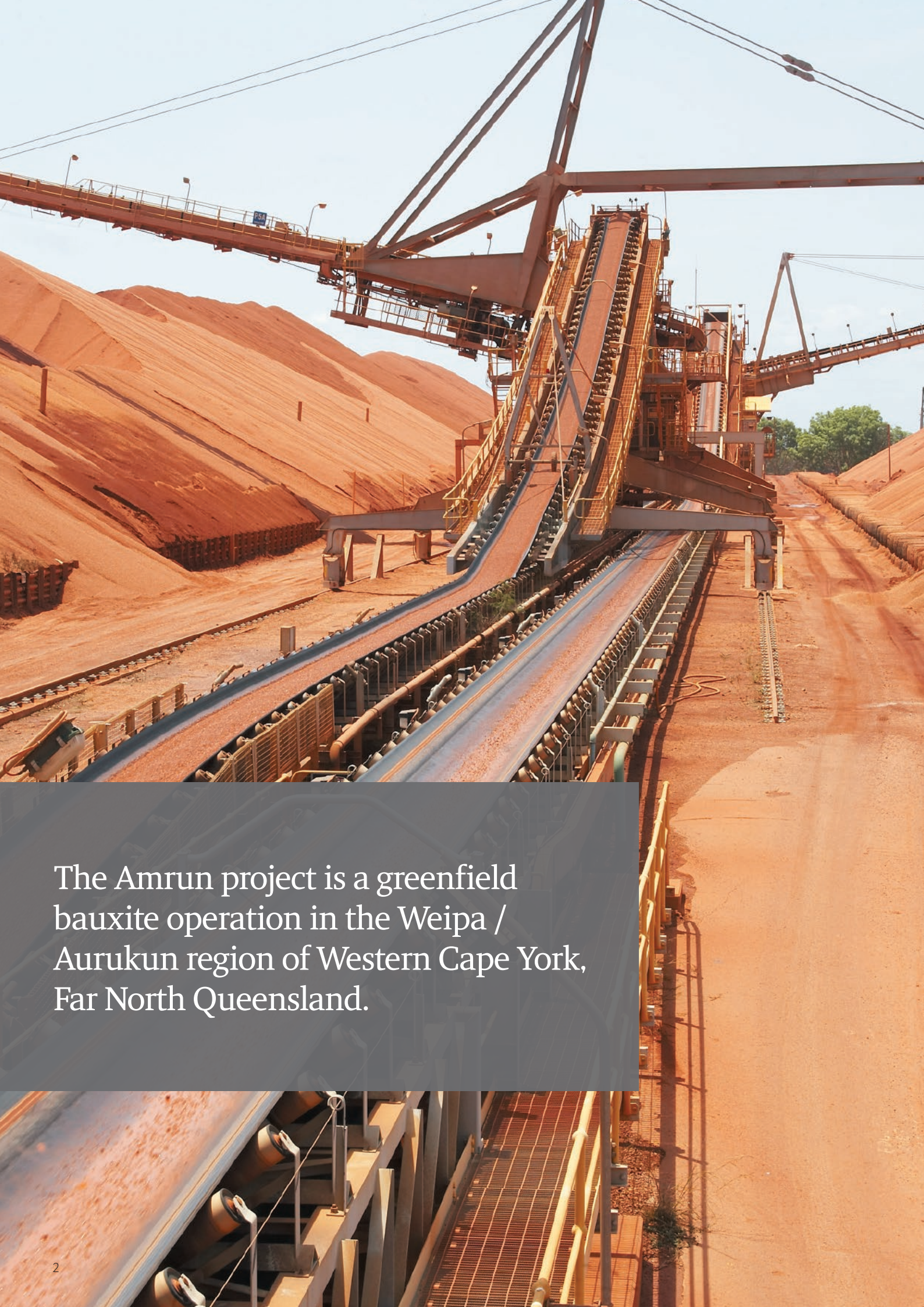


Amrun project Local and Indigenous participation strategy





The Amrun project is a greenfield bauxite operation in the Weipa / Aurukun region of Western Cape York, Far North Queensland.

About the project

The Amrun project is a greenfield bauxite operation in the Weipa / Aurukun region of Western Cape York, Far North Queensland. The new development will eventually replace the existing East Weipa mine centre and develop the high quality bauxite reserves available south of the Weipa Peninsula.

The project involves the staged increase in production of up to 50 million dry product tonnes per annum (mdptpa). Proposed components of the project include:

- Truck dump station and run of mine storage;
 - Ore beneficiation facility;
 - Conveying and stockpiling facilities supported by rail mounted machines;
 - Export port;
 - Water supply dam and infrastructure;
 - Tailings storage facility;
 - Power generation facility;
 - River facilities, including:
 - a barge facility and roll-on roll-off (RoRo) barge terminal,
 - a passenger ferry terminal,
 - a combined barge and passenger terminal,
 - tug berths and associated dredging and navigation aids.
- Sealed access road connecting the Hey River Terminal to the Boyd Mine Infrastructure area;
 - Initial haul roads network;
 - Facility automation/control system;
 - Mine infrastructure buildings, including operations and temporary workshops, and general infrastructure including a telecommunications system to link the remote operations centre;
 - Temporary works required to support construction, including a construction camp, power, water and telecommunications; and
 - Information systems and technology equipment, heavy mine equipment, other marine vessels and mine operations equipment.

The construction period is expected to be 38 months.

Rio Tinto has appointed Bechtel Australia Pty Ltd as the project's Engineering, Procurement and Construction Manager (EPCM).

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1 Definitions

Australian Jobs Act 2013 – The Act came in to effect in December 2013 and requires all major projects in Australia with a capital expenditure of \$500 million or more to prepare and implement an Australian Industry Participation (AIP) Plan.

Contractor – Any business which has a direct relationship with Rio Tinto to supply goods, equipment or services to the project.

Engineering Procurement and Construction Manager (EPCM) – Company appointed by Rio Tinto to manage on its behalf key aspects of the project related to engineering, procurement and construction.

Expression of Interest – The process whereby market interest in a package of work is tested.

Indigenous Business – Any business in which a person or persons of Aboriginal and/or Torres Strait Islander descent has ownership of at least 50 per cent of the business. A Local Indigenous Business is an enterprise located within the community footprint.

Indigenous Person – Is defined as an Aboriginal and/or Torres Strait person who:

- is of Aboriginal and/or Torres Strait Islander descent;
- identifies as an Aboriginal and/or Torres Strait Islander; and
- recognised by the Aboriginal and Torres Strait Islander community in which he or she lives as an Aboriginal and/or Torres Strait Islander.

Industry Capability Network (ICN) – An independent supplier advocate that assists projects and contractors identify capable local contractors.

