implies by definition that remote regions are those ill-equipped to react promptly to changing outside economic trends, to identify them, critically assess them and formulate distinct strategic responses.

As economic and living spaces, remote regions struggle to offer the basic conditions for sustainable economic growth (amenities, basic services, infrastructure, living conditions, workforce and human capital, governance structures and institutions) considered 'normal' in mainstream Australia, such as widespread markets needed to support most types of industry. This portrayal is also commonly used to depict the attraction and retention of labourers in regions affected by 'negative perceptions of remote employment opportunities, limited access to services including health and education, relatively low wages and limited housing availability' (p.21).[ii]

In that sense 'remoteness' is a relative attribute that can be interpreted either as cause or consequence in the observed correlation between socio-economic disconnection and economic underdevelopment. Disjointed natural and human endowments enhanced by distance factors and restricted connectivity contribute to sluggish economic progress, which reinforces population sparsity, curbs human capital investments and most likely prolongs economically remote regions' uncoupling from mainstream economic opportunities and assets.

Even if we acknowledge the noteworthy amount of demographic, social and economic diversity characterising remote regions across the board,[iii] it remains the case that they appear to perform comparatively badly in terms of most wellbeing statistical indicators applicable to the regional scale such as health, education, infrastructure, safety, housing, jobs, etc.[iv] This type of assessment extends to performance around educational services disparities, technological readiness, and translates in weaker economic and employment outcomes in general.[v]

Local and national governments focused on improving remote economic outcomes are typically preoccupied with boosting local employment while confronting the practical reality that remote places overall suffer from overwhelming drawbacks that affect the employability of their residents, which becomes obvious during and between recurring resources booms. It is increasingly agreed that addressing the limited economic prospects of remote regions cannot be done by emulating regional development recipes emanating from rural/regional centres reliant on agriculture, on coastal-seaside tourism, based on retirees' migration, or on attempts to renew manufacturing clusters, etc. as remote employment calls for different policy approaches and priorities.[vi] In other words, regions dealing with sparse populations, poor connectivity and restricted industrial diversity[vii] must recognise both the facts that seeking adjustments in regional skills and economic capabilities will remain protracted, and that those remote regions will face a fairly limited range of opportunities and strategic options – the majority of which will be of short or limited duration – and that such conditions ultimately call for distinct economic policy levers.[viii]

Some commentators seeking policy reform and taking a long-term view of remote Australia's sluggishness have elected to attribute its inferior wellbeing outcomes squarely to systematic policy failures due to external misjudgements about remote needs.[ix] Following the last mining boom, efforts to readjust policy across regional Australia (not just remote) have taken a different direction. Some specific attention has gone towards identifying Australian regions least likely to adapt to rapidly changing national economic circumstances, with the view to facilitate their ability to transition towards different economic circumstances and reconsider the nature of their economic bases. Among cohorts of assorted regional performers, remote regions were conjectured to be among those offering the lowest potential

for rapid responses to economic structural change. [x] While such claims have occasionally been perceived as somewhat 'offensive' depictions of remote residents, the hypothesis of 'lower adaptive capacity' characterising remote regions appears credible as it simply reflects their lower degree of economic diversification and their historical economic dependency on specific large projects and government services and transfers.

To this day discrete major projects associated with private resources companies or government infrastructure spending dominate policymakers' perceptions of what constitutes remote economic opportunities.[xi] Although their ability to employ local residents and provide sustained livelihoods vary greatly, these major projects constitute significant potential pathways towards economic participation in remote regions where there are few opportunities to do so. Understanding how to improve the interface between public policy surrounding major projects and the latter's workings to employ locals for the sake of improving those pathways is a rapidly advancing domain and is of critical importance for remote economies.

This research aims specifically to document what selected private businesses with considerable experience in conducting major projects in remote regions believe regarding the best ways to create local remote employment and sustaining it. It involves businesses which are typically project proponents as well as first- and second-tier contractors playing significant roles in supporting workforce diversity objectives. Interviews were conducted to examine those businesses' views regarding the effectiveness of past and more recent practices in achieving local employment outcomes, whether they can back those assertions with credible evidence, and what regional economic policy implications might be. The interviews and analysis reported therefore focus on ways to enhance access of locals to employment in remote 'major projects', often extending considerations from the private-sector led projects to complementary opportunities in the public sector.

It is clear that multiple strands of research and academic literatures have relevance for this multi-faceted topic, as many widely disseminated ideas and viewpoints were reflected in the interviews discussed below. While this report did not intend to incorporate a critical review of the literature or pertinent viewpoints, it is valuable to provide an indicative list of some key policy debates which continue to influence contemporary thinking on those matters and certainly contribute to the intellectual context of the research. We highlight only a few in no particular order:

•The *Staples Trap* description by Canadian economic historian Harold Innis' which remains influential with economic historians, institutionalists and geographers in particular.[xii] It broadly infers a dependency relationship whereby resources-exporting peripheral regions become reliant on their narrow resources base and associated export channels to specific metropolitan areas, get stuck in recurring boom and bust cycles outside their control, become entrenched in industrial inertia and fail to produce the institutional arrangements that would allow them to transition towards maturity and diversification, that could in turn support agglomeration economies.

•*Aboriginal economic participation* political and research agendas and their critiques have played an important role in the examination of the level of readiness and needs of Australian remote regions where Aboriginal communities dominate, and the potential to create sustainable employment. It must be noted that a large number of ongoing debates centred around the desirability of mining as a form of employment for Aborigines are not necessarily concerned with remote regions and appear often to reflect pervasive right-left political disagreements frequent within Aboriginal affairs. While the current 'disconnect' between remote Aboriginal lives and the mainstream market economy can be attributed to historically entrenched societal attitudes backed by early discriminatory and subsequent passive welfare economic policies,[xiii] approaches that contributed to economic exclusion are being reconsidered.[xiv]

It is fair to claim that in the last decade, there has been convergence among widely diverse commentators and stakeholders (including Land Councils) regarding the overall desirability of Aboriginal economic participation as a means to increase economic independence, support individual or group-based 'choice', and ultimately facilitate the articulation and achievements of Indigenous aspirations.

•The literature on the *impacts of the mining sector* has itself 'boomed' in the last decades in Australia, with a proliferation of studies focused either on mining operations, their social, economic and environmental impacts, their legacies around mine closure, the importance of FIFO workers,[xv] social licence notions, and ultimately their economic footprints. This has been considered across regional contexts, socio-economic environments, and with or without Aboriginal participants. Much has been written recently regarding specifically Aboriginal engagement and participation,[xvi] on the relative importance of mining for remote regions specifically and the evolving nature of economic transfers to land custodians, mainly in the form of royalties.[xvii] A significant literature has also addressed the implications of reliance on various types of workers, their impacts on regions and metropolitan areas, with a limited number of contributions directed specifically at remote employment by resource companies.[xviii] The stances regarding engagement with traditional land owners taken by some of the most visible resources companies post-Mabo have influenced policy debates and focused particularly on the role of employment facilitation as a mechanism aiming to connect remote residents with mainstream economic opportunities.[xix]

•Increasing interest in *government procurement* as a mechanism to be used particularly during periods of mining slowdown to boost employment in remote regions is becoming increasingly popular in Australia. This is associated with the widespread generation of major infrastructure projects involving roads, defence facilities, other transport and communications facilities, as well as housing. In remote regions specifically, the objective of supporting local employment typically combines traditional buy-local political preferences with a host of social objectives. Among those, local and Aboriginal participation targets have recently become increasingly contemplated by national, state and territories' governments attempting to redress social and economic imbalances, but this remains controversial. The question of whether these forms of interventions are effective or desirable as regional policy mechanisms is complex, and early evidence suggests that regions should be cautious prior to engaging in such simple responses to such wicked policy problems.[xx] What the literature on public procurement in remote regions has specifically highlighted is the skills gaps often observed between the requirements of project developers (tasked with delivering value to regional residents) and the ability of remote regions to anticipate, produce and use such skills, for a host of complex reasons – and the implications of expecting private sector organisations to effectively and transparently address such wicked dilemmas.

• Successive *Development agendas for Northern Australia* have also been debated and played a role in shaping current understandings of the socio-economic challenges faced by the northern periphery, incorporating a large share of the most remote parts of Australia. The most recent vision clearly presents a job creation narrative applied on a multi-state scale focusing on infrastructure, supply chains, and policy frameworks and institutions needed to improve investment channels.[xxi] The distinct roles of remote regions and of Aboriginal communities in that cross-regional and cross-sectoral vision of the north appear ambiguous, although the latter clearly emphasizes economic interdependence.

• Recent research and policy interest in the *impacts of automation* and related technological advancements on skills and future jobs have had a considerable impact on debates about the economic legacy of sectors such as mining and engineering. They raise renewed questions about the ability of government agencies in charge of workforce planning to prepare various workers' categories for future needs in regional and remote Australia, as well as the capacity of traditional training systems to anticipate and transfer the required competences.[xxii] A question of particular interest for major projects

occurring in remote regions is whether remote residents, in particular Aborigines, will be further disadvantaged when attempting to access work in those contexts.[xxiii]

From the above, it could be argued that the potential policy space of interest is somewhat crowded in both topical and ideological terms, and that attempting to articulate more precisely the topic would be simplistic if it ignores the agendas overviewed above. It is indeed the case that the number of possible considerations and concerns is sizeable and cannot simply be distilled on the basis of existing academic arguments due to the specificity of their conceptual formulation. The current research project instead aims at documenting what businesses involved directly with major projects in remote regions think about the prospects of employing locals, the practices they believe are effective to attract and retain them, their assessments of what works (for them and for the remote regions they interact with), and whether they can provide any evidence about their achievements and what the future might hold. It is apparent that many businesses hold quite sophisticated understandings of the diversity of issues that need to be connected and tackled, appreciate their own abilities and limitations (as well as that faced by the communities concerned), and are able to recognise past mistakes and acknowledge new potential contradictions. Their enthusiastic participation and the time they gave is appreciated.

What works to improve remote major project employment: Areas of convergence

Interviews confirmed early that it would be difficult to identify an optimal approach or recipe reflecting proven practices among private sector enterprises' beliefs regarding how to maximise or even address local employment from major projects in remote regions. This is the result of shifting regional policy environments, global economic trends, technological landscapes (affecting the nature of skills and work), and the various political agendas affecting remote economies discussed above. It also reflects the nature of private enterprises undertaking their business functions by experimenting, differentiating themselves and trialling different approaches according to their own insights about the environment they operate in, improvements they can achieve and their interpretations of social and community expectations about their role.

But while an optimal approach or replicable recipe is elusive, in fact, opinions about significant aspects of major projects and remote economies appear to be converging in ways that should be considered and which are likely to usefully inform policy. Among those, a few distinct novel models and narratives of industry engagement linking major projects to remote regions could have profound implications to enhance economic participation. These need to be considered carefully, evaluated and conceivably supported by public policy if shown to be coherent, effective in outcome terms, and sufficiently replicable to have widespread impacts.

Yet at the enterprise level, these remote economic engagement narratives are only partly articulated. It is important to appreciate that the narratives described below were constructed from the responses provided by interviewees which were in some cases relatively loose, and in others comparatively structured. Appendices A and B in this report summarize along thematic lines the materials collected from those open interviews. Assessing areas of agreement and disparities required a few iterations of analysis, useful parts of which appear in Appendix B which covers what was said about business drivers and practices and the changing environments of remote major projects. Appendix B uses the themes listed just below to provide an overview of the views expressed quite spontaneously by the majority of interviewees. These reflect mainly their own approaches to making a case around 'what works' and what they'd learned over years of experience around remote projects. The themes were simply extracted

subsequently during the analysis, and enable the useful framing of the large diversity of discrete opinions around the issues raised by respondents:

- The legitimacy of focusing on local employment
- The business case for employing locals: Engagement, design and project horizon
- The planning and communication methods used to effectively attract locals in/around major projects jobs
- The design approaches developed to retain locals in major project employment
- The planning and engagement framework required to leave a lasting economic legacy

As show in the diversity of views and practices detailed in Appendix B, interviewees were hesitant to claim any 'best practices' across each domain. Their initial modesty towards making claims of superior local employment performance was reinforced when questions around the applicability of those practices across regions, sectors and types of businesses were raised. Yet as an aggregate, the diverse businesses approached had clearly more coherent views and methods than they themselves appeared to claim. The current section attempts to identify domains where similarities dominate and those where clear differences appear. We used the emerging themes summarized in Appendix B to map opinions and procedures that seem accepted by the majority of interviewees and contrast them with those that appear to be gaining early credence, and those that appear somewhat ground-breaking.

