



SEGRA 2009

# MEDIA RELEASE

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**Attention News Editors / Chief of Staff**  
**FOR IMMEDIATE RELEASE**

## GOVERNMENTS ASKED TO TAKE A LEAD FROM BUSINESS AND LOOK BEYOND PRICE IN INFRASTRUCTURE TENDERS

Some of the nation's biggest construction projects may be built by a workforce swelled by skilled-up and work-ready aboriginal workers under a new scheme linking local indigenous people with a consortium of construction industry heavy-weights.

The idea was presented at the *Sustainable Economic Growth for Regional Australia* (SEGRA) conference in Kalgoorlie-Boulder today, and its aim is to increase economic independence for indigenous people as well as create a new source of skilled workers in regional and remote Australia.

The concept requires government's to embrace an innovative way of managing infrastructure projects but Indigenous Business Australia (IBA) is working with Leighton Contractors, BlueScope Steel and Sinclair Knight Merz to form a consortium known as DRIIVE (Delivering Regional Innovative & Indigenous Vibrant Economies) to partner with aboriginal Australians and tender for major government construction projects.

“We have had very encouraging discussions with the West Australian Government about the need to frame tenders to maximise opportunities for sustainable local employment and training outcomes, and we expect them to issue the first tender early next year to build houses, schools and hospitals” said Indigenous Building Australia Deputy General Manger, Ms Kaely Woods.

Western Australia offers the best prospects for the consortium at present, but talks are being held with other State governments.

“With the \$415 million Ord East Kimberly Development Project and the federal government’s stimulus package there are some significant projects happening in WA and we have been talking to them about how the public and private sectors working collaboratively can create projects that focus on local and indigenous economic development while providing the essential regional infrastructure,” said Ms Woods.

“The DRIIVE consortium is looking at how these projects along with the National Partnership Agreement on Remote Indigenous Housing funding, worth \$500 million over 5 years, can be bundled in a way to create the size and longevity needed to provide sustainable employment and training outcomes and business development opportunities for local Indigenous and non-Indigenous people.”

The bundling of work is key to the success of the concept, as it allows projects to run over a significant time-frame, giving the consortium the opportunity to develop the range of skills and capacity within the local community needed to create a long term sustainable economic base for future employment.

Without the support of the big corporate players, the smaller indigenous companies have often been overlooked or unable to tender for this work, limiting the opportunity for wholesale training and workplace experience. Through a commitment to support and grow these local companies, DRIIVE aims to leave lasting improvements well beyond the project works.

IBA, which has a majority indigenous board and an asset base of around \$1 billion, will work closely with communities to identify what is needed to get local people prepared for the opportunity.

“There may be issues of literacy and numeracy that we have to work through; often the big construction companies will run a breakfast and lunch program to make sure everyone has the energy to work as they are expected to and we will be involved in building cross-cultural awareness so that there is an understanding of expectations in the workplace,” said Ms Woods.

“We have worked successfully with our three corporate partners as individuals, prior to this consortium being formed, and we know we are all of the same mind. This could be a very significant breakthrough but the acid-test is winning some work.”

A desire by governments to achieve outcomes beyond the construction itself is the x-factor.

“Our objective is to build the capacity of indigenous people leading towards their economic independence, and if that can be acknowledged in the contract between government and our consortium we could see a critical watershed in the welfare of Aboriginal people and the viability of regional and remote Australia,” said Ms Woods.

“We accept this concept runs counter to business as usual in the construction industry where price and delivery are the over-riding objectives. We believe success lies in structuring projects where the improved social and economic environment of the local community is as important as the usual project drivers of time, cost, quality and safety.

“Shifting to a Relationship Contract style of project delivery, where there is a ‘best for project’ culture built on an open-book policy between client and contractors to ensure value for money, and where all share the risks and the costs when dealing with the ‘unknown’ is a major commitment - and one the companies in our consortium have already agreed to,” she said.

“The ability to tap into a local workforce is a major factor influencing the viability of remote and regional Australia,” said SEGRA convenor Ms Kate Charters.

“Issues around indigenous employment have vexed local councils, State governments and regional development professionals for a long time but this model could have timing on its side with major projects coming on-line that could accommodate this approach.

“SEGRA is the ideal forum to put these types of new paradigms on the table to garner everyone’s experience and expertise. All regions have a lot to gain from finding a successful format to help engage indigenous communities as well as addressing the desperate need for skilled workers in the regions,” said Ms Charters.

The SEGRA conference tables a broad range of issues that shape regional Australia and will hear from specialists and academics over the three day event being held in Kalgoorlie-Boulder this year.

The conference agenda will explore economic resilience, funding models for regions, the impacts of climate change on planning and traditional industries, population shifts, and food and water security - to name just a few.

A full program for SEGRA is available at [www.segra.com.au](http://www.segra.com.au)

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***SEGRA 2009 is proudly supported by the City of Kalgoorlie-Boulder, Goldfields Esperance Development Commission, Regional Development Australia, Goldfields Esperance, Kalgoorlie Consolidated Gold Mines, Desert Knowledge Australia, Chamber of Minerals and Energy, Western Australian Local Government Association, Kalgoorlie Boulder Chamber of Commerce and Industry, Water Corporation and Telstra***

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