Local Aboriginal Person (LAP) – Is defined as:

- a member of a Traditional Owner Group;
- an Indigenous person connected to a Traditional Owner Group by marriage or adoption; and
- a person recognised as a Local Aboriginal Person by the majority of the Indigenous members of the Western Cape Communities Coordinating Committee who, once the decision is made, will always be a Local Aboriginal Person.

Queensland Resource and Energy Code of Practice for Local Content (2013) – A voluntary industry code requiring companies to refine their local content strategies and report outcomes presented as aggregated industry data.

Procurement – The process of sourcing plant and equipment, materials, manufactured items and services required to meet defined performance or technical criteria.

Project – For the purposes of this document, references to ‘project’ refer to the project to construct the Amrun mine.

State Government approval – The conditions and recommendations of the Coordinator-General’s Report on the Amrun project Environmental Impact Statement (EIS) and any subsequent Project Change Reports.

Strategy – Means this local and Indigenous participation strategy.

Supply Chain – A system of organisations, people, activities, information, and resources involved in moving a product or service from supplier to customer.

Tier 1 Contractor – A business contracted to supply goods or services directly to Rio Tinto.

Tier 2, 3 and 4 Contractors – A business contracted to supply goods and services to the Project through subcontracting arrangements.

Traditional Owner Agreements – Agreements signed between Rio Tinto, Traditional Owner Groups, Councils and the Cape York Land Council on behalf of Native Title Parties that recognise Rio Tinto’s support for Native Title rights and Traditional Owners’ support for mining activities.

Western Cape Communities Coordinating Committee (WCCCC) – Established to ensure that all the parties to the Western Cape Communities Coexistence Agreement (WCCCA) carry out their obligations and responsibilities.

2 Introduction

Rio Tinto understands that procurement and employment practices implemented by the Company and our contractors play a significant role in the creation of sustainable employment and economic development opportunities for our host communities.

Rio Tinto has been mining and shipping bauxite from Weipa since 1963 and currently operates two bauxite mines in Western Cape York. The Amrun project is a major expansion presenting a significant economic development opportunity for the region.

Rio Tinto is committed to providing access to opportunities for local and Indigenous businesses and community members to benefit from the project. With this objective in mind, businesses need to demonstrate they are commercially, technically and economically competitive. Furthermore, they must demonstrate their value proposition and position within supply chains.

In turn, Rio Tinto commits to ensuring local and Indigenous businesses have full, fair and reasonable opportunity to supply to the project.

In developing a project strategy, it is important that the standards Rio Tinto sets are adopted by our contractors. This strategy is intended to provide local Traditional Owners, government, industry and community stakeholders with an overview of Rio Tinto's commitment to supporting local and Indigenous employment and procurement, and the expectations Rio Tinto has of its contractors.

The commitments made and approach identified in this strategy applies to procurement and employment activities undertaken by or on behalf of Rio Tinto in consideration of relevant regulatory and legal requirements.

Actions implemented to provide access to opportunities for local and Indigenous procurement are built upon the following fundamental strategic imperatives:

Figure 2.1: Strategic imperatives in providing opportunities for local and Indigenous procurement





Current economic conditions have created a tight labour market. Rio Tinto remains committed to supporting employment opportunities for Indigenous persons. To take advantage of project and operations related employment opportunities, job seekers are required to demonstrate they exhibit either:

- skills and experience that align with project requirements; or
- a commitment to increase their employability and be in a stronger position to apply for vacancies by participating in education and training initiatives.

Rio Tinto has an established Indigenous *Employment and Training Strategy July 2013 – June 2016* endorsed by the WCCCA. The aim of the employment related initiatives outlined in this strategy have been designed to:

- complement, not duplicate the existing strategy focused on operational employment;

- implement actions that encourage outcomes during the construction phase of the project; and
- provide a framework to reinforce Rio Tinto's expectations to Tier 1 contractors.

It is the project's intention to ensure that any Indigenous training initiatives undertaken are not just for the sake of training, rather developed as a pathway toward meaningful employment. This can be challenging given the defined lifecycle of a construction project. However, it is anticipated that any experience gained on the project may assist local Indigenous people to transition into other roles with either the operating mine or other significant regional projects.

Actions to be implemented in providing access to Indigenous employment and training opportunities are built upon the following strategic imperatives and are applicable until the finalisation of the project:

Figure 2.2: Strategic imperatives in providing access to Indigenous employment and training opportunities

Understanding the local labour market and availability of local Indigenous candidates



3 Local and Indigenous participation requirements

3.1 State government

The Queensland Coordinator General, during the State's project approval process, recommended that the project implement:

- Local and Indigenous Employment and Business Development plans with reference to the *Queensland Resource and Energy Sector Code of Practice for Local Content (2013)*; and
- A reporting framework to include local spend, employment details and participation in development, training and skills programs.

The recommendation has been acknowledged through the development of this Local and Indigenous Participation Plan.

3.2 Commonwealth government

Following Commonwealth government approval of the project in June 2013, the *Australian Industry Participation Rule 2014*, was introduced under the authority of the *Australian Jobs Act 2013*. The Act mandates the application of Australian Industry Participation Plans (AIPPs) for all major projects with capital expenditure of \$500 million or more in Australia. Rio Tinto's Australian Industry Participation Plan for the project was approved by the Commonwealth Department of Industry and Science in August 2015.

3.3 Traditional Owner agreements

In Western Cape York, Rio Tinto operates under three Indigenous mining agreements: the Western Cape Communities Co-existence Agreement (WCCCA), the Ely Bauxite Mining Project Agreement (EBMPA) and the Weipa Township Agreement. These agreements provide economic, education and employment benefits as well as cultural heritage support and formal consultation processes between Rio Tinto and the Traditional Owners of the land within the mining lease.



These agreements provide economic, education and employment benefits as well as cultural heritage support and formal consultation processes between Rio Tinto and the Traditional Owners of the land within the mining lease.