It is useful to reiterate that after interviewees were initially asked about their own employment and engagement practices, they were invited to reflect how much change had occurred in those practices (and beliefs or opinions) in the last few decades, and subsequently quizzed about whether they believed their peers and competitors would agree with their own views. This was followed by a few questions about whether industry channels or forums existed where respondents shared their views and learn from each other. To report on those reflections, we formulated the following categorisation:

1) Those principles or procedures that appear to be widely shared, either because businesses communicate, observe each other, or have been influenced by the same sources, including policies and remote political climate;
2) Approaches that appear to be converging according to interviewees but not necessarily yet agreed by all, due to differences in beliefs, sectors, business advantages, etc. Typically, some stated issues have attracted similar solutions, which might be articulated differently by business, and could in time become the norms;
3) Newer approaches or practices aiming to strengthen remote employment still being tested.
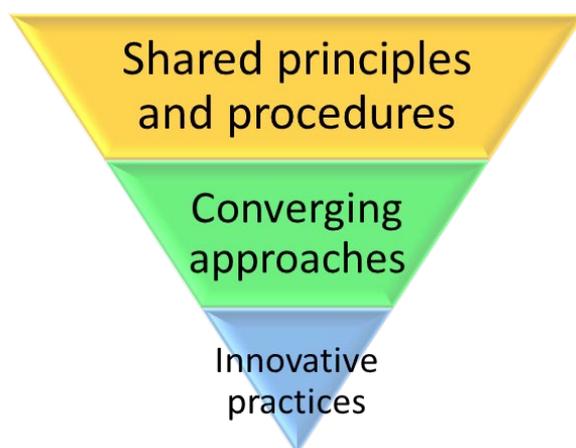
a) Shared principles and procedures

A number of similar cross-cutting principles were articulated by the distinct interviewees, which led to somewhat repeated themes regarding what works, what practices should be adopted, and sometimes which impacts could be anticipated.

Values/themes	Observed practices and anticipated impacts
The general principle that all remote residents who want to work should be catered for, even if skills levels are low appears widely accepted. Most interviewees expressed strong support towards trying to maximise the number and diversity of jobs on offer for locals, claiming they were willing to map pathways towards employment for individuals not yet ready or not yet sufficiently skilled	• Offer of a wide range of jobs to locals; in project, in related businesses (around projects), in services (supporting projects), or in community (outside project) • Offer a variety of training options suited to particular projects or locations, ahead of offers being made to non-locals • Offer work readiness support and create mentorship system
General belief that employing locals in the majority of projects (with adequate backing through mentors and trainers) is more cost-efficient than reliance on FIFOs in general	• Support for public and private investments that facilitate or support remote employment markets - including infrastructure that improves mobility (i.e. roads) and services that enhance 'choice' for remote residents (jobs, training, consumption/ financial literacy, access to employment services) • Need to coordinate a steady flow of employment opportunities (to justify individual investments in capabilities; education, health, training) and cultivate economic linkages for economic base
Treat everyone in the same way – all interviewees articulated this position as a deliberate shift from the past. The notion that all workers (locals, FIFOs, regionals, etc.) should be 'accountable' for their attendance, labour intensity, equipment and skills development appears to be widely adopted. This is often contrasted to past indulgence towards work behaviours that nowadays appears unacceptable but has been tolerated (in part to achieve targets) and led to a questionable culture of low expectations in which businesses were complicit	• Communicating (and gaining) a reputation of fairness across groups (no preferential treatment) • Uniform OH&S procedures and records (across worker groups) ensuring similar opportunities • Improvements in attendance (noted by most) • Increased pride in working status, improved personal financial management for locals • Less churn among both locals and FIFO workers as perceptions of double standards diminish • Increased acceptance that Aborigines respond similarly to economic incentives to improve their material conditions, and should get remunerations matching their contributions rather than status
Aboriginal employees' cultural responsibilities understood, accepted and planned for – usually supported through communications, managerial endorsement, and incorporated in business planning processes (including preliminary community discussions to ensure that authoritative community members are involved in providing validation when unexpected events occur)	• Greater overall retention of remote Aborigines • Reduction of abuse by some workers especially in the form of absence from work (at project level) • Reduction of tensions in communities (between locals, contractors, government agencies sometimes distorting expectations, etc.) • Contingency work team planning/adjustments for unexpected changes in absenteeism and productivity – until individual workers' reliability has been gauged and becomes understood • Focus on business "cultural competence"
Safety practices and compliance playing an increasingly dominant role in major project core activities. Depending on sector (i.e. type of project and type of mine), standards are different but nowadays well-established and important to	• Domain of 'work readiness' extends to specific OH&S dimensions, that require both training and demonstration of reliability. Cadetships useful to ascertain individuals' overall readiness and fitness

	• Physical, mental, communication capabilities need to be assessed (pre-employment), monitored (including drugs and alcohol) and documented – for all workers
corporate stakeholders, and for government support.	• Need to plan job provision outside direct project activities (or even off-site) for those who cannot satisfy those requirements

b) Converging approaches

A number of converging approaches that attempt to address issues related to the administration or implementation of employment aspirations, but often call for distinctive solutions across businesses, regions or projects.

Converging employment management strategies	Observed/anticipated impacts
Actions to adapt living and working conditions for locals not accustomed to strenuous work shifts, or not familiar with camp life. This entails anticipating the need for smart/ flexible adjustments likely to be required to address specific objectives applying to certain types of projects, community goals or business aspirations (i.e. there are differences around the possible objectives of mixing cultural groups at/or around work; and sometimes maintaining some strategic cultural or social separation)	• Specific needs are catered for by businesses to support readiness and retention as requested (accommodation, nutrition, financial education, literacy & numeracy, work safety, etc.) • Appointment of dedicated mentors • Learning is improved due to different interactions, influences, mentoring practices across groups • Undertaking training during slow-work season (i.e. wet in the far north) • Impact of bilateral cultural exchanges are valued by locals and non-locals (encouraging mixing up) • Sense of belonging can be enhanced by keeping country people together, with own space or living quarters, etc. (encouraging partition)
Shifting focus from current job towards workers' future employability beyond the project – in terms of the skills or capabilities gained, and their ability to be re-employed, move up the ladder, or transition into different domains	• Support further training, further education, capabilities shift that can be transferred to other work after project completion • View any local/Aboriginal worker that becomes independent, moves elsewhere for work or changes employer as a success story (not a loss) • Reject simplistic 'in-job' targets • Focusing on secondary employment if specific work can be extended or redeployed in the region
Envisaging partnerships with specific remote communities or Aboriginal groups. All businesses were aware of that possibility. Some built significant joint ventures, some were trialling tentatively, others were still gauging the pros and cons of such undertakings. Dimensions of relevance include impact on business reputation (- and +), loss of flexibility to collaborate elsewhere, viability and quality of the workforce (and governance) in partner organisations, etc.	• Some strong advocates for such models asserted value in building a reputation for ongoing contribution towards remote employment and capabilities to enhance procurement position, risk-spreading by accessing other regions and sectors, and ability to reinvest in training in 'home' region • Criteria for remote partners: access to a suite of projects, locations, work opportunities; creates a cost-effective mechanism to access job markets
Stepping into regional engagement early: Some respondents emphasized their ability to take early/greater control of remote community interactions (ahead of other businesses wanting to tag along, potential contractors, input suppliers, government agencies interacting with major	• Precluding contractors (across tiers) from attempting to unethically influence community members with kickbacks to obtain 'business' • Undertaking negotiations with communities or regions (on scope and potential jobs) prior to politicians and bureaucrats being in a position to

projects) and prevent confusion, especially regarding the creation of misleading expectations	exaggerate the jobs potential of the project or make promises they cannot deliver – control the message to communities and regions
Build employment strategy as part of (or on a similar structure as) the Indigenous Land Use Agreement (ILUA) • For core employment and negotiations, this is increasingly becoming an accepted model for businesses depending on government procurement or not • Land use should be central because socio-economic environment matters and businesses aim to minimise staff turnover (local, regional, FIFO) through a clear understanding of the way the project will proceed through space and time	• This can be undertaken by offering all jobs to locals (symbolically) and then negotiating with them specific benefits traded against work transfers • Some projects simply use their 'transport-to-work' policy to discriminate in favour of locals; will offer charters from negotiated key locations deliberately selected by ILUA and FIFOs must cover their transport to those localities • Need to consult widely and be aware of internal disagreements around traditional authority and contemporary preferences (i.e. when Traditional Owners want kids to work in mines but the latter do not)
Work with communities to develop infrastructure and associated jobs that benefit them directly and address their concerns – in domains that are sometimes funded and governed by the public sector	• Invest and lobby on behalf of communities with which partnerships have been developed for better infrastructure or services (nutrition, money management, road infrastructure to access work, airstrips for safety and emergencies, etc.)
Place greater focus on indirect employment and on activities along the supply chain and resist pressuring locals to take up roles or work they do not desire. Consider investments in local capabilities that can be redeployed or exported	• Connecting with existing local businesses to gauge needs and local aspirations • Implementation plans for local buying, applicable across sub-contractor levels • Mapping economic linkages and regional base to reshape local or regional economy

c) Innovative practices

Newer approaches or practices playing a role in enhancing remote employment, adopted either to achieve business competitive advantage, to address idiosyncratic project difficulties, to test new ideas in particular regions, or simply to underscore distinct corporate approaches.

Initiatives mentioned by fewer respondents	Rationale
Assisting community members to envision project potential – allowing to visualize pre-post transformation and anticipate costs and benefits while negotiating	Key remote community members were taken to America by resources proponents (of a controversial nature) to show them the physical and social impacts of that type of development ('what it looks like when in action')
While discussing accommodating both FIFO and regional workforces, a few respondents mentioned that careful planning should be undertaken to avoid disrupting pre-existing local workforces or putting pressure on accommodation stocks and other shared resources that major resource projects typically affect, displace or disrupt, thereby imposing costs on locals.	In remote regions, a new project not only creates sudden wage inflation and affects local wage structures, but it can take experienced workers away from essential services (a realistic possibility when a community's school principal or mayor earns half of what a truck driver gets). Approaches suggested to prevent the depletion of pre-existing skills include: • Job-sharing arrangements for locals and regionals, whereby locals (with different levels of skills) are required to work on the

<table>
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<td>Even in somewhat less remote economies, resources projects are known to create rapid inflation and can crowd out other industries (especially if accommodation is needed in regional towns) which are considered undesirable socio-economic impacts. In remote contexts, impacts are often extreme.

Other considerations play a role for project workforce location decisions, including the ability to attract high-priced skills or capabilities in places where lifestyle amenities and services might create prohibitive barriers for the project. This is clearly at the heart of location decisions away from southern metropolitan areas and plays a role in the relative ability to employ locals, regionals and FIFO workers.</td>
<td>project (a few shifts at a time for instance) and are then employed in government or NGO work located in their community or in nearby regional towns, with the hope that they might acquire skills valuable post-project and pursue their engagement with 'work'.
- This is envisaged in specific jobs that involve technology or relatively low skills (working for local security firm, or basic police roles.
- These can also alternate with training (negotiated as part of the agreement) in ways that keep salaries under control, expose locals to major project work, to community ongoing services work, and upskilling.</td>
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<td>A number of respondents mentioned the increasing importance of compliance with industry 'best practices' in various domains, some technical, then social and environmental impact assessments, and then some having to do with OH&S, and the way this could impose severe limitations on the achievement of local employment aspirations.</td>
<td>This is deemed particularly problematic for controversial developments where political and media-related risks require that only the best scientific and technical expertise is being used, creating a gap with the capabilities found in remote regions. Planning required must be based on both skill level and quality, and different informal work objectives can then apply to each type of skill.</td>
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<td>There is value in 'remote region' specialisation, with scale and scope economies arising from repeat business in those regions. There is a difference between being culturally aware and culturally competent</td>
<td>- Relationships with Aboriginal people have longer-term value, and the costs of repeat negotiations decreases after each iteration
- Value in keeping a major project business unit relatively small (as everyone knows everyone)</td>
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Emerging strategies: Integrated approaches to address remote work participation

It is enlightening to examine the approaches taken by three unrelated interviewees who presented the most developed and consolidated narratives about their overall strategies. The nature and organisation of elements they depicted about how they aim to facilitate the integration of remote residents and their communities in or around major projects reveals similar understandings regarding the nature of the issues they face. These were all articulated around the need to address the scarcity of economic opportunities in remote regions that lead to work itself being scattered and intermittent.

They also unambiguously take for granted that the range of skills and economic capabilities found in mainstream economies are generally absent in those regions. Focus is therefore on the role the major project can play in linking people, land uses, existing capabilities and evolving technology. Though the principles and understanding of issues are indeed quite similar among that cohort, what differentiates them in the end is the way each attempts to build a business strategic advantage while providing a

plausible, yet untested at this stage, method to optimise employment opportunities for targeted remote residents.

Strategic Narrative 1: Indigenous Land-Use Agreement (ILUA) approach to project planning

Indigenous Land-Use Agreement (ILUA) approach to project planning

A mining business with assets situated in multiple regions across Australia (and internationally) explores and exploits various commodities, which involves a range of project sizes, technologies, infrastructure investments, etc. Its approach to achieving employment outcomes in generally remote regions entails substantial 'front-end' engagement with Native Title groups and pastoralists to formulate strategies tailored for each site. This business has established a reputation of embarking in preparatory process comparatively early, although approaches vary according to the type of mine (duration, technology, compliance requirements, etc.). The preferred method is to undertake early and lengthy negotiations over employment potential and profiles prior to actual operational planning and legal agreements are established. This design is sought for the explicit purpose of establishing a reputation for clarity with respect to the business case they build jointly with local-remote partners. Indigenous Land Use Agreements provide the framework allowing to manage uncertainty surrounding impacts (positive and negative). Focus on land assets belonging to remote communities, groups or individuals is pivotal to articulate shared interests, to minimise the liabilities for locals and for the mining company, and to ensure an agreed process is followed by all contractors acting as enablers of the ILUAs.