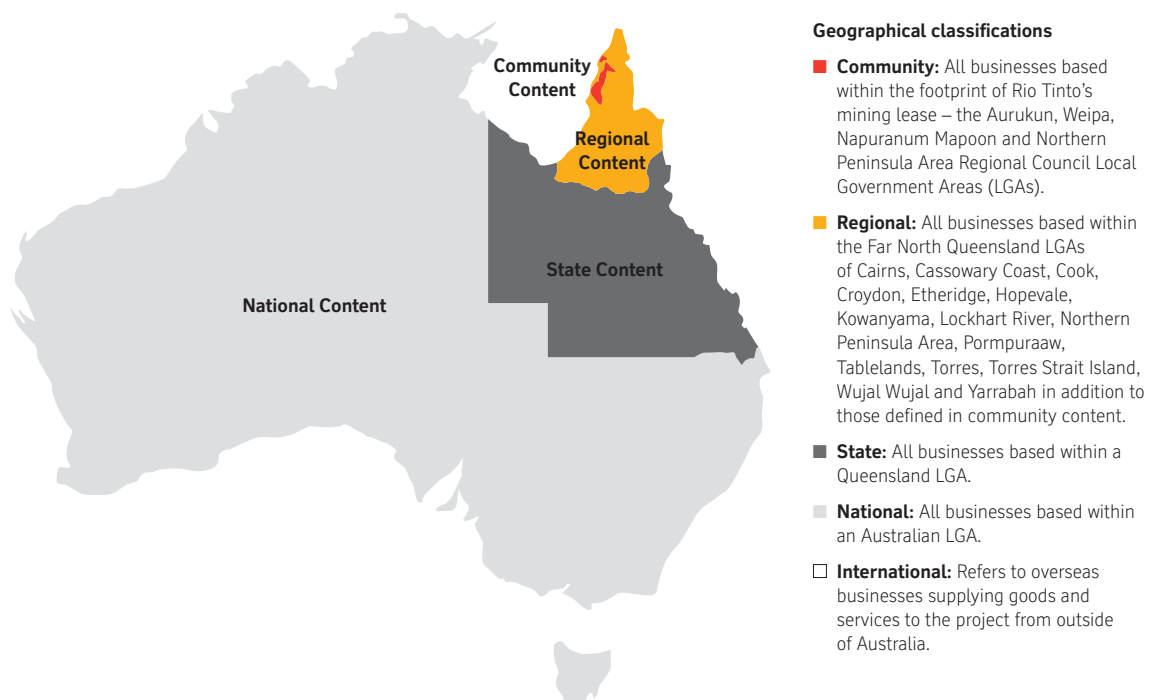
4 Local and Indigenous procurement context

It is important stakeholders and contractors understand the project's commitment to provide local and Indigenous businesses full, fair and reasonable access to project procurement opportunities.

4.1 Defining local content

In recognition of different stakeholders' expectations, the project has developed a series of subgroups to further categorise and define the geographical boundaries of what constitutes "local" as depicted by the map and classifications below:

Figure 4.1:
Geographical
boundaries and
classifications



The above approach will allow for a greater level of monitoring and reporting of outcomes.

4.2 Defining Indigenous businesses

Taking in to consideration the Australian Bureau of Statistics definition of Aboriginal and Torres Strait Islander-owned and controlled business, the project defines an Indigenous business as 'any business in which a person or persons of Aboriginal and/or Torres Strait Islander descent has ownership of at least 50 per cent of the business'.

Further classification of local Indigenous businesses can be made to include businesses based within the community content footprint.

4.3 Identifying capable local and Indigenous businesses

For contractors not familiar with the capabilities of local and Indigenous businesses within the community and regional areas, the following directories are available:

Indigenous Business

- Black Business Finder – www.bbf.org.au
- Supply Nation – www.supplynation.org.au

Community and Regional businesses

- ICN Queensland – www.icn.org.au
- Western Cape Chamber of Commerce – www.westerncapechamber.com.au
- Cairns Chamber of Commerce – www.cairnschamber.com.au

Rio Tinto has partnered with ICN Queensland to develop a directory of Indigenous businesses in Far North Queensland that can be made available to Tier 1 contractors.

4.4 Advantages of buying from local and Indigenous businesses

Buying from local and Indigenous businesses can have the commercial advantages including:

- reduced logistic costs, such as the transporting people and equipment;
- reliability and ease of communication;
- continuous improvement of service provided over a sustained period of time;
- decreased exposure to currency fluctuation;
- increased business competitiveness;
- assists firms achieve economies of scale and expand; and
- strengthened relationships with host communities, traditional owners, and governments by demonstrating a positive impact on local economies, positive economic development and wealth creation.

Buying from local and Indigenous businesses can have the commercial advantages.

4.5 Challenges associated with buying from local and Indigenous businesses

Whilst the project strongly supports procurement from local and Indigenous businesses, challenges such as the following can also be apparent:

- inability to be cost competitive;
- lack of compliance with required standards (eg health, safety and environment);
- inability to manage risk and meet delivery deadlines;
- difficulty in understanding procurement practices and processes;
- inability to scale up in time to take advantage of opportunities;
- difficulty in diversifying away from current markets;
- time taken to establish and form commercial relationships (eg joint ventures);
- lack of understanding of competitive position within supply chains; or
- lack of 'job ready' candidates.

4.6 Business considerations

Although the commercial opportunities created by the project may at first seem appealing, local and Indigenous businesses need to contemplate the overall sustainability of their business in consideration of:

- their company's position within the supply chain;
- the cyclical nature of supplying projects and planning for life after contracts conclude;
- ability to efficiently scale up and scale down to meet project demands;
- impact on existing customers and operations;
- potential to experience inflated costs; and
- competition for resources and strategies to recruit and retain key staff.

4.7 Project supply chains

In delivering the Project, Rio Tinto will work predominately with Tier 1 suppliers, preferring to managing fewer, yet larger contracts directly. This does not take away from the need for a good or service; rather redefines who the purchasing entity may be.

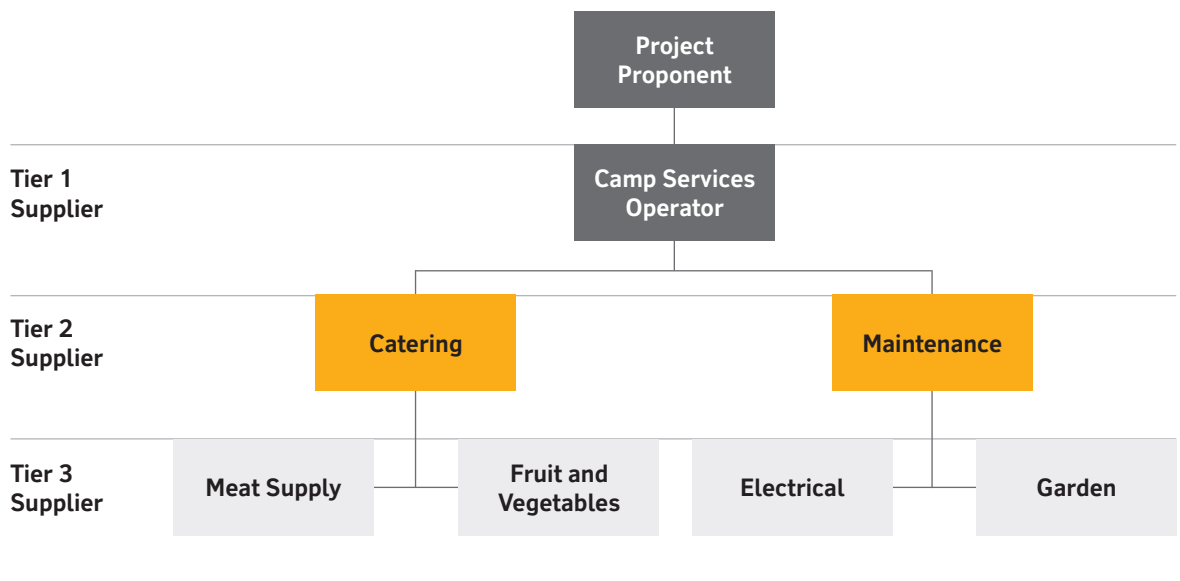
It is important that local and Indigenous businesses identify their opportunities at the appropriate levels of the supply chain.