A key distinctive feature of their approach is to initially set a notional '100% local employment objective' (sometimes accompanied by 100% local directly procured goods and services), and then negotiate to establish an explicit 'opt out' strategy agreed to by various parties to formulate the ultimate business case for the project. This entails treating the need to import workers (FIFOs or regional), equipment, materials, technology not as failures to reach an arbitrary target, but as negotiated and planned costs explicitly embedded in the business plan. KPIs for the project are related to the functioning of the relationship established rather than targets, as these can be reviewed. Focus is therefore placed on the implementation of attraction and retention strategies in accordance with local partners' evolving aspirations or revisions of what can be achieved or expected, the attention generally goes towards long-term operations rather than the construction phase. This takes into account the fact that many locals do not necessarily want to work (and the onus of establishing reasonable expectations is on remoted residents) and clarifies how their position regarding both financial and employment benefits interfaces with the land use agreement. Bureaucratically established standards are seen as inhibiting flexibility and innovation. The business' experience and understanding is that remote residents, Aborigines or not, are increasingly disinclined to want to work in the bush. Attraction and retention of locals varies considerably across sites, mine types (safety compliance being part of the reason), operational phases, attitudes towards training, and extent to which pastoral care delivery appears effective.

Throughout the project, employment arrangements will inevitably adjust and maintaining the relationship to manage those changes is the critical organisational asset that is highly valued, protected and measured across each project. When local communities are incapable of supplying workers, they might have to 'opt out' from formerly agreed provisions and must negotiate alternative occupations, training or roles for those individuals, often outside direct project work. Reputation around this process is what has provided that business a licence to be trusted in

providing employment opportunities. Also planning must proceed by establishing a vision of 'closure' from day 1. This means envisioning when this will occur, what skills will have been created and retained, what use will they have after project closure, whether beneficial investments in literacy (ESL), numeracy, IT, money management, etc. will have enhanced regional capabilities and whether longer term non-mine employment opportunities will have been created.

To facilitate the integration of those willing to directly work in the mine, support has historically been provided through various pre-employment programs (PEP) incorporating cross-cultural competency and awareness for most employees, initially based on the *'Connecting Aboriginal People with Mining (CAPM)'* program, modified and redesigned by a contractor for the group's purposes. Those completing the PEP are guaranteed a job, in a function related to the mine and based on their skills. All contractors and subcontractors need to proceed in the same manner, procedural fairness and transparency being the key. Some of those contractors have their own additional programs related to their specific functions and capabilities, as well as checks and balances regarding readiness to work safely. Industry practice in those domains is a moving feast because constantly changing, therefore it cannot be fully planned for, depends entirely on the type of operation considered, and is best left to those with the key technical knowhow.

When remote locals can't get a job they were hoping for, it must be clearly communicated why, and what could be done about it. Then the process of preferential agreements based on a pre-negotiated hierarchy of skills sources (typically starting with Traditional Owners and extending to Indigenous locals, any Indigenous, then non-Indigenous regional, State, Australia) is applied. Otherwise, the mine site is treated by all (and enforced as such) as a temporary man-made space where all workers are treated equally if they can contribute, and which contains by its nature a limited number of economic opportunities.

In all, ILUA-based planned and adaptive alliances with remote Aboriginal residents or communities are believed to be key to connect remote people with specific decentralized work opportunities, whether community members seek a priori to get involved in mining work or not. Any average- to long- life mines (25+ years) offer substantial opportunities for a small remote place. If properly managed, this should result in some employment for a selected cohort in that community, and build skills that could be later exported.

Strategic Narrative 2: Long-term strategic partnering between major project business and an aspiring remote region

Long-term strategic partnering between major project business and an aspiring remote region

A partnership has been formed in the North that builds on the long-term vision of a remote region desiring to be engaged in a number of economic opportunities, including employment participation in major projects involving civil, road, housing, defence, port infrastructure developments across Australia. From the viewpoint of the communities included in the region, this is a way of addressing the limited exposure to work in their own region, by exposing their resident workforce and youth to different projects and access a succession of possibilities to maintain skills in the workforce and complement this with sound training services available in the region.

For the business, this is an explicit strategy to operate nationally, bring and test the capabilities residing in the North in different environments, and either [a] mix remote workers with regional workers (in the more developed regions) or [b] attempt to entice other remote regions (where

projects take place) to contribute and join their own workforce (from a different remote place), who can become role models to others. The approach openly aims to export that knowhow (around working with remote ATSI workers from different locations), to effectively benefit from an Aboriginal-FIFO (transportable) workforce valuable for procurement. The objectives are to build long-term relationships and reputation in a number of regions across States, to forward plan a sequence of projects which become drivers for training of remote workers, and to strengthen human, systems and equipment capabilities in the partnering region. It is anticipated that in the medium-term, considerable economies would result from the inhouse knowledge of the workers based in that region, which will accelerate the ability of the joint venture to assess new opportunities, prepare with new skills, and redeploy its remote workforce in different regions.

"We've developed expectations that some beneficial learning by osmosis would take place in visited regions (where projects occur), through witnessing the benefits from combined training and economic participation on some youth." The partnership is also assisting investments desired by the business and communities to achieve greater benefits, such as the development of nutrition and money management programs, upskilling during slow seasons, employing senior TOs as mentors. In all the partnership provides mechanisms allowing remote youth to approach project management staff and ask questions and has already enabled the financing and development of in-community infrastructure (roads in particular to ensure critical mobility to reach work and training), thereby assisting local SMEs to create local sustainable work opportunities. Like for mining, the eventual proportions of workers with Aboriginal-local and Aboriginal-partner origins varies across projects, depending on project type, skills requirements and location. A similar type of jobs hierarchy applies on principle, whereby employing local and regional workers is inevitably preferred. Cultural commitments are accounted for and treated like any other operational risk which can be prepared for. Trusts is enhanced because Aboriginal partners participate in identifying emerging issues, work out their likelihood and legitimacy to develop solutions.

The main appeal of that model is the prospect that it can provide a steady flow of work opportunities for residents within the partnering community, who will be invited to assign workers and skills for projects secured by the business and dispersed around the country (and in a few instances overseas) – this is already occurring. This implies that young would-be workers developing their skills in domains relevant to the business are likely to reuse those skills and grow their capabilities which tackles partly the fundamental problem of sustaining employment and skills for remote residents. Although it is early days, both the business and partnering community hope this is both cost-effective and risk-minimising as a mean to provide sustainable employment pathways that previous programs or policies have failed to achieve with discrete and fragmented projects. Building such a partnership implies early efforts to build a coherent long-term vision as the basis for building ongoing entrepreneurial engagement and develop opportunities, rather than a one-off joint venture looking for existing projects. Partners believe that it provides the key ingredients to assist remote region residents who have not in the past seen or experienced the value of investing in skills, capabilities and work potential, and it is expected that increasingly new opportunities, business ideas and human capital investments will be driven by the remote communities concerned, rather than policy ideals developed in southern cities.

Strategic Narrative 3: Co-design of employment and economic futures in remote regions

Co-design of employment and economic futures in remote regions

An energy company undertaking exploration in remote Australia and about to initiate exploitation across extensive very remote areas is approaching the negotiation, formulation and management of their various impacts as a process of 'co-design'. They formulate an approach aiming to create a positive socio-economic legacy for remote residents dependent on the following elements:

- The recognition that each remote region or community is on a distinct development journey which needs to be jointly established and recognised, with unique history, development stages and prospect which need to be considered (especially if a project cuts across many regions)
- Employment is a central component in most such discussions, but features differently in dissimilar places – and offering jobs in the core energy project itself is not necessarily vital
- Workforce assets and resource base are central to formulating a sophisticated vision of what the future could entail and supporting a business foundation and understanding of the value to employing locals into future generations. In contrast arbitrary targets set by agencies work against collaborative planning and are more akin to harmful red tape
- As for royalties and the management of other legal obligations, the ILUA framework can be used for co-designing employment strategies, but regional approaches can also be considered
- Taking TOs to visit and examine other similar developments around the world is a useful way to help them envision what the future could look like
- The critical co-design occurs around the plan for employment for local people, which jobs could employ community members which are related to the project (usually production, rarely exploration or construction), which would be managed or coordinated by contractors or discrete businesses supplying inputs to the project, which ones should be developed within a community or nearby regional town – either for the supply of remotely provided services or through new entrepreneurial initiatives or hubs supported by the major project
- Spatial co-design is complex but worthwhile for scattered projects, where expectations regarding land access, any partitions between intrusive communication corridors and community privacy, and requirements to reach specific extraction sites, transportation channels and so on (for vehicles, aircraft and for pipeline-conveyed resources) can be projected and agreed to
- The need to establish a region-wide economic architecture around the project must also be envisioned early even if more abstract – contemporary major projects involve choices about where high-level controls and decision-making (computerised systems and expert teams) can be located (generally away from extraction sites), where amenities exist to attract that specialised workforce and how to avoid undesirable impacts of sudden influx of outsiders. As for other regional hub suddenly attracting project staff, avoiding crowding out limited social and economic resources often already under pressure (i.e. social amenities, health and education services, and housing stocks) often used by long-term residents or other industries needs to be considered, and brings a high likelihood of creating undesirable wage and consumer products inflation in sensitive regions.

The development of sharing job arrangements is proposed as a strategy to address the balance between future employment opportunities in wicked environments where project jobs can affect negatively existing community-based work arrangements. The purpose is to avoid depleting key local jobs (often attracting lower wages or seen as less attractive for a variety of reasons) by offering work shifts for as many locals as possible switching back and forth between project jobs (matching their skill levels) and 'in-community' (or in regional town) work. This allows them to be exposed to a number of work contexts, might increase the breadth of their skill sets, and mainly

provide greater relevance for long-term work futures, especially beyond the project life. Hypothetically, many employment contexts can be placed on the table for sharing consideration and address the tension between short-term excitement about project jobs and long-term community needs:

a) Work in remote communities (varies across regions and communities; can be limited number-wise but could be facilitated by the project when under-serviced by locals)
b) Major project work (dependent on local readiness, skills, and value of project jobs for future post-project needs), and
c) Other business work either indirectly connected to the major project itself (such as supplying specific goods or services, i.e. hospitality, transport, recreational services for FIFO workers). These can be located adjacent to the project site, but often more practically in nearby regional towns which attempt to concentrate new business opportunities, and that the project management can help setup. In all cases, they must be embedded in plausible and meaningful commercial viability scenarios.

The amount of planning required to undertake this, will depend on the existence of prior knowledge about residents' readiness and work abilities. It can also be facilitated by community brokers capable of providing existing skills base in relevant remote regions, an issue that must be approached honestly and discussed openly if co-design is to occur.

In addition to skills for on-site jobs, technologically advanced projects require many intricate and scarce capabilities that will indisputably need to be imported. In fact, accessing highest levels of expertise is particularly significant for sensitive projects when communities and governments are concerned about environmental and social impacts, and want to make claims that only best practice processes are considered acceptable. The ultimate proportion of employees (originating from various regions) required across different phases of an intricate major project requires lengthy deliberations. It must consider complex economic design possibilities linking location, technology, future investments in capabilities and infrastructure development and sharing. Because it needs to establish connections between such key critical considerations as the choice of important contractors and a broader agenda of supporting local businesses and services providers, it requires room to find innovative business and work solutions, which abstract targets impede.

Preliminary lessons and learning: Anticipating social and technological changes

The extensive discussions with businesses undertaking remote major projects considered a number of further questions that expanded the discussion beyond their current beliefs and practices towards what interviewees' judgments regarding which could be generalized. In a nutshell, each interviewee was asked:

a) To which extent they believed the practices they supported were universal and could be generalized?
b) Which factors or dimensions are most likely to influence the effectiveness of those practices?
c) Whether any efforts to deliberately share emerging knowledge, or amass evidence regarding the effectiveness of industry-led employment strategies occurred or would be worthwhile?
d) What they believed the impact of automation might be for practice and for policy.

Respondents appeared less confident regarding what other firms, the whole sector or even different regions would require, and less prone to speculating about industry or sectoral views. To the extent that

the sample of respondents was limited, the analysis below does not try to establish the degree of congruence and simply summarises responses that are plausible and can provide guidance regarding the extent to which it is possible to generalize and inform future policies.