Given the business opportunities that may be available, local and Indigenous businesses predominately have two key questions:

1. What is the opportunity for my business?
2. What do I have to do to take advantage of the opportunity?

The hierarchical relationship of the supply chain is often referred to as the “tiers of supply”, as illustrated in the hypothetical camp services contract arrangement below.

Figure 4.2: Supply Chain Example



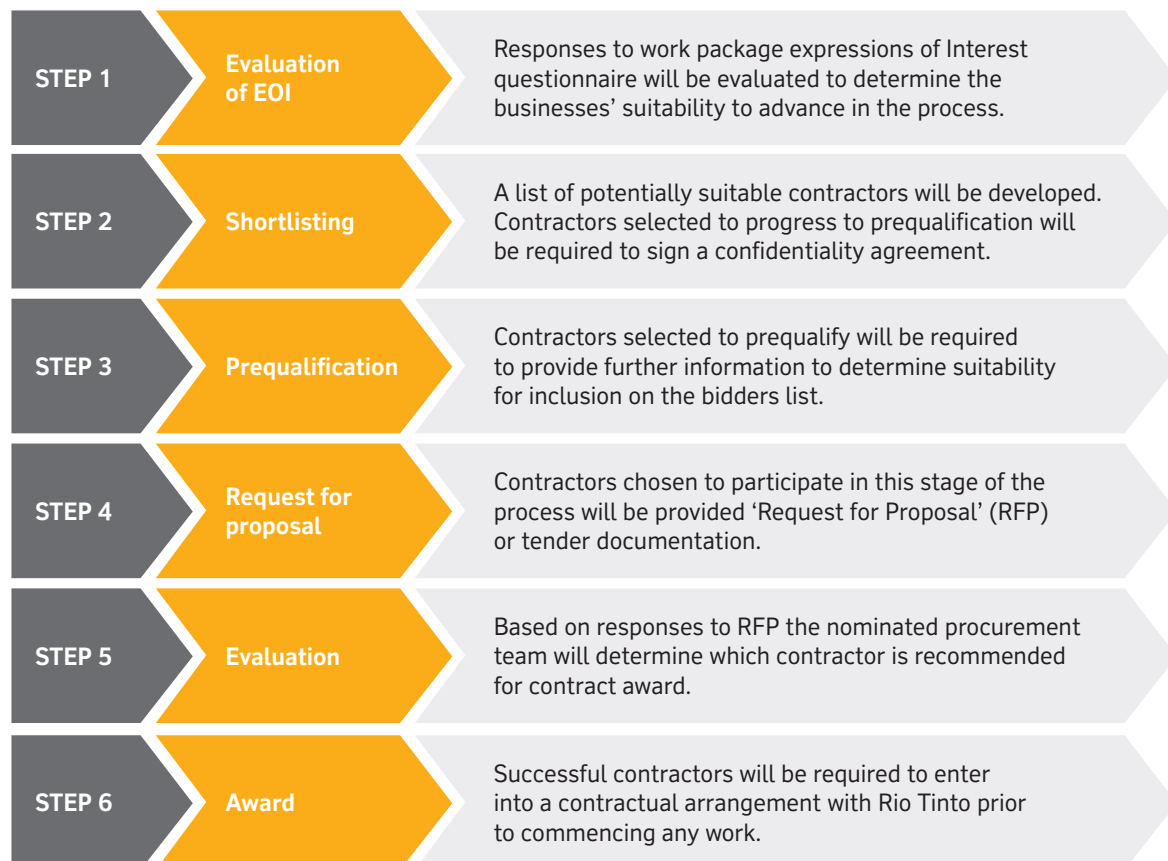
Often, companies incorrectly pitch their goods and services at the wrong level under the misapprehension the proponent is responsible for all project related procurement.

With the example above, a company with the capacity to supply garden maintenance services is considered a Tier 3 supplier. This would be subcontracted to the Contractor awarded the Maintenance contract (Tier 2) by the Camp Services Operator (Tier 1).

4.8 The project procurement process

Typically (but not in all instances), the procurement process utilised by the project for most large project opportunities follows a process similar to:

Figure 4.3: Project procurement process



4.9 Procurement decision making

Procurement awards will be made in consideration of local and Indigenous businesses' competitive position in response to, but not limited to:

- Technical capability:
 - value;
 - quality;
 - quantity;
 - health, safety and environmental compliance; and
 - ability to meet required standards.
- Commercial capacity, related to governance procedures, financial and risk management;

- Past performance, proven track record to deliver similar scopes of work on time and on budget; and
- Local and Indigenous Participation – including procurement and employment.

4.10 Preference of award

Where project bids have been assessed as being commercially, technically capable and comparable in relation to decision making criteria mentioned above, preference will be given as follows:

- Community and regionally based Indigenous businesses;
- Community businesses; then
- Regional businesses.

5 Actions and initiatives to provide opportunities for local and Indigenous supply

Actions implemented to provide opportunities for local and Indigenous procurement are built upon the following fundamental strategic imperatives:

Figure 5.1: Strategic imperatives to provide opportunities for local and Indigenous procurement



Through these strategic imperatives, Rio Tinto is targeting our Tier 1 contractors to support:

- development of procurement practices that support and encourage the use of local and Indigenous contractors;
- development of communications strategies to effectively communicate project supply opportunities to local and Indigenous contractors; and
- participation in capability development initiatives that assists local and Indigenous businesses increase their capacity and capability to supply to the project and other major projects.

Specific actions developed will be explained in the following section.