Although major projects might operate in superficially similar communities and face broadly comparable challenges when attempting to provide meaningful work for local in remote regions, the majority of respondents agreed that specific and localised variables inevitably shape employment practices and prevent universal recipes:

- Sector specificity implies that different issues or challenges guide the design of work models and engagement. For instance in the construction domain, ascertaining and retaining the quality of workers is a central concern as workers' flows and quality are highly unpredictable. Traditionally large numbers of unreliable local job applicants would approach major projects as they typically envisioned relatively low skill work. This was usually accompanied by unreliable attendance and inconsistent effort levels, which was understood as the norm and widely accepted in remote regions. Good or capable workers would eventually stand out, leave those regions in some cases, or be identified by other industries and syphoned out of major construction projects, ending up in 'musical chair work patterns' as they were alternately invited to take on government, NGOs and even business symbolic work (i.e. sitting on boards). Such past patterns made offering major projects work with low expectations self-defeating. Specific types of projects also entail other sources of unpredictability that create specific challenges for work allocations in remote regions. This is the case when onsite training provision is needed (which implies locally providing adequate human capital, facilities and equipment) or when weather vagaries are considerable (important for civil, housing and construction projects in some regions). In the case of the housing sector specifically, the fact that remote community residents are increasingly involved in designing, allocating and planning housing developments together with agencies and builders call for increasingly sophisticated governance skills, and the sensitive implementation of mechanisms maintaining a workable separation between business operations and volatile community lives – especially if community members are incorporated in the workforce.

  In mining contexts, different ranges of factors are key to designing employment strategies and have been well-documented in the specialized literature: Three important factors are:
  1. The type of mine, imposing different risk factors and calling for different technologies and skills configurations;
  2. The strictness of compliance, which a number of interviewees claimed raises the 'work readiness bar' for various functions and roles and increasingly limits their ability to employ locals casually, in contrast to past practices; and
  3. The duration or horizon profile of the resources project, with some mines proceeding strictly as short-term price-driven opportunities, usually not offering or engaging with any serious local employment commitments.

  Large mining groups map those dimensions prior to any negotiation with communities to profile precisely the skills and time horizon (including post-closure) capabilities, and the implications of the type of mine, to shape expectations about employment accordingly.

- Location and associated socio-economic geography also play a significant role in the approaches taken to attract, retain and support would-be local workers according to interviewees:

- Highly distinct community aspirations and the ability to articulate them must be prepared for – only in cases of long-term relationships is it possible to anticipate remote residents' (in and around communities) own goals;
- Key and often sensitive decisions to accommodate local workers' access to work (to house them, transport them, and/or provide other catering/hospitality services) depend of course on region- and community- specific aspects: closeness of amenities, access to town-like commercial infrastructure, etc. This is important because amenities or facilitating activities for local and FIFO workers (building camps or houses, feeding workers, transporting them between shifts) can make or break local residents' willingness to be employed and have significant cost implications. These considerations also are important if those activities create business/work opportunities, for instance if local residents are in a position to take up transport or accommodation business operations, noting that communities will differ considerably in their readiness to run those;
- An important aspect often noted by businesses operating in remote regions is the extent of cultural homogeneity or differences within (or across regions for roads) where a project takes place. This has traditionally created further transaction costs due to increased engagement needs, negotiating outcomes and managing more social aspects of work shifts. Most respondents see this as decreasingly problematic, as some community groups or remote businesses can increasingly play valued broker roles and support planning by finding capable workers, communicating and negotiating with other potential workers from specific locations, and ascertaining their readiness, reliability and skills levels, and anticipating mechanisms to manage political or cultural connections and incompatibilities;
- Some interviewees noted that specific arrangements and management issues might occur when native title holder status of a location is unresolved (or many unsettled claims are overlapping), with political risks and complexities requiring specific planning. Associated social or political issues might interfere with community affairs, and the management of the employment profile of given projects might or might not be sensitive to those issues.

- <u>Business size and its history</u> might play a role in determining ability to adapt to changing employment practices and absorb the costs of red tape or dealing with targets (as claimed by smaller or remote-based contractors). Some interviewees claimed that there might be economies of scale linked to handling employment transaction costs (finding workers fitting prescribed categories, of procurement preparation, of legal backup in case of interpretation disputes, etc.) and linked to engagement activities, in particular the ability to demonstrate cultural competencies (appointing specialized roles and positions associated with engagement requires a certain volume of business engagement and is more likely to be afforded by large resources groups).

When asked whether they were sharing knowledge about practices, evidence or advice with either other business enterprises or government agencies, respondents were somewhat guarded about the extent to which they had credible evidence, data or advice to disseminate to the sector. This contrasted with their very articulate descriptions of their knowhow in the field and their visible conviction that they were moving ahead. They instead claimed that:
- There is probably no best practice that applies across sectors (or industries) and context (this was quite uniform) and know best their own sector and environments;
- Knowledge about effective employment practices holds competitive advantage value for these enterprises (contributes towards ability to obtain permits, contracts or procurement wins) and businesses who might otherwise feel confident about their abilities to enhance local employment outcomes might not want to share their IP – creating a typical dilemma between the benefits of sharing and the need to maintain competitive incentives;

- Some respondents claimed that a few firms in their sector had given major projects a bad public reputation (due to perverse incentives such as 'black cladding' and occurrences fudging reporting on their performance (employing local or Aboriginal workers) when procurement targets determine contract allocations but could not be satisfied). In such contexts, some respondents appeared suspicious of any data-sharing requests that could be misused or misinterpreted;
- Other respondents referred to more technical but credible difficulties associated with providing evidence that needs to systematically document key aspects of employment, sometimes due to privacy issues. For instance, many workers are unwilling to state their ATSI status or location of residence, and there are no standards to document ambiguous work cases, which can have negative implications if targets are in place.

None of the businesses claimed to be systematically collecting data or undertaking sophisticated evaluations of their employment practices that could be used to provide convincing evidence of their own effectiveness to inform future employment practices. A few respondents referred to past mining projects where there were some cohorts of former employees that had been trained that were systematically tracked to determine their impacts. These showed that many had moved on to other mines, different industries or became consultants or trainers, which was considered a very positive outcome (but could not be verified by the research team). The interviewees making those claims clarified that such undertakings constitute costly exercises, made sense for those enterprises only if a business case could be made to justify the costs and risks involved, and would remain problematic if it entails public reporting due to confidentiality and privacy issues. Regarding inter-business exchanges and industry forums, one respondent mentioned that few business people actually attended industry forums where such considerations are sometimes discussed, and that mainly academics attended using secondary data to vaguely gauge employment practices effectiveness.

When questioned about whether they would consider undertaking structured and systematic data collection to share their knowledge, responses were even more ambiguous. Some interviewees concurred that data should be central to driving future remote employment policies, while noting that government agencies did not necessarily hold the competencies required to assess and comprehend complex business, social and economic systems, or the impacts of their policies on businesses. Others respondents added that in the context of substantial required investments and risks around evaluations (that government agencies themselves hesitate to properly engage with regarding their own programs), much negotiations and some level of agreement would be required around the preferability of various employment outcome metrics, measurement and time horizons.

Some interviewees were also concerned by the wisdom and philosophical difficulties arising from undertaking evaluations which lead governments and academic researchers to over-generalize the nature and desirability of social and economic benefits across communities and regions. This was claimed by businesses noting that increasing employment is only one objective among many others expressed by specific remote communities, and that some of which would rank it as secondary. If such communities benefit from multiple alternative options and substitute social or economic programs, attributing statistical evidence about outcomes to major project employment approaches could be unfounded. These respondents suggested a number of measures they believe would make sense as progress indicators (and useful to their own business monitoring), while claiming that matching data with Commonwealth/State or Territory agencies (i.e. training and past employment history, demographic change in remote regions) could provide a valuable way forward. A useful place-based picture could arise that would allow firms to recalibrate expectations and improve policies, reinforcing the business case for enterprises to participate in data exchanges and become part of the solution for selected remote regions.

Lastly, respondents were asked about the impacts of automation and associated technological changes on the future of remote employment around major projects. A relatively wide range of views arose around the impact of automation on the skills requirements associated with remote projects, and the level of urgency this creates around the future ability of remote residents to gain employment in major projects. Some claimed that there would always be a need for 'basic work' (presumably low skills but not always necessarily) especially around functions involving verification, maintenance, upgrades, etc. But they admitted that even those roles are increasingly become IT-dependent and call more and more for better communication skills, require improved English literacy, numeracy and need to be backed by reliable practices around safety standards in remote places. Other interviewees feared that automation was already having a massive impact and claimed that it would be increasingly difficult for remote people to embark on any technological trajectories associated with those major projects. They submitted instead that remote residents would in the future more likely find work around services involving person-to-person or cultural interactions, while project operations would be increasingly controlled from metropolitan areas as in a 2-speed economy.

Noting that some recent literature is pessimistic about the ability of Indigenous Australians working in the mining sector (wherever they are located) to retain the gains made from recent employment, interviewees appeared indecisive on those matters. Few respondents proposed clear predictions or advice regarding the best ways remote regions and their governments could prepare for those changes, admitting they themselves lacked clarity about the speed and nature of changes in their own sectors. The few who were willing to consider the implications of predictions of automation or high-tech work futures commented on the need to ensure that some of these technological capabilities (or associated training services) be made available around regional towns. They emphasized that some of those skills could be developed and supported in small regional towns (surrounding remote regions) where sufficient agglomeration economies could produce the conditions required to attract and retain remote youth to a variety of skills and job readiness providers, especially if this allowed them to experience mainstream society and economies, and temporarily evade the impediments associated with remoteness.

A couple of interviewees believed that remote youth would increasingly prefer sit-down jobs, with air conditioning and in front of computer screens. They suggested that investments by regional centres in connectivity and in transport infrastructure supporting mobility between regional centres and remote communities might be a way to allow them to access skills and work environments likely to fit future needs and connect to some management aspects of future projects. One respondent suggested that the best preparation for the future would be to avoid focusing on mining or project jobs, while others claimed that given the uncertainty about technological futures it would be wise to retain some amount of diversity in the skills and workforce available in remote regions, and continue investing (among ATSI people and others) in other services-based industries such as tourism, cultural products, fishing guides, etc.

Implications for policy

The findings above identify interesting challenges for the design of a suitable policy environment likely to effectively support employment of remote residents in major projects, in ways that support sustainable economic participation objectives and yet maintain healthy competitive forces in the industries of interest.

The key themes that emerged were:

- The need to review the traditional roles and capabilities profiles of public and private sectors, and ascertain how to improve the potential of their respective capabilities in ways benefiting remote residents;
- The key role of remote towns in facilitating remote employment and offering alternative options for the economic participation of remote youth;
- The need to construct a credible evidence base around major projects contributions towards remote employment.

All of the above canvass intricate policy-relevant considerations and raise connected questions which require careful consideration and are briefly discussed below.

a) Managing a workable and effective division of capabilities between private and public sectors

While the leadership for managing economic affairs is generally shared between the public and private sectors in the mainstream economy, it remains disjointed and often contested in remote regions when creating sustainable employment is considered. It is imperative that a mature discussion leading to genuine coordination efforts takes place that considers regional and community aspirations and builds on the strengths and weaknesses of the various interested parties to advance the economic participation agenda.

From interviewing business executives or supervisors with extensive experience in managing remote major projects, it became apparent that they strongly believed they were in better positions to ascertain the employment potential and limits of major projects in the regions of interest, due to their better understanding of the needs and their own past experience in those sectors. Some even claimed they had more enduring and consistent relationships with specific regions and their communities than the governments and agencies in charge of regional planning with which they interact. Interviewees suggested their superior wisdom went beyond operational matters and applied to the procedures required to establish effective engagement, communication of work possibilities, methods to attract and retain locals while running the project, and ultimately support meaningfully remote regions to plan for their economic future.

Whether they are deliberately exaggerated or not, such strong claims by the interviewees raise questions about the desirable handling of the interface between government and industry to achieve progress regarding the employment aspirations of remote regions. The narratives extracted from this research suggest that the private and public sectors appear somehow incongruous (and sometimes perhaps conflicting) in some respects, rather than working in complementary ways to provide distinct capabilities allowing to move ahead. Interviewees often portrayed public sector interventions or activities as disrupting rather than supportive, short-sighted in some cases and creating undesirable expectations among remote residents or creating impediments for businesses to solve problems smoothly. This can be particularly problematic in remote environments where the pool of capabilities is already restricted, and close working relationships are needed to support any hope of economic transition or progress towards inclusion. There were specific contexts where this tension appeared particularly potent:

[i] The use and administration of procurement targets

There was particularly strong agreement across members of the cohort interviewed that procurement targets could easily be misused, would be prone to become arbitrary (or ill-conceived) as outcome metrics, could encourage deceitful business practices and eventually could easily clash with remote

employment objectives. Apart from one respondent, interviewees believed in fact that those targets had actually impeded their ability to effectively and sustainably employ remote local residents.

If most interviewees had adverse perceptions towards both employment and ownership-based targets, it was mainly because they believed these could likely be poorly conceived (satisfying bureaucratic workings and logic rather than community aspirations). They claimed that different agencies in charge of remote regions were either too distant from the reality of those regions (if for instance based in southern capital cities), lacked the capabilities to assess the realism and accuracy of stated jobs fulfilled, and were lacking the means to enforce and curb undesirable behaviours especially if suspected to emanate from powerful enterprises. The detailed rationales provided by interviewees as well as the examples they provided to back their views are found in Appendix C.

[ii] The provision of basic, technical and work readiness skills

This question of who, where and how training should be delivered was discussed in detail by some interviewees, and the topic of the responsibility for skills development unavoidably surfaced when business representatives considered the question of sustainable remote employment beyond the life of projects. Most respondents signalled that their organisations preferred to take charge of the delivery of skills required by remote locals specifically (as opposed to training offered to youth in mainstream Australia regions) for a number of reasons. The largest resources sector enterprises responsible for remote major projects wanted to have some degree of control over training content and the processes by which the attainment of various standards could be demonstrated as their own compliance obligations depended on ensuring strictly verifiable outcomes. As discussed in Appendix B, some developed their own approaches and delivery methods which have become standardized with time. Other smaller firms claimed that closeness to the training process allows them to ascertain the potential of specific recruits. This allows them to identify capable and willing to learn candidates, plan individual employment pathways reflecting their demonstrated potential and achieve multiple goals at once, including minimising staff turnover. Businesses that have entered in long-term joint ventures with communities or regions have established mechanisms to share those responsibilities with local or regional authorities, some of which deliver public programs adapted for major project work. Those arrangements are still being tested and the balance between roles across sectors is likely to evolve, depending on the potential for specific communities or regions to create scale and agglomeration economies.

[iii] The assessment of work readiness and suitability of potential remote workers to occupational roles

Somewhat related to the two topics above (procurement and training), a number of interviewees also claimed that private sector enterprises needed to make, and regularly revised, decisions about occupational fit, as they were in a better position to ascertain required and available skills, to ensure continuity in skills pools for the duration of a project, and to offer realistic options to remote residents. They proposed the following rationales to assert that they needed to retain control over assessment activities:

- Some respondents suggested that public sector agencies or NGOs had conflicting interests regarding the employment of skilled or capable remote residents, and in some instance would offer better paid or more cushy or sit-down jobs for talented individuals, than what was offer in or around projects. The topic of possible crowding out of limited skill sets, and movements between private and public sector employment was raised by a few respondents who were reflecting on why they had difficulties retaining some of the people they had trained over the years;

- Businesses also believed that their handling of sensitive information about individual personal histories or attributes that could limit their employability (methods to test for alcohol, drugs, mental abilities, onsite social behaviour) was more direct and locally effective than if this had to be undertaken by public sector or other agencies. They claimed that worksite compliance with safety requirements also provides a desirable level playing field applying equally to all workers (not only locals), disconnected from the sorts of political pressures that otherwise would undermine fairness and safety.
- A number of examples of past mistakes (by private businesses) around the attribution of specific job profiles to community members willing to work were provided by some interviewees to highlight the fact that even their large organisations often made mistakes by ignoring local operational knowledge and practices that connect directly with local preferences. Experienced respondents commented on the amount of trials and errors required to elicit the expression of preferences from remote locals regarding tasks and occupations, and the efforts and trust needed to understand social mores. In one instance, requests by the central office of a large corporation to post remote residents in specific functions or types of work they deemed suitable (on the basis of skills, targets and public relations) turned out to be disastrous and triggered the loss of an entire cohort of young workers who had strong preferences regarding the type of work and environment they preferred, but did not know how to articulate these;
- The fact that many major projects in specific regions or communities commit to produce indirect jobs though the creation of related businesses also requires key enterprises to conduct themselves early skills and capabilities audits and assessments, to map out suitable business development plans, and envision targeted training.

b) Reframing the roles of regional towns around their contribution to remote economies, and the provision of mobility and connectivity infrastructure

The need to rethink transport and connectivity corridors and services around remote or regional towns as means to facilitate access to worksites and providing amenities needed to support employment was articulated by many respondents, emphasizing different roles or needs that were important to their specific business models.

The interviews revealed that regional towns neighbouring remote regions increasingly play an important role in filling strategic functions that assist employment growth objectives; that is beyond their traditional roles in providing basic services and welfare to remote residents. Despite the fact that major projects vary in spatial and logistical terms (between fixed-location mines, dispersed onshore energy projects, town-based contractors distributing their workforces in peripheral areas, etc.), they rely on those strategic locations that provide an interface between remote and mainstream economies.

A number of respondents expressed some concerns about the viability and political uncertainty surrounding some of the most remote regional towns which are struggling demographically, socially and economically during the post-mining boom era, and yet are still key parts of the remote employment infrastructure. They asserted that the financial sustainability of those towns cannot be based purely on their in-town populations or whether they constitute functioning business centres in themselves. They, and the transport and communications networks surrounding them, must be recognised and resourced for their key roles in connecting economic opportunities from the mainstream market economy with otherwise isolated and sometime excluded remote communities. Seeing failed or dysfunctional regional centres as a possible reality in some regions, some respondents identified specific aspects they would

struggle with, and in some instances investments they would need to consider making themselves if regional infrastructure remained inadequate. The regional infrastructure they referred to was related to the following functions:

- The need for investments supporting mobility (transport infrastructure and IT connectivity) preoccupied a few private project operators who considered both the need to change the comparative costs of attracting and maintaining local, regional and FIFO workers into jobs (see the 'attraction' and 'retention' sections in Appendix B). They claimed that expanding the geographical reach that remote residents can easily and cheaply access throughout the year is key to providing them with sustainable work. Smart connections between regional towns with support amenities was argued to constitute a required investment to connect inter-regional work with retained remote community connections. Some interviewees from northern Australia argued that remote residents frustrated by the difficulties inherent in attempting to link remote living with viable work locations due to ineffective transport networks would drift out of remote regions. They claimed that the most capable and skilled youth originating from remote communities would undertake more permanent migrations towards southern urban centres, a trend already observed in the education system.

- Training amenities were also discussed in the context of the role of regional towns and business centres. Some interviewees believed that creating training centres (and Centres of Excellence) in domains relevant to surrounding remote regions and ideally facilitating remote residents' interactions and experiencing mainstream economic institutions could facilitate the uptake of work opportunities by locals. Given the costs and assorted difficulties (including potential social and cultural hostility) in bringing mainstream economic forces to remote places, it is valuable to consider pragmatic options to create spaces where various skills and economic capabilities (of little use in genuinely remote communities) can be experienced, trialled and accessed, with the view to enhance employment readiness. Particular domains that respondents identified where expertise and facilities could be invested in included [a] skills relevant for the resources sectors (as attracting skilled youth is always problematic) and [b] capabilities surrounding 'maintenance' functions for remote facilities which constitutes an expanding domain of civil and construction activities given the need to visit, service and/or fix stocks of assets found in remote locations linked with housing, solar energy farms, telecommunications, energy networks and transport infrastructure.

- Some interviewees referred to the role of regional towns in communicating their workforce needs to broader regional residents, beyond the traditional landowners directly associated with the project site. Given the multiple layers of employment commitments in which major project operators engage (see Appendix B), alternative channels to attract broad region residents to apply for jobs through fundamentally transparent channels is important. Given community sensitivities around work allocations for major projects and perceptions of fairness, using social networks and media outlets around regional towns to disseminate information accessible to all remains critical to many remote projects hoping to deal with the many layers of employment contributions they include within their 'employment licence'.

- Regional towns nearby remote regions are also valued for their roles in supporting the development of technology and IT-based jobs. When discussing the impact of automation and technological change, a couple of interviewees expressed doubts about the assumption that the majority of future work opportunities in remote Australia would be connected to outdoors work. They argued instead that like their mainstream counterparts, remote youth are already displaying signs of favouring indoors 'sit-down' jobs. They further contended that it would become increasingly important for regional centres to be well-equipped in terms of IT and connectivity infrastructure (including diverse mainstream amenities and services). The argument extended to decisions to be made by major project proponents regarding where they would themselves base some of their own project

activities related to systems, controls, HR and other administrative functions. Project design would consider small or medium-size towns (thereby benefiting indirectly neighbouring remote communities) if adequate technological/IT infrastructure and living amenities could be found. Some respondents indicated that the costs of attracting/retaining workers (from all backgrounds – FIFOs, regional and remote) in some regional centres would be prohibitive unless significant improvements occurred in technology and living amenities occurred. They also indicated that staff holding key specialised skill sets often originating from large urban centres could never be relocated in some of those places.

- A final vocation of regional towns was well-articulated by a few interviewees who emphasized jobs associated with small peripheral business opportunities rather than project work (Appendix B shows that this is what some communities prefer). Many such opportunities would involve connecting services and products available in regional towns to adjacent communities and targeting potential remote clients, as part of efforts to support struggling remote economies lacking a diverse economic base. The existence of meaningful viable regional towns capable of supporting remote entrepreneurship and SMEs generated by major project proponents playing such roles and facilitating remote entrepreneurship is clearly key to any such aspirations.

While currently insufficiently understood, the relationships between the economic viability of remote towns, current investments in transport and connectivity infrastructure linking them to each other and to remote regions will significantly impact on the functioning of remote labour markets, associated training options and the likely work participation decisions of upcoming remote youth.

c) The need to construct a credible evidence base around the contribution of major projects towards remote employment.

Although respondents presented relatively clear and plausible narratives about their personal experiences and their views of what works, they admitted rarely being in a position to systematically accumulate data and build rigorous evidence that could back their claims and be shared for policy purposes. The reasons for their hesitation were discussed in the previous section. Quantitative evidence assembled by academics examining Aboriginal employment performance across sectors and over time has sometimes been assembled to inform policy agendas, but does not generally focus strictly on remote regions or major projects.[xxiv] Similarly, studies looking specifically at the interface between Indigenous Australia and the mining sector encompassed an excessively vast number of policy considerations and concerns reaching into almost all domains relevant to remote economies, and don't reach any specific conclusions about employment futures.

Given the importance of major projects as economic opportunities for remote regions, and the recent enthusiasm displayed by policymakers to put their faith in Aboriginal government procurement as a key mechanism to support economic participation, questions should be asked about the capacity of remote regions themselves to learn from ongoing successes and failures in attempting to improve employment outcomes given the absence of reliable evidence.[xxv] This is particularly important when private enterprises such as those interviewed make strong claims about their performance as employers and seek greater flexibility and autonomy to engage directly with communities whose land they need to access. Given the number of publicly and privately funded projects initiated for the sake of fuelling remote economies, it is critical that frameworks be considered to undertake credible and independent evaluations of employment outcomes across different contexts and to inform future policy.

Across many domains such as government procurement where evaluations should constitute standard requirements, actual capabilities needed to undertake those important functions are often lacking. Our

research found that the private sector is highly suspicious of both the motives and competencies found in governments and bureaucracies around procurement strategies, and that this could extend to the production of evidence and related evaluation activities. They also questioned the willingness of agencies to implement evaluations that might demonstrate poor outcomes can be questioned, and honestly communicate their results.[xxvi] The development of a mechanism or framework allowing key agencies (at different government levels) and private sector participants to safely share protected data, in ways allowing them to formulate suitable metrics, accumulate evidence and transparently assess employment progress in ways suitable for remote regions should constitute a policy priority.

Conclusions

A useful way to formulate conclusions for this report aiming to inform policy and reaching into a wide variety of domains, while reflecting the opinions and viewpoints of a specific stakeholder cohort is to identify issues for policymakers and contrast them this research's findings. While reiterating the small size of the respondents group, the reliability of the assertions can be ascertained through their own expressed degree of confidence (described in appendices A and B), their ability to articulate the rationales for their views, and the extent of convergence in the answers they provided. The majority of respondents appeared quite willing and clear to differentiate those elements they were strongly confident about, those that they identified as trends (but were not necessarily capable of justifying or explaining), and other aspects they were unsure about how best to handle.

The table below provides a summary of common discussion points based on the views extracted from experienced businesses regarding what works in Australia to employ local residents when major projects occur in remote regions. Due to the role of sector-, firm-, context- and location-specific elements (discussed in greater details in the 'Preliminary lessons and learning' section') these findings should be interpreted cautiously. An important consideration is that while the business representatives put on a strong case to argue that their own commercial interests were compatible with increased economic participation by remote residents, they had distinct views about how to achieve those goals. The claims they formulated around the strong business case they support internally around employing remote locals appear plausible, and their desire to interact with healthy and economically-expanding communities are credible. But those are driven by a mix of factors where businesses' desire to demonstrate an ability to contribute to remote communities and regions are in part driven by competitive imperatives to demonstrate 'social licence', and where it is difficult to differentiate between good intentions and mutually advantageous but genuine collaborative partnerships involving openness about socio-economic aspirations, learning and adjustments and economic sustainability in that sense. Increasingly, the need to move beyond claims of good intentions and produce matching evidence sourced from private operators and relevant governments will be required to pave the way for policy.

Common policy discussions

Discussion point #1

Is employing remote locals a sound business practice given their limited work readiness and relative skills shortage?