Local and Indigenous participation responsibilities are summarised as follows:

Table 5.1: Summary of Project proponent, Tier 1 contractors and local and Indigenous businesses responsibilities

Project proponent and Tier 1 contractors	Local and Indigenous businesses
Develop and implement relevant procurement practices	Register with ICN QLD to receive project opportunities and updates
Communicate supply opportunities	Understand where the business fits in the supply chain and its value proposition
Support capacity building	Respond to EOIs and complete all required information requests
Monitor, review and report performance	Participate in capacity and capability development initiatives

5.1 Procurement policies, processes and systems

Rio Tinto, supported by the project EPCM, has integrated the following actions into the project procurement policies, processes and systems and expects the same of Tier 1 contractors.

Table 5.2: Actions and outcomes expected of key contractors

No	Action item	Brief description	Outcome sought
1	Contract Conditions	Inclusion of contractual clauses in support of local and Indigenous participation	Demonstrated commitment to encouraging local and Indigenous participation
2	Contract Evaluation Criteria	Inclusion of local and Indigenous participation is a weighted criterion in the procurement decision making process where applicable	Evaluate and compare competing contractors level of local and Indigenous participation
3	Staff Training	Training materials will be made available to educate procurement staff of project's Local and Indigenous participation commitment	Increased procurement staff awareness of AIP and Local and Indigenous Participation Plan requirements
4	Publication of successful contractors	Rio Tinto will publish successful Tier 1 contractors awarded work packages on the ICN Gateway	To allow lower tier contractors to identify potential customers
5	Provision of Feedback	Upon request, feedback will be provided to unsuccessful tenderers	To allow local and Indigenous businesses identify competitive or capability weaknesses
6	Minimum response time for EOIs and procurement documents	EOI's or procurement documents requiring response from local and Indigenous businesses will be open for a minimum of ten business days	To allow local and Indigenous businesses ample time to respond to EOIs
7	Standards	All project requirements will reference Australian or equivalent standards	To ensure local contractors are not disadvantaged when competing against international contractors
8	Appointment of a responsible person	Tier 1 contractors are expected to nominate a relevant liaison person to work in collaboration with Rio Tinto's economic development and communities' staff	To ensure accountability for local and Indigenous participation across the project supply chain

Action in Focus

Contractor Local and Indigenous Participation Template

Rio Tinto requires all Tier 1 contractors awarded work packages worth over AUD\$1 million to complete the project specific Local and Indigenous Participation Template. The template is completed as part of the procurement process and forms the basis for Rio Tinto to evaluate contractors' commitments as part of the evaluation process.

The template requires Tier 1 contractors to provide details on the following initiatives aimed at increasing local and Indigenous participation:

- appoint a representative responsible for strategy implementation;
- identify goods and services to be subcontracted as work packages to Tier 2 contractors;
- establishment of related procurement policies and practices;
- a strategy to communicate supply opportunities;
- identification of the workforce requirement to deliver the project; and
- support for workforce development.

5.2 Communication of supply opportunities

Rio Tinto, supported by the Project EPCM will undertake the following to ensure local and Indigenous businesses have full, fair and reasonable access to supply opportunities.

Table 5.3: Actions and outcomes for successful communication of supply opportunities

No	Action item	Description	Outcome sought
9	ICN Gateway project page	EOI's for Rio Tinto project work packages worth over \$1M AUD will be listed on the ICN Gateway – www.amrun.icn.org.au	To allow transparent communication of supply opportunities for local and Indigenous businesses to register an interest in supplying to the project and or appointed Tier 1 contractors
10	Briefing sessions	Rio Tinto will develop a schedule of face to face briefing events for businesses within the local community and region. The date and time of these events will be advertised on the project's ICN Project Gateway webpage	To provide local and Indigenous businesses with an opportunity to receive face to face updates on project procurement and engage directly with representatives of Tier 1 contractors
11	Publication of awarded contracts	Rio Tinto will publish successful tenderers awarded Tier 1 work packages on the ICN Gateway	To allow lower Tier 2 and 3 contractors to identify potential customers
12	Development of project supply communication materials	Fact sheet type information outlining the process to register an interest and supply the Project with be produced for the Project	To ensure local and Indigenous businesses understand the process to supply to the project
13	Production of case studies	Rio Tinto will work with Tier 1 contractors to develop case studies highlighting successful local and Indigenous supply success stories	To acknowledge and demonstrate the benefit of successful local and Indigenous business partnerships

Action in Focus

ICN Gateway

Rio Tinto has partnered with ICN Queensland to develop a Project Gateway website for the project: www.amrun.icn.org.au

The website is the central information source for local and Indigenous businesses, communicating EOs for upcoming project opportunities. Work package specific EOs outline:

- a description of the good(s) or service(s) required;
- any specific scope requirements;
- the prospective delivery schedule; and
- instructions for potential suppliers.

Businesses can register an expression of interest against either the full or partial EO scope and are required to complete initial screening questions relevant to commercial, health, safety and environment, and risk management.

The ICN Gateway will be a valuable resource in helping to shape bid lists and inform Tier 1 contractors of local and Indigenous business capability.

5.3 Capability development initiatives

In order for local and Indigenous businesses to access supply opportunities, it is beneficial they develop an understanding of the capabilities that procurement personnel look for when making decisions.

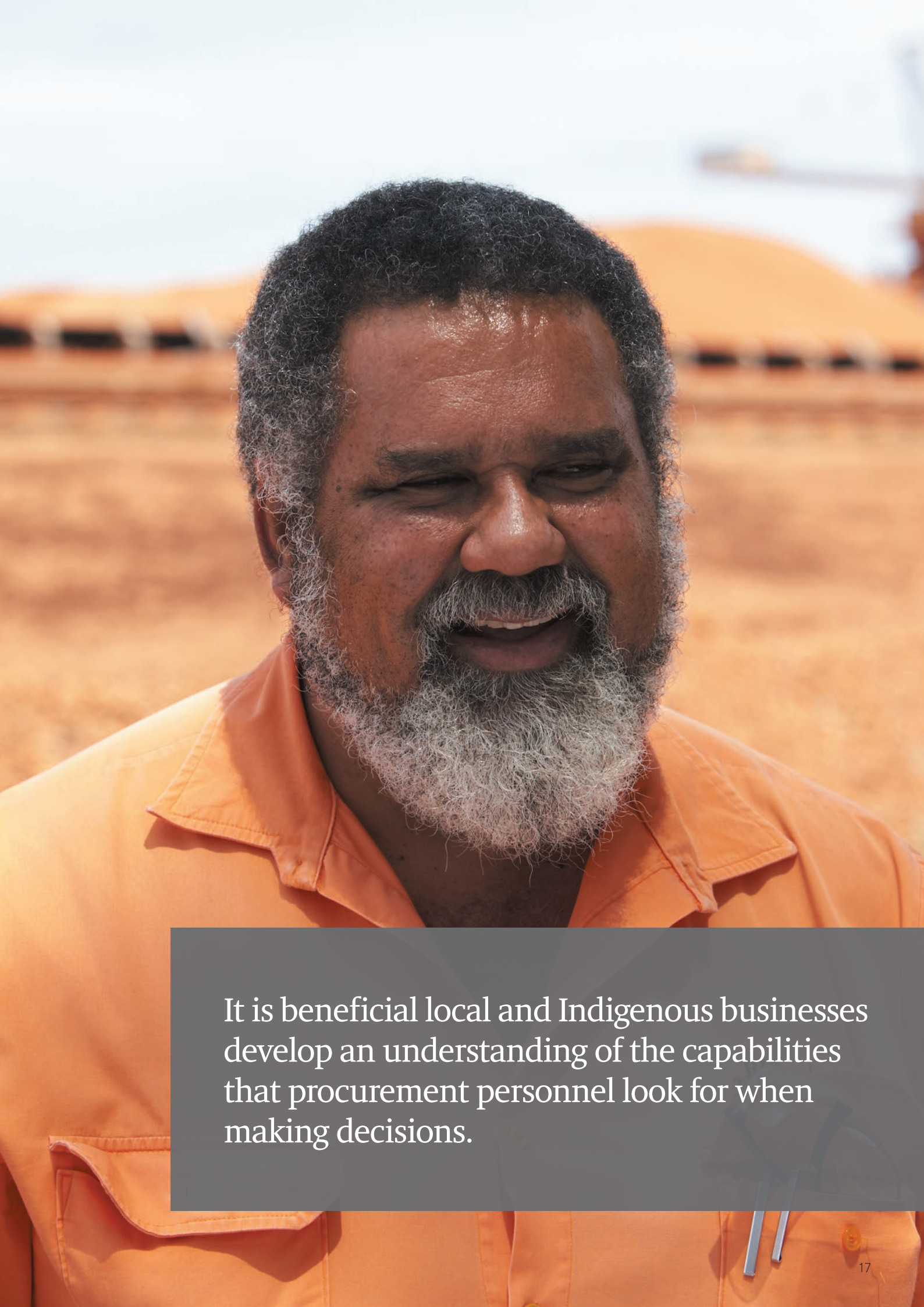
Capability development programs will assist local and Indigenous businesses increase their competitive position by focussing on the common areas businesses tend to fail during the procurement decision making process:

- communicating and demonstrating business capabilities;
- understanding and completing procurement documentation (prequalification, request for proposal or tender documentation);
- health, safety and environmental management; and
- risk, financial and commercial management.

Rio Tinto, supported by the project EPCM, will undertake the following to assist local and Indigenous businesses increase their capability to supply to the project.

Table 5.4: Actions to assist local and Indigenous businesses increase capability

No	Action	Description	Outcome sought
14	Analysis of available existing services	Conduct an analysis of current government services and programs designed to increase the capacity of local and Indigenous businesses	To develop an understanding of what programs and services may benefit local and Indigenous businesses
15	Promote existing available services	Use the project as a platform to increase awareness of the existing programs and services available	To encourage businesses to participate in programs designed to increase their capabilities
16	Identify partnership opportunities	Work with service providers to develop and deliver project / community specific capability development initiatives	To encourage business participation in programs designed to increase their capabilities
17	Determine demand of an Indigenous business development program	To facilitate a project specific program designed to assist community based Indigenous businesses understand the requirements of supplying to a major project	Increased Indigenous business capability and understanding of major project supply chains



It is beneficial local and Indigenous businesses develop an understanding of the capabilities that procurement personnel look for when making decisions.

6 Local Indigenous employment context

Rio Tinto is committed to identifying and providing access to project related employment opportunities for Indigenous people.

The section outlines key considerations in the development of employment related actions.

6.1 Advantage of hiring local and Indigenous employees

Hiring Indigenous employees can result in the following advantages for businesses:

- greater diversity in thinking and experiences;
- greater awareness, understanding and connection to country;
- cost advantage in recruiting locally;
- creation of skills transferrable to home communities; and
- increased community support and acceptance of the project and mining operations.

6.2 Challenges associated with local and Indigenous employment

Whilst the project strongly supports Indigenous employment, the following challenges exist:

- limited size of the labour pool;
- instances of inability to meet work readiness requirements and standards (eg medical, numeracy and literacy, etc);
- lack of relevant work experience and required qualifications (eg trade qualifications or drivers licence);
- limited participation in skill development initiatives;
- ability to transition to meet the demands of the particular work required; and
- access to transportation.

6.3 Existing Indigenous employment and training strategies

Rio Tinto's Weipa Operations has a history of strong levels of Local Aboriginal People (LAP) and Indigenous employment participation within the existing mining operations as evidence in the table below.

Table 6.1: Rio Tinto Weipa Local and Indigenous Participation

	2010	2011	2012	2013	2014
Employees	871	1,024	1,019	1,129	1,173
Total Indigenous Participation	20.7%	23.1%	24.1%	22.1%	22.4%
Local Aboriginal Participation	13.7%	14.4%	13.7%	11.8%	11.9%

Source: Rio Tinto Alcan Weipa, 2014 Sustainable Development Report


Rio Tinto has developed and continues to implement the Indigenous *Employment and Training Strategy July 2013 – June 2016* in close collaboration with the WCCCA and the Western Cape Communities Employment and Training (E&T) Sub-Committee.

The strategy focusses on:

- agreements and budgets;
- company policies and systems;
- school to work pathways;
- Indigenous employment and development;
- direct employment;
- employee retention; and
- career development.

The strategy differentiates between Indigenous person(s) and local Aboriginal person(s) and is subject to regular reporting to the WCCCA E&T Sub-Committee.