How the orthodox argument goes	What major project businesses say
There are usual two dimensions to such claims (found in routine government discussions and, in the literature): a) the generic notion that inferior motivation, substandard work ethics and various costs associated with cultural obligations create insurmountable barriers for competitive businesses to employ local (often Aboriginal) residents in remote regions; b) the low levels (or mismatch) of skills found in remote regions relative to established needs of major projects, and the fatigue many remote communities feel towards training without outcomes.	Interviewees representing major project enterprises claimed in contrast that they recognise a strong business case for employing remote locals – even beyond perceptions that this is an investment in social licence. Respondents did not deny categorically the veracity of the basic arguments themselves regarding readiness, but provided a nuanced rebuttal to its pertinence for the particular commercial value of employing those remote residents wanting to work: - they accepted that a proportion of remote residents could not be part of a viable workforce and don't want to be; - they claimed there has been a widespread shift in expectations among businesses, away from an historical culture of low expectations (where remote employment was often simulated and ineffective) towards clearly established non-discriminatory aspirations regarding locals' productivity (backed by adequate support to enact any required transition); - businesses were confident about their growing cultural competence, based in part on successful practices to manage cultural obligations' impacts on project work, in concertation with communities and their inclusion of local mentors; - they agree that the general levels of skills and capabilities found in remote regions remains problematic overall (yet depending clearly on types of occupations) and can create a burden on major project operations (costings and delays) if not anticipated. They claim this is less problematic nowadays as they are less inclined to underestimate the amount of extra training to address worker readiness and compliance requirements. Some claim they have become highly competent at supporting that transition by developing effective inhouse programs to quickly identify willing workers and skilling them.

Discussion point #2

Is preparing remote people for 'major project work' worthwhile (feasible & desirable) for the future economic participation agenda of remote regions?

How the orthodox argument goes	What major project businesses say
There are two inter-connected sides to this question, both presenting arguments for and against.	Views on the desirability and future of major project employment per se clearly reflect sectoral attributes and community contexts. There was general agreement regarding the value of mapping remote regions' prospects beyond the projects themselves (to align the latter with selected remote regional priorities) as a

Firstly, there is an operational/aspirational concern regarding the type of work on offer by 'major projects': How likely is it to match what jobs remote region residents or communities want and are really able to take up. It must be noted that the public's conception of what 'project work' has to offer might be out of touch (traditionally visualised as mainly low-skill and capital-intensive). There is a considerable amount of project diversity (among resources, civil, construction and housing sectors) in which occupational variety should not be underestimated.

Secondly, a number of more abstract arguments need to be considered, that sometimes explain policymakers' apprehensions regarding the ability of major projects to provide an avenue towards economic inclusion. In particular beliefs around the following aspects play a role:
- the temporary nature of major projects as such,
- the limited transferability of skills to non-project work likely to remain available in remote places,
- the increasingly specialised skills configuration and strict compliance requirements surrounding major projects,
- the relative speed and nature of technological change affecting major projects.

general approach to the question. There was broad agreement that the relative attractiveness of project work for remote regions' employment aspirations would reflect notional trade-offs between simplicity of access (to implement effective skills and readiness training), regional diversity needs (as a tactic to support preparedness for uncertain futures) and embedded flexibility around major project planning which would lead to better outcomes if it recognises the impact of local learning, and the notion that remote residents (and different generations) might change their minds about the types of work they would want to trial, and participate in for the long-run.

In all, interviewees claimed to be developing their own business approaches to addressing those questions:
- most respondents see major project employment as rarely constituting the full answer for economic participation yet providing a good inducement in part due the twin political and cashflow stimulus they generate; to reconsider and map employment possibilities and envision where (skills- and location-wise) sustainable remote community jobs would exist in the future.
- All respondents asserted they take responsibility to reflect on their potential job-creating role beyond the immediate project boundaries. They concur that their responsibilities go beyond offering project jobs and require in-depth engagement with remote individuals and communities' micro-economies. Some have been developing distinctive enterprise-based models to establish and test what other business functions are most suitable for specific regions or groups, in parallel to their efforts towards building skills and offering jobs clearly connected to the major project' immediate needs.

The approaches proposed by some interviewees as part of their own engagement strategies (in some cases detailed in the report) consider:
- Mapping next generation skills needs in remote regions to identify capability transferability and the impact of automation;
- Notionally offer all 'jobs' to a group of TOs or community (on whose land the project could occur) and let them progressively consider and negotiate their wish and/or ability to fill those needs, to prepare for those, and to invest in the development of future capable and compliant workers;
- Developing an assortment of small business ventures (sometimes filling project-related ancillary roles, sometimes not) requiring and developing skills seen as valuable for the future of the remote region;
- Designing work and training rotational arrangements by which remote people willing to work undertake sequentially project work, town-based business work, remote community services deliver work, etc.; with the view to ensure they possess a range

of transferable skills usable in different economic contexts, and locations beyond the project lifespan.

Most respondents indicated they were well aware that communities and regions' ability to envision the consequences of investments in specific skills and occupational profiles would vary and require testing, and that the learning achieved would affect their aspirations through time. This is why various types of partnerships between major project firms and communities (or regional groups or councils) are increasingly being considered. These include mechanisms to ensure some amount of continuity in the work offer for remote locals as well as mechanisms to review both the investments in skills and the nature of the occupations put on the table for future generations of remote residents.

Discussion point #3
Does the objective of optimising employment arising from major projects in remote regions necessitate a reconsideration of traditional public and private sectors roles?

How the orthodox argument goes	What major project businesses say
While the research did not initially intend to examine the notional partition of roles between the private and public sectors (even those directly relevant to economic participation), this question arose indirectly in a number of discussions about practical employment (of locals) policy effectiveness in remote contexts. The political nature of the question makes it difficult to identify an 'orthodoxy' for this potentially far-reaching and politically divisive question. Past persuasions on the issue of remote economic exclusion have ranged from opinions supporting a more widespread control and extensive planning by the State as required in remote context to another equally extreme (perhaps more recent) view associating failures from the State (and its	While the interview content focused on what major businesses project have learned, and currently do or believe is needed in the future to optimise local employment in remote regions, the nature of their interactions with public sector activities, regulation and strategies came up frequently. In particular, many respondents voiced their beliefs that they could do a better job at providing sustainable jobs and adapting to circumstances (technology, compliance, market volatility, industry reputation, environmental mitigation, etc.) by engaging directly with the remote regions or communities and ultimately establish a strong basis for addressing ongoing employment objectives in and/or around major projects in ways that suit any particular community of residents. They forcefully asserted that the coordination of activities surrounding the assessment/ delivery of work readiness preparation, the range of training and skills configurations for specific work environments, the mentoring practices and cultural adaptation required across projects could only be effectively overseen by enterprises holding the range of business and technological capabilities they possess. All respondents stressed the critical role of local connections behind those elements as the key to effectiveness, and the need to constantly monitor satisfaction (of local workers, of local communities, of other workers such as FIFO, of shareholders and management), to flexibly anticipate arising problems, particularly those emerging at the interface between community/regional and work life.

representative bureaucracy) to either understand regional aspirations (for more self-control) and doubts about State ability to implement effective local institutions and mechanisms capable of fuelling economic participation have been blamed.

There is perhaps relative agreement though that remote regions require different policy approaches capable of accommodating distinct roles for the private and public sectors (contrasting with mainstream Australian regions); around the creation and facilitation of employment in particular.

That view also raises questions about the optimal level of centralisation required to attempt closing the employment opportunity gap, and the best ways to support under-resourced and often fragmented remote regions. While the traditional response of governments to criticisms of ineffectiveness in most domains is to set up arbitrary 'all of government' taskforces, there are good reasons to doubt this is sufficient, or even desirable in many instances.

In the specific context of addressing remote economic participation, key considerations are the question of how best to leverage the competencies and motivations of the private sector to play a leading role in driving some of the changes, and the past records of government agencies in achieving the goal of

Respondents associated with large businesses (i.e. resources sector) made compelling assertions regarding their superior positioning in terms of both resources, relevance and hands-on roles (relative to bureaucracies) to make a genuine difference around employment in remote localities. They referred to:
- the relatively high stakes associated with major projects for any small community or region (given potential positive and negative impacts which involve considerable alterations to their social and environmental assets) that need to be integrated with employment considerations;
- the limited capabilities of governments to envision or provide solutions for wicked production processes and human-capital-land interactions embedded in advanced technological and market forces regimes;
- the entrenched desire that many enterprises have to go further than providing 'project jobs' in particular regions (see Appendix B) and could only be negotiated by them (with communities) in the form of overall employment packages;
- their own experiences regarding harming political interferences (originating sometimes from sub-contractors, interest groups, government or bureaucratic representatives) which undermined remote sustainable employment;
- their increasingly developed 'hands-on cultural competencies' intertwined with their capabilities linked to training and skills pathways development;
- the duration of their relationships with remote regions or communities which they claimed compares favourably with the fickleness arising around public sector directions (given the lifespans of governments, the volatility of agency policies and priorities, and staff turnover).

Two important unintentional themes that emerged in many discussions with major project interviewees were:
- their united cynicism regarding the workability, fairness, indirect costly public burden, and effectiveness of government procurement targets aiming to regulate the creation of sustainable local jobs (see details in Appendix C);
- the critical role of the public sector in maintaining functioning towns; as services hubs surrounding remote regions, and supporting transport, training and connectivity infrastructure. The economic participation agenda in that way requires maintaining an operational interface between places where mainstream institutions needed to support employment are found (designated regional towns) and the various remote economies where employment exclusion persists.

In all, it stems from respondents involved in remote major projects see benefits for their organisations and want to be actively involved in the broader economic participation agenda, by offering project work. Furthermore, some are interested in

	doing much more for the communities they develop relationships with them and contributing to local development goals. They also do not want to be constrained by governments imposing unreasonable restrictions (in particular in the form of blanket procurement targets). In particular, they would rather work more closely with those communities and various local government entities to negotiate 'who does what' in ways fitting particular remote regions seeking better employment outcomes. They recognise that given scarce resources in those regions, agreeing on workable boundaries around responsibilities and avoiding political clashes across sectors (and likewise across jurisdictions or agencies) is essential to maximizing the employment benefits associated with major projects.
improving remote economic participation .	

Discussion point #4
What do we know about 'what works' for remote economic participation (through major projects employment) and what are the prospects of finding out?

How the orthodox argument goes	What major project businesses say
Evidence is paramount in establishing the workability of various models or approaches to enhance employment around remote major projects. Credible evidence of a comparative nature is required, for the sake of establishing the desirability of various practices, assessing alternative policy directions, and supporting socio-economic innovations. The context of remote region economic participation (encompassing Aboriginal development questions) is extremely complex, arguably 'wicked' because: - agreeing on objectives, outcomes and measurement is problematic; - policies and political discourses themselves affect practice effectiveness and can impact on outcomes; - the relevant time horizon for detecting change and	Despite their evident degree of conviction, complemented by persuasive logic and credible articulation of the rationale behind their practices, respondents had limited evidence (partial, comparative or otherwise) to offer that backed their claims about the effectiveness of their approaches. Nor did they in general offer or suggest strategies to produce evidence by engaging to formulate and provide their own data; for the sake of supporting their respective sectors viability or their social licence in remote regions. Respondents did not indicate the existence of documented efforts to undertake systematic investigations, apart from one exception (a past research that attempted to document the path followed post-project by employees of a major resource project to establish whether they had been successful at maintaining employment). None of the following proposed possibilities to demonstrate outcomes was offered: Data on employment of locals/trends, historical comparisons within a business, comparison between projects or sites attempting to establish correlations between employment practices and actual outcomes, etc. It is not possible to ascertain whether valuable data informing local employment patterns simply does not exist in an appropriate format, or whether it is available in a raw state, but not released by enterprises. When prompted about the discrepancy between their confidence regarding their practices and their ability to provide evidence, interviewees offered the following reasons to explain their limited investments in data,

establishing causality is excessively long, and perhaps bound to evolve. Ultimately, agreeing on purpose, formulating robust metrics and providing evidence about 'what works' in that context is needed, requires effective investments and yet appears overwhelming.	program logics, summative evaluations (outcomes- or impacts-based) or evidence frameworks: - Their business would not invest in such costly (and potentially hazardous) endeavours unless a business case was made internally – which would involve acquiring greater competencies in that domain. Furthermore some guarantees regarding commercial confidentiality (and competence of those using of reported data to inform policy) would be required; - That some of their knowledge regarding effective practices might be a valuable source of competitive advantage, and therefore should be protected (although they had no apparent hesitation describing what they believe actually works); - That they were still in a trial and error developmental phase, and that the production of evidence would become more appropriate as they became confident about their approaches; - That there were indirect data privacy issues, as many of their workers decline to indicate their Aboriginal status or permanent address, which are critical to the notion of monitoring 'local employment'. Many acknowledged the necessity of building an evidence base on such an important policy questions and some suggested that the only way to advance that aspect would be to envision government leadership in that domain. Yet, they questioned the latter's competencies to handle and properly document the interface between business logic & systems and long-term social outcomes. These respondents proposed that the development of a proper evidence base would require in any case the utilisation (and perhaps merging) of data originating from the private sector workforce data with public sector socio-economic information, that would need to be complemented with high-level capabilities to formulate hypotheses, interpret and critically assess economic participation progress in remote contexts.

APPENDIX A: Methodological section

Stated project aim and objectives

The aim of this research was to document the particular challenges and solutions associated with maximizing local employment from major projects in remote regions. The latter are conceived as habitually involving communities and individuals having experienced limited economic participation in the past and holding fragmented skill pools. While potentially dissimilar in their experiences and economic opportunities, they are conjectured to feature a limited capacity to readily acquire, deploy or retain skills and other economic capabilities needed for those temporary projects, despite the large size of overall workforce requirements.