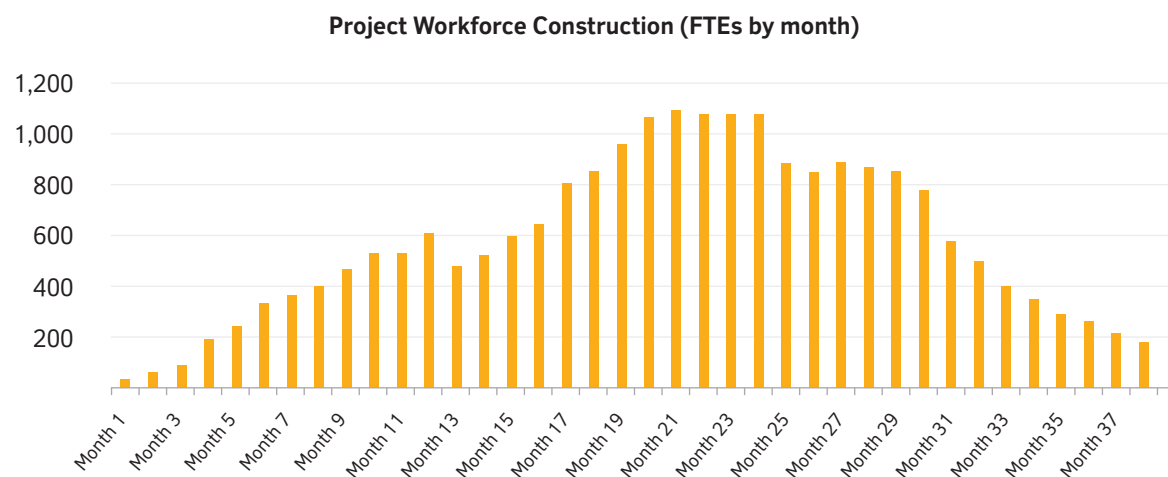
A full-page background image showing a worker from behind, walking away on a metal grating walkway. The worker is wearing an orange high-visibility shirt, blue trousers, and a white hard hat. To the left is a large, curved, rust-colored metal structure. To the right are yellow safety railings. In the background, several tall industrial light poles are visible against a clear blue sky.

Skills and experience gained from the project may also support transition to roles within the mine once it becomes operational.

6.4 Project labour demand

The project's construction schedule is approximately 38 months in duration. The graph below is a breakdown of Full Time Equivalent (FTE) labour requirements per each month of construction.

Figure 6.1: FTE labour requirements throughout the construction schedule



The labour force requirement equates to a peak of approximately 1,100 FTEs and monthly average of approximately 580 FTEs.

The majority of the labour requirement will be for machine operations skilled tradespeople (eg steel fixers, scaffolders, riggers, electricians, and mechanical fitters). There will be limited opportunities for unskilled labour related roles.

6.5 Employment pathways

Project related employment pathways available to local Aboriginal and Indigenous people include:

- employment with Rio Tinto;
- employment with contractors supplying the project directly;
- employment with local businesses supplying the project indirectly; and
- participation in training and skill development initiatives.

Given that construction labour will be provided by contractors directly (not by Rio Tinto or the EPCM), most employment opportunities will be with contractors.

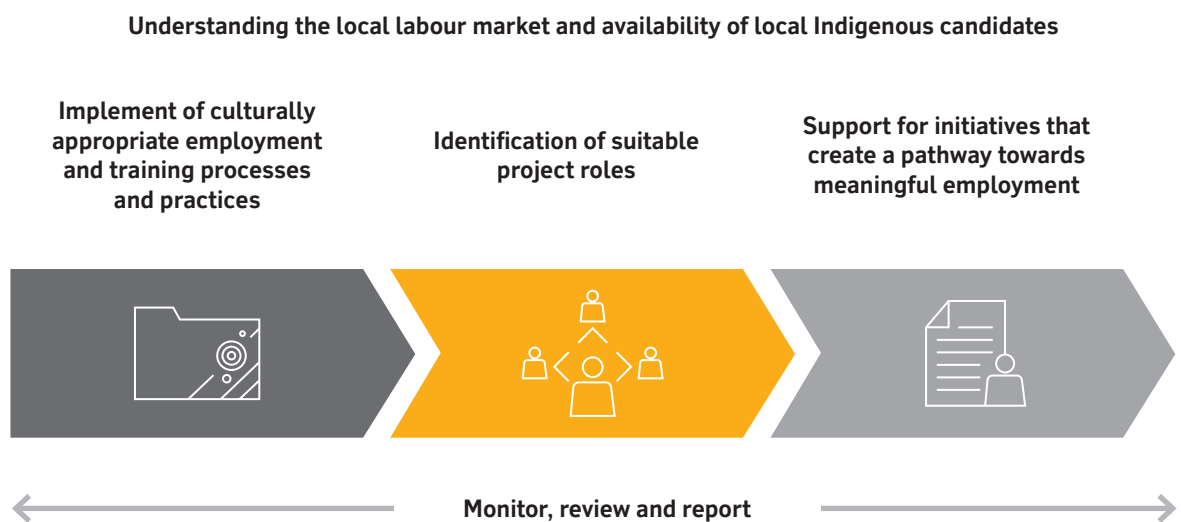
Skills and experience gained from the project may support transition to roles within the mine once it becomes operational.

7 Actions and initiatives to provide opportunities for Indigenous workforce development

7.1 Workforce development strategy

To actively encourage construction project related Indigenous employment, the framework below illustrates the fundamental elements of the strategy to be implemented.

Figure 7.1: Workforce development strategy framework



The framework has been developed in response to:

- the project workforce requirements;
- key challenges local and Indigenous candidates face in seeking employment; and
- support for existing initiatives.

It is important that expectations are managed throughout the implementation of this strategy. Primarily, candidates will need to be able to demonstrate they meet the skill requirements of vacant roles.

7.2 Local Indigenous labour availability

Project contractors, either existing or new entrants to Western Cape York, will require information that can assist in identifying Indigenous candidates capable of applying for employment in project related roles. By capable, this means candidates possess the required skills, experience and qualifications.

There is a lack of available data that qualifies the composition of the existing labour force. In particular, the proportion of the labour force that is currently unemployed and is regarded as work ready. Therefore, Rio Tinto is of the opinion it would be beneficial to undertake an assessment that determines interested jobseekers suitability for project related roles or related employment and training programs.

The intent is to gather data that will assist in determining an individual’s level of job readiness and competency in consideration of an employer’s requirements such as:

- level of education;
- existing competencies and qualifications;
- level of numeracy and literacy;
- medical status;
- employment aspirations; and
- LAP status.

The diagram below outlines the process to develop a more thorough understanding of Indigenous labour availability.

Figure 7.2: Process to identify and assess labour availability



Related actions are summarised as follows:

Table 7.1: Actions to identify and assess Indigenous labour availability

No	Action	Description	Outcome sought
18	Conduct project employment opportunity sessions	Either group or individual briefings held in selected Indigenous communities to inform job seekers or project expectations and identify Indigenous job seekers interested in entering the workforce	Identification of Indigenous people(s) interest in project related employment and training initiatives
19	Determine available local Indigenous labour	Work with service providers to develop baseline Indigenous labour availability data	Understand the composition of the local Indigenous labour force

7.3 Culturally appropriate employment and training processes and practices

Throughout project construction, Rio Tinto and Tier 1 contractors will implement Indigenous employment policies and practices that consider:

- roster arrangements;
- career development opportunities and support;
- retention and development strategies;
- personal welfare support; and
- transport to and from site.