The report:

1. Documents the experiences and interventions believed (or demonstrably known) to assist local employment uptake by those projects according to businesses directly involved in significant major projects (some mining companies, key input suppliers, government infrastructure contractors, other relevant employers of local labour directly affected, etc.) across resources and infrastructure project categories;

2. Establishes the nature and extent of their evidence regarding employment models, prediction and labour management approaches that those firms believe have been successful or failed, in the (or across if feasible) specific socio-economic contexts in which they operated;

3. Documents their views regarding [a] the long-term opportunities and threats of impending automation applicable to major projects (across relevant project sectors) and [b] the influence of the character of regional/remote economies (in terms of industrial composition, economic attributes or history, and structural layout) on their readiness to prepare for, train, and grasp those employment opportunities, and reposition themselves for the future; and,

4. Informs future workforce planning practices for remote regions in ways that allow them to prepare, upgrade, or realign identified local skills and capabilities with major project requirements.

Interview plan: Generic research questions

- What has been the experience of remote region business operators regarding local employment involved in major projects (belonging to resources sector and infrastructure)?

- What strategies have they proposed and trialled to enhance remote economic participation, what were their expectations and predictions, the actual outcomes, what evidence do they have to back those? How did the businesses and investors manage expectations regarding job provision (for community, government and formal procurement conditions) and how could those approaches be improved?

- What dimensions selected businesses believe impact on local employment outcomes for remote major projects:

- What project phases (or auxiliary/related activities) provide the best employment opportunities and why?
- What regional attributes (with a focus on skills and capabilities base, remoteness context, and type of major project) do those operators believe influence local employment outcomes?
- What are the possible impacts of automation (and possible decision and other systems integration and centralisation) on major projects contribution towards remote employment?

- What future institutional and government investments (including procurement approaches, training support and skills preparation, specific policies, etc.) do businesses believe are most suitable to tackle the future challenges of enhancing remote economic participation through local employment in major projects?

Sample: Respondents' situation, business history and current workforce composition

The approach taken was to focus on a few (9) large operators who were invited to participate in open-ended interviews to consider the research questions listed above and to share any types of evidence they could provide to document the extent and growth of local employment in specific major projects they believe ought to be share and could inform future policies. Three case studies were examined in more depth reporting 'experiences' as narrative examples of specific project history they believe demonstrate usefully the decision sequences (investments, workforce choices and preparation, subcontracting decisions, workforce model experimentation, outcomes) those businesses must deal with while attempting to reconcile their commercial objectives, political discourses or hype about regional job creation and community aspirations.

The businesses involved in major remote projects interviewed belonged to the following sectors:
- Civil and construction (5)
- Mining (3)
- Energy (1)

That categorisation is somewhat unsatisfactory to the extent that the companies involved in the 'civil and construction' category for instance are often subcontracted to provide services demanded by resources sector projects (Mining and Oil & Gas), while some appear to specialise in housing construction types of development. So, there is no necessary direct link between the type of business and the nature of those major projects. While small, there is little reason to believe that the final sample is biased, other than suspecting that interviewees are people that represent businesses that have strong views or have a strong interest and record in the area of promoting local employment. From our discussions with some businesses we have approached but did not follow up or could not participate, the reasons for their turning down the offer had more to do with the difficulty of identifying an appropriate source to comment on past and present performance and policies in the area, or substantial corporate changes occurring at the time of contact.

The interviewees we spoke to were either located in their headquarters situated in main northern regional centres (such as Darwin and Alice Springs) for those businesses at the smaller end or based in southern capitals (and undertaking regional visits or contacted by phone) for those much larger resource

companies. For the smaller civil and construction companies, we interviewed in all cases the current chief executive (or general manager) of the company, while for the resource companies, we interacted with well-informed personnel holding roles associated with community engagement and/or employment.

While there was some degree of homogeneity in the current roles of the respondents, their backgrounds were more diverse, ranging from:

- In the case of civil and construction sectors: Interviewees had either followed a builder-to-manager pathway, grown into the family business, kept on an engineering-to-CE background, self-made manufacturing credentials, etc.
- In the case of the resources sectors: Either a community engagement or human resource role in small mining operations, grown with the companies (or shifted to competitors) and brought increasingly valued and specialised expertise in the negotiation of social benefits and employment with communities where projects occur.

At the outset, all the businesses interviewed were interested in expressing their views about their way of approaching the issue of 'local employment'. They all have a strong sense of the need to offer employment opportunities to the communities or residents that inhabit remote regions, that they must have access to skills and capabilities embodied in workers that they can bring onsite, in locations **where** projects occur (often as fly-in/ fly-out, but not always) and yet all agree that attempting to offer as many jobs as possible to locals should be, and is, their priority; that it makes sense from a business perspective (less costly and good for both reputation and repeat business) AND from a 'social licence' angle, which they express somewhat differently from each other, but all appear to want to sincerely express.

APPENDIX B: Present-day beliefs about employment in remote regions and current practices

It must be noted that the researchers had no preconceived idea of whether interviewees would [a] display similar views about the desirability and feasibility of employing locals in remote major projects and [b] would claim that they believed their practices were becoming more effective to deliver local jobs wherever possible.

Reporting on the number or scope of elements mentioned when interviewees were initially asked about their 'current approaches' is challenging as the initial question was deliberately 'open' to elicit first impressions or top of mind topics from the interviewees. Given that the majority were senior executives or experienced managers, they largely focused on changing attitudes, recent methods or new practices they believed reflected changing political and business priorities. In some cases, their choices intentionally tried to rectify what they thought might be general public or government misconceptions about the value of particular business attitudes or policy directions. Respondents were also very aware of the delicate connection applying to remote regions (conceptually and empirically) between local employment and Aboriginal work participation. In fact, they did not hesitate to interpret remote workforces as pertaining to Aboriginal communities.

In this section we report the initial breakdown of beliefs, philosophical stances, approaches and practices that transpired from that initial foray into what 'they did'. We attempt to ascertain the relative order and concurrence in their views in the next section where both the degree of congruence in their initial answers, some specific questions about contributing factors, and their own sense of whether 'others agreed with them' are examined. Subsequently we examine their views regarding which variables (type of project, industrial sector, competitive position, location, type of community, etc.) might have influenced their attitudes and played a role in their choices of practices aimed at attracting, utilising and retaining 'locals' as parts of the remote region workforce.

The legitimacy of focusing on local employment

When asked initially about their views regarding employing locals, the majority of businesses expressed relatively similar attitudes regarding those fundamental factors:

- They voiced their agreement with the need to clearly offer priority employment to remote locals (usually interpreted as providing work for local Aborigines in those remote locations), which was usually rationalised for its economic sense (lower costs than FIFO, and the goodwill that would result;
- They expressed a relatively consistent belief that the majority of people want to work (although they are unequally equipped to do so and might have specific preferences as to where and when) and the necessity to create the right business, social and cultural environments to maximize employment opportunities;
- They also expressed a firm disapproval towards managing or planning employment 'by targets' because of the burden it presents to conducting efficient business, the perverse incentives these can create for strategic business manoeuvres, the limitations it creates on remote communities, and the governments' inability at ascertaining, controlling or rectifying undesirable outcomes.

All businesses interviewed (that is involved in major projects in remote regions) acknowledged an ever-increasing emphasis towards attempting to employ local-Aboriginal staff in their projects, as part of their contemporary management and contractual practices, with some interviewees with enduring experience in the sector suggesting there was increasing maturity in the way those projects engage with communities. Yet, the extent to which that objective was becoming formalised, or empirically demonstrable differed. Some respondents stated that employing community people was indeed becoming a formal objective (incorporated in recent times in business plans) while others conceded that these had not yet become formalised, despite their personal belief that it had become a key driver in much project planning and competitive advantage around major projects. Some interviewees clarified that their businesses were reluctant to formalise such processes if that entailed any obligations to report on arbitrary targets which could become organisational traps, as their applicability would not apply necessarily to all types of projects, nor extend automatically across regions or locations.

While the appreciation of the 'need' to employ remote region residents as much as possible was credible as a moral stance, or as a 'good business sense' proposition, there was also recognition among interviewees of the practical limits applicable to such goals, which the majority of them also insisted had to be a shared responsibility. They all in particular insisted that major projects (and the businesses conducting them) could play a positive meaningful socio-economic role only if they remained 'sound' (as business propositions) and avoided jeopardizing their own financial viability by employing under-skilled locals or "fictitious workers" to meet unreasonable or artificial targets that did not take into account the availability of capabilities with those remote regions. Without being prompted about their partaking in such practices (nor asked to comment about their competitors), the majority of businesses interviewed made the point that all their employees (Indigenous and/or locals) were 'working' across their various roles and treated like any other employees – assumedly to dispel perceptions of past dubious malpractices which some blame on targets.

A number of interviewees conveyed the notion of a 'cultural shift' that their organisations had to go through in the way they approached remote employment, in particular a realignment from 'targets' to 'accountability'. They were in part driven by the need to address absenteeism (while retaining as many local employees as possible) and other times in efforts to normalize attitudes towards work, especially as they wanted to prepare remote youth to working outside secluded regions where self-responsibility for being accountable would be considered habitual. In all, most businesses expressed similar views about the need to reduce the attitudinal gap and not support a harmful culture of low expectations in the workplace. They supported the view that it generally makes 'good economic sense' to employ capable locals especially if work ethic expectations become gradually reinforced and economic opportunities are recurring. Some respondents made a connection between establishing ongoing relationships with specific communities, regions or key individuals and the sustainability of their business model. In general, interviewees agree that standard HR practices don't work in the context of remote project employment planning, and that they had developed through past experiences approaches that were increasingly effective in making 'a difference'.

Current approaches to employ locals in remote major projects

A number of strategies to support the recruitment, retention and advancement of remote locals in major projects were described by interviewed businesses. Below are some of the somewhat diverse employment practices they initially discussed, their focus being often on what had improved in their respective sectors, and what they believed their particular business was doing well, or better than in the past. As those very rich and dense discussions were often led by the respondents, we only provide an organized summary below of the various elements reported by the respondents. Because of the interviewees' focus on what they claimed is new about their ways of doing business, or what practices give them a leading edge (as far as providing work to remote residents), approaches below were

tentatively categorised along themes that appear to reflect aspects of their thinking, rather than suggest a hierarchy supporting any articulation of best practices. Although difficult to organise, the discussions revealed that those respondents had given much thought to the topic (of maximizing local employment in remote regions), appeared as a group to have reached great levels of maturity in articulating their business positions around those complex deliberations, while identifying areas requiring more thought, and even noted some potential contradictions and incompatibilities between the arguments they presented.

This brief discussion of current practices is therefore structured around the following themes:
- The business case for 'employing locals' in remote major projects
- The planning and communication methods used to effectively attract locals in/around major projects jobs
- The approaches developed to retain locals in major project employment
- The engagement framework required to leave a lasting economic legacy

The business case for employing locals: Engagement, design and project horizon

Selected key messages were:
- Employment efforts will be beneficial if linked with purposeful engagement with remote regions, communities or Traditional Land Owners negotiations (TOs).

- Discussions over employment options must take into account [a] nature of project technology (skills required, overall technical and other capabilities, compliance standards, market and industry requirements) and [b] skills and capabilities profiles of remote residents (according to informants, experts, audits).

- For the largest projects, joint design approaches involving complex mapping exercises can be considered. Being quick in undertaking such audits and communicating 'reasonable expectations' is key to sound planning, supports productive engagement and creates a positive reputation. In particular, respondents associated with the larger resource projects stressed the need to anticipate meddling by politicians, bureaucrats and would-be contractors (seeking commercial advantages) that might create false expectations or attempt to take advantage of locals.

- For smaller or decentralised projects distributed across remote locations, relying on established networks for regionally based contracts (including NGO workers, CDP providers, etc.) with local up-to-date knowledge of skills and capabilities available in targeted remote locations will help raising exposure of project opportunities for locals. This helps fast-tracking the assessment of 'who-can-do-what', although formal verification, screening and training assessment will be required, and planned differently across project stages (the construction and operation phases being approached in completely different ways).

The planning and communication methods used to effectively attract locals in/around major projects jobs

Selected key messages differed slightly according to the size and scope of projects:
- For small or dispersed projects: Approaching local Aborigines to offer them work is a delicate matter, it requires establishing contact first (often on location), explaining possibilities, not being

pushy and leaving the invitation open for a while. There is no 'best practice' and helping remote locals visualise how their environment, their lives and overall opportunities for the next generations might be can be helpful. If locals do not particularly support the project, asking them who else might want to work in a specific project or related businesses might open up avenues to broaden the work portfolio, and involve neighbouring communities;

- For larger resources projects: Negotiations around economic benefits are initially conducted confidentially (involving the identification of those in a position to claim royalties) and focus on groups with particular entitlements. Employment commitments also start generally with the core group (which might be clearly identified or a complex amalgam) and extend beyond into different remote stakeholder categories along a ladder (from TOs holding the highest levels of political and legal legitimacy, to external-FIFO job market sources).

- The increasingly adopted view the 'social licence' of major remote projects extending beyond that primary group and offering benefits typically to surrounding regional residents appears universal. A typical hierarchy involves tiers starting with traditional landowners, other local-remote Aboriginal (and non-Aboriginal) residents, other Aboriginal stakeholders operating in the region (but not necessarily originating from that location) and eventually potential employees originating from even further away such as FIFOs. Such implicit frameworks stem partially from public procurement models or policies, and increasingly frame how businesses perceive the stakeholder groups they should engage with on economic and political grounds. It is expected that a range of specialised and rarer capabilities will only be found outside remote regions and that remote projects will require a large proportion of external skills supported by FIFO (or DIDO) arrangements or will establish longer-term dedicated facilities such as conventional mining towns.

- Increasingly, TOs and residents from directly involved communities are offered priority for any jobs they possess the right skills (and work readiness) for and might desire. What they can contribute depends on the nature of the project and of the skills found in the community. Businesses differed somewhat with respect to their preferred strategies to approach potential workers in surrounding regions (non-TOs). Some use their own networks (including NGOs and community advisors) while others prefer to use close-by local employment agencies (in nearest regional towns typically) to ensure procedural fairness and transparency and avoid perceptions that some locals were disadvantaged because they were overlooked.

- Some respondents overseeing large resources sector projects stated they increasingly attempt to shelter traditional landowners and communities from unnecessary interactions with tier-1 contractors (and other sub-contractors) because the latter frequently attempt to offer jobs or sit-down money to influential community members with the hope this will consequently advantage them when contracts are awarded. A couple of interviewees claimed that their resource businesses would rather work closely with contractors to maintain the principle of offering the maximum conceivable range of jobs to the local or regional community first and will eventually assist those contractors to find workers from outside the project region (and support their temporary living arrangements) if insufficient skilled workers can be found locally, which is expected.

- In all these discussions, training is regularly on offer as part of an employment package, and sometimes offered as the main benefit (complementary to work exposure) typically presented to communities and regions as a key part of a project's contribution to obtain its social licence.

- Some challenges related specifically to attracting remote locals were mentioned by several respondents. Many commented carefully on the readiness of younger generations from remote communities to actually take-up work challenges in terms of the latter's 'motivation to work' often claiming that the most capable community members were already employed (locally or not) in the private or public sector and were in fact in great demand. Numerous respondents claimed that outside-bush work was becoming increasingly unattractive to young people, including those from communities looking for sit-down jobs involving a computer interface irrespective of whether they had particular skills. In contrast, other interviewees suggested that some community members under-estimated their potential to acquire or develop skills for work available in domains they could not envision (beyond the more basic unskilled work), and that major projects needed to develop strategies to explore, debunk and unbundle possibilities over the project duration.

The approaches developed to retain locals in major project employment

Selected key messages included:

- Cross-cultural competency and targeted pre-employment programs (i.e. Connecting Aboriginal People with Mining) are considered valuable, especially if job is guaranteed at completion. For new employees and inexperienced workers, a 'buddy' system with a specific supervisor is likewise useful to introduce them to negotiating working lifestyles.
- The working arrangements adopted by major project operators vary somewhat (across projects and business operators) and reflect different social environments, business imperatives and conventions. Shifts such as '2 weeks on/off' and '3 weeks on, 1 week off' are the most common, these being sometimes modified early on for new local workers not used to such intensity.
- The physical settings (extending sometimes to hierarchical interactions and basic answerabilities within work teams) need to be carefully managed when Aboriginal employees belonging to different communities or ethnic groups (or genders which is also sensitive) are brought together, or if a project involves outside Aborigines working on someone else's country. Yet, some interviewees noted the value of having groups of Aboriginal people working together even if not related which can create a de facto community which is believed to support retention. Several respondents highlighted the value of creating enhanced communication channels to discuss issues and acknowledge the pre-held skills (in pastoral, rail and civil) of some experienced workers.
- When training can be provided in-community or around the work location, some businesses want to use it as an opportunity to assess the workers' motivation or attitude towards work, and ability to absorb new knowledge, use it and progress. Some businesses involved in major projects are registered as TAFE providers.
- Retention can be impeded by a number of challenges faced by remote residents. To support local workers facing disadvantages in terms of readiness to work, some businesses undertake investments in the areas of:
  o transport (to support staff struggling with either financial hardship, licence issues and/or absenteeism),
  o nutrition (believed to impact on productivity and learning capacity),
  o housing (also a determinant of health, productivity and safety of workers),
  o literacy and numeracy (pre-determinant of money management, of training in general, and of the ability to take on new roles),

- o onsite education (when entire families relocate to mining settlements),
  - o any cultural infrastructure that makes workers remain around project, and which is supported by a community.
- A number of respondents referred to the 'cultural competencies' they had acquired as organisations, and the communication channels they developed (around cultural roles or specific functions within workplaces) to support the flowing transmission of issues, requests, ideas, suggestions, etc. that require adjusted levels of trust and authority to take into account remote values and customs. These are seen as critical mechanisms to ensure retention. The often-discussed issue of 'cultural obligations' by community members were all acknowledged by interviewees, and not deemed to be particularly problematic when employers were cultural competent. Some respondents mentioned that they modified the size of working teams to account for fluctuations in workforce attendance resulting from unpredictable cultural events.

The planning and engagement framework required to leave a lasting economic legacy

Among interviewees, those who appeared most advanced in articulating their strategies to optimise their employment-based contributions for remote economies claimed that:
- All projects should plan for their potential legacy (which is to be driven by community or regional residents) at the project's end point. This varies according to the type of project and duration, and the extent to which the community wants to be directly or only incidentally involved. In all instances, there should be a commitment to leave the community with more valuable skills than when they started.
- When the focus is on the continuation of employment opportunities for remote residents, an approach could be to setup and prepare for post-project follow-up activities, another to form skilled local workers able to go and find jobs outside the region, another to create partnerships for the purpose of ensuring a succession of consistent work opportunities going well beyond the initial project, etc.
- One respondent claimed that the employment obligations surrounding remote large projects should not be restricted to offering 'project jobs', in part because the expected life duration of any project might constitute a dead-end for some who would have chosen to invest in dedicated capabilities, or because the types of jobs might simply not appeal to locals, who could resent pressure to do some forms of work they dislike. It was seen to be preferable instead to co-design business opportunities that could provide employment for locals beyond the project scope and duration, irrespective of whether those connected with the project needs as such.
- Some respondents expressed the view that one of the most valuable contributions they could provide for remote regions is to counteract the legacy of 'low expectations' which has recently permeated remote employment whereby those employed were not held to be accountable for their overall productivity (attendance to work, reliability, effort, consistency, etc.). What appeared in the past as double standards for various categories of workers (itself counter-productive in work environments) can be rectified, but at the risk of creating culture shocks and absconding and discussing those aspects openly with communities and TOs early on are key to uplifting the value of work.
- Changing perceptions of training is a worthwhile but challenging necessity, due to the well-known history of purposeless training in remote regions. In the context of major projects, training requirements can constitute an apparent burden to the project itself (given the slow

and uncertain nature of that activity contrasting with the precise nature of planning around construction and operation phases) yet must be remembered as critical.

- o It can also be taxing for those required to work and train, especially for younger generations of remote locals not accustomed to deal with demanding rosters. Some businesses implement modified rosters for remote community residents initially (in part to gauge their resilience and willingness to work and learn), as put in place special arrangements to account for cultural responsibilities.
- o Those not suited for project work shifts, or unable to undertake necessary training but desiring work, can sometimes be taken care of through job diversification or redeployment, and smart training arrangements into bridging activities.
- o Several interviewees noted that compliance around work and equipment standards and modern formal OH&S requirements prevent the relative informality of past flexible working arrangements (remembered by older generations of workers) and apparently constituted a barrier to work and training in some communities, in particular young workers (i.e. unwilling to wear safety hats in a number of locations).
- o Some commented that the cyclical nature of some projects, and their interactions with seasonal access to sites or activity, can be restrictive, but also sometimes useful for scheduling training in non-disruptive manners.

- Having a clear and coherent strategy about interactions with contractors is also central to leaving remote regions better off, in part because some forms of unskilled work appealing to remote residents is handled by specific types of contractors. This is also linked to the fact that some contracting businesses have a footprint in specific remote regions, and offer advantages for identifying and monitoring skills levels, at interacting with appropriate authorities to recruit and offer jobs to locals, and at supporting needed work continuity for those capable residents. On the other hand, many tier 1 contractors can become increasingly risk averse towards not fulfilling imposed targets (required by government procurement or major project managers) and try to pass on that burden to lower-level businesses expected to deal with the vagaries of job market fluctuations.

APPENDIX C: Rationales provided by respondents for opposing employment targets

Although interviewees were not probed directly about that matter, there was such strong opposition among respondents to the unilateral utilisation of employment targets for major projects in remote regions that it seems fair to report those. It is of course highly relevant to the subject matter of this research that this government policy lever was generally construed as an impediment to effective and flexible employment and business practices in remote regions where economic choices for locals and communities are already significantly constrained. The possibility of misuse or ill-conceived employment (or ownership-based) targets was raised by most respondents, even those in charge of businesses that had perhaps benefited from recent procurement frameworks. The views listed above apply equally to resources enterprises which do not strictly develop projects according to formal procurement procedures, although they are increasingly under pressure to make employment commitments formulated as target guarantees.

Below are some of the examples and issues businesses (major projects or contractors) raised around targets:

• A typical situation is where firms set ambitious Aboriginal employment targets (i.e. 20% across the board for a very remote project) and realise afterwards that skills believed to exist according to pledges made by communities, brokers and government agencies (that were going to undertake needed training) could not be found. For business making commitments not to accept non-working staff or undertake black cladding (which many interviewees allude has been a common practice in the past to manage employee ratios), this can completely derail a project and the operator's reputations. Many instances of such target dead-ends were associated with failed training aspirations associated with third parties;

• Some businesses had historically differentiated between types of workers, informally creating different levels of 'work accountability' for different types of employees according to their productivity, so as to handle ratio-based targets, which usually reflect geographical or Aboriginal status dividing lines. This practice common in some environments can inadvertently create internal tensions and further inefficiencies within the workforce, in particular by limiting the ability of the most capable or dedicated workers to be acknowledged for their 'progress', learn and grow as employees. A particular business owned by an Aboriginal Corporation (the explicit historic purpose of which is to offer remote work opportunities for local youth) had to undertake a 'significant cultural shirt' as a business to avoid that internal target trap, to ensure that everyone is treated the same, with the same level of respect, and is assessed and rewarded on the basis of their 'real' contributions. While this is seen as essential to ensure that training and skills are valued by the next generation and that they transmit the right signals about the nature and implementation of strong work ethics principles, it is easily undermined by target mindsets;

• Other respondents recalled having in the past made loose across-the-board target commitments that did not carefully differentiate between key hierarchical levels within their organisations. For instance employment targets applied notionally across corporate workforce roles and composition, as well as to project-specific activities and purchasing. Reaching targets of local or Aboriginal employees not carefully adjusted to reflect the location of given roles, and the skills profiles of specific activities is of course absurd and therefore requires both an understanding of business-specific skills needs and local preferences regarding types of work and work conditions, a claim that many respondents repeated. The

central argument of many is that it is pointless, even with some flexibility among ratios, to expect businesses to reach fixed targets across the board or to request community members to display interest for a wide range of available jobs. It is often the case that Aboriginal community residents have no desire whatsoever to take up some types of jobs and would rather trade alternative economic or social benefits for jobs;

• Similarly to the above, some interviewees had the view that pre-set targets (fixed by government or by corporate entities undertaking specific major projects) often clash with the implementation of proper management practices. They refer to the fact that the operational logic of major projects is based on devising suitable KPIs, reporting progress against them, and revising them if they are revealed to have been misguided. Rigid or contractual targets clash with that logic, and to fit with other business operations, they would need to have been carefully and realistically designed by those understanding the key trade-offs involved between types of skills, alternative opportunities and project boundaries. Some respondents noted the irreconcilable tension between short-term reporting found in business and long-term, often inter-generational, outcomes that employment targets are attempting to produce;

• On a pragmatic level, targets create perverse incentives that end up limiting possible initiatives or improvements if they are simply stated, forgotten and never really observed, in contrast to the more trackable and meaningful operational KPIs that major projects monitor carefully;

• One interviewee said that their business had likely benefited from targets (being a strategic element of their competitive advantage) and believed that the policy intent was probably positive, but the ability of government agencies to manage them and maintain a level playing field was inadequate;

• A recurring issue with targets occurs when they become widespread, or particularly in places and times when simultaneous projects take place. These put analogous demands on competing businesses to capture as many as possible labourers from an already limited skilled workforce, and produce incentives for some individuals to double-dip in the projects in their regions, a practice documented in the past;

• A few of the smaller regional businesses (often operating as contractors in major projects run by large southern companies) objected to targets based purely on 'indigenous status' if these did not specify the locality or origins of those Aboriginal workers, in particular if ownership was used as a criterion. They argue that smaller regional (or northern) companies were disadvantaged against southern tenderers capable of making notional Indigenous ownership claims, while in fact making marginal remote employment contributions. These businesses questioned the original logic of a necessary and ongoing association between ownership and employment patterns that served as the basis for that policy approach. Some of those operators in fact have decided to move away from attempting to access any government funding based on such target-based metrics and work instead with private sector organisations.

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