Related actions include:

Table 7.2: Actions to implement Indigenous employment policies and practices

No	Action	Description	Outcome sought
20	Indigenous employee support	Consideration of cultural sensitivities in human resources policies and processes	Practices designed to support Indigenous employment and retention
21	Cultural awareness training	To educate project staff of the site and region's cultural significance	Development of respect for country, cultural customs and norms
22	Local Aboriginal People (LAP) identification	Tier 1 contractors will be required to record LAP employment status through processes established by the project	Measure LAP project employment

7.4 Identification of suitable project roles

Tier 1 contractors with supplying goods and services that are not single use items will be required to undertake the following actions to identify project related roles suitable for Indigenous candidates.

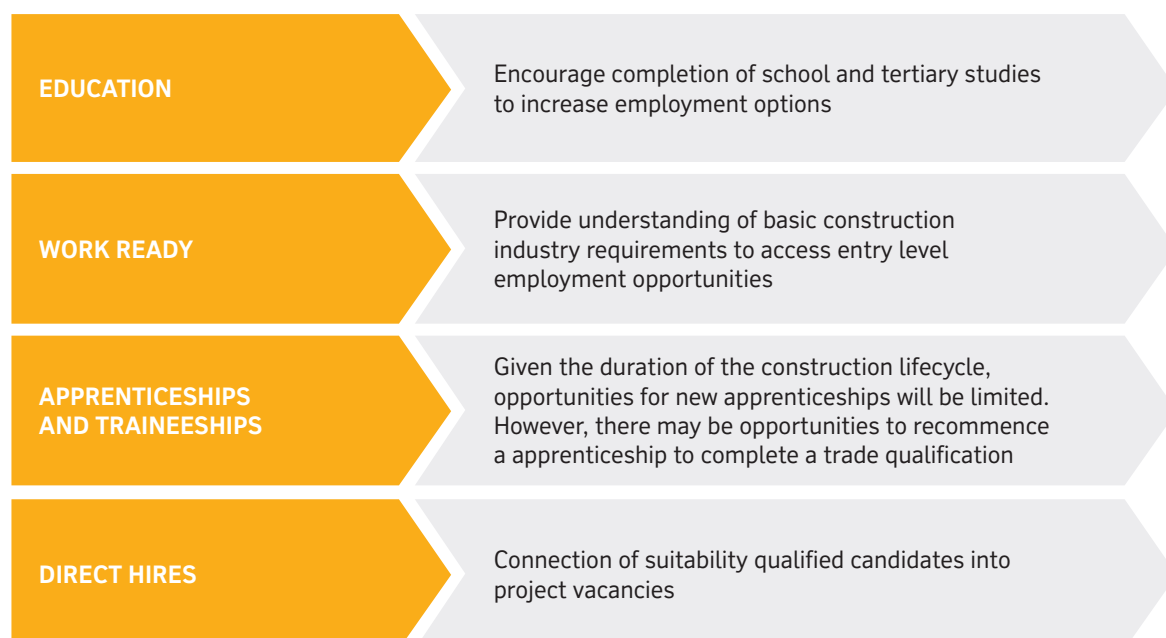
Table 7.3: Actions to identify suitable roles for Indigenous candidates

No	Action	Description	Outcome sought
23	Job skills analysis	To determine the type and number of roles required to deliver the project scope	Identification of roles suitable for Indigenous job seekers
24	Community employment and training service providers	Rio Tinto will make available to Tier 1 contractors a list of community based service providers	To connect prospective employers with Indigenous job seekers

7.5 Support initiatives that create a pathway towards meaningful employment

Rio Tinto will consider support for pre-employment and employment ready initiatives within the four areas outlined below.

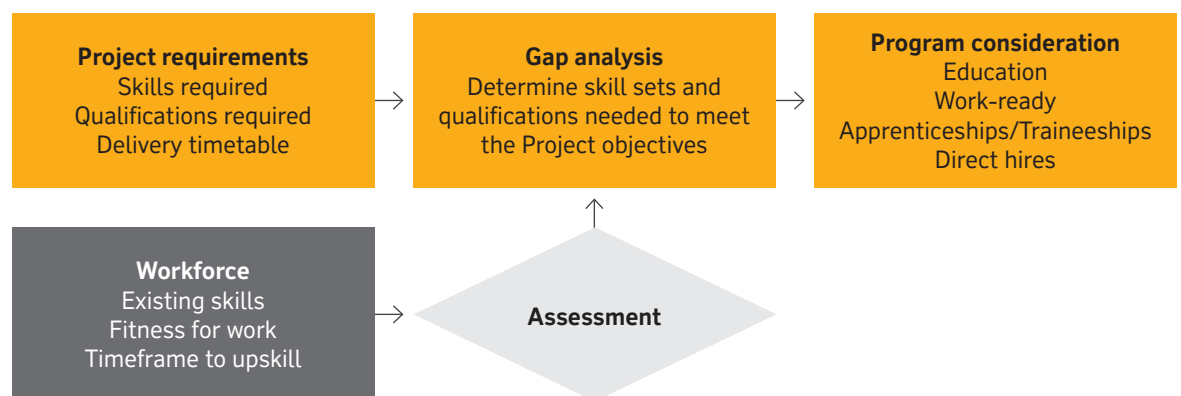
Figure 7.3: Support initiatives that create a pathway towards meaningful employment





Any initiatives undertaken by the project will be demand driven in consideration of the project and our Tier 1 contractor's needs as follows.

Figure 7.4: Project employment and training needs analysis process



Whilst construction project positions are temporary in nature, the opportunity to develop personal skill sets and experience may increase the likelihood of future transition into operational roles post construction.

Table 7.4: Actions to support a pathway towards meaningful employment

No	Action	Description	Outcome sought
25	Program development and support	Identify existing programs to be leveraged or gaps requiring new service offerings to increase opportunities for Indigenous job seekers	Identification programs and initiatives that can increase local and Indigenous employment pathways

8 Contractor responsibilities

Through implementation of this Strategy, Tier 1 contractors (where their contract with Rio Tinto requires it to do so) are expected to undertake the following:

- Complete a work package specific draft Local and Indigenous Participation Plan (as per the project template) specifying:
 - works that will be further subcontracted;
 - identification of potential local and Indigenous contractors;
 - any specific actions or initiatives undertaken to increase local and Indigenous participation;
 - how local and Indigenous businesses will be made aware of supply opportunities;
 - develop a profile of the workforce required to deliver the project requirement; and
 - any specific actions to encourage project related Indigenous employment, education and training opportunities.
- Finalise the work package specific Local and Indigenous Participation Plan within ten business days of contract award;
- Preference community and regionally based Indigenous businesses, followed by community businesses – where project bids have been assessed as being commercially, and technically capable and comparable;
- develop an ICN Gateway website;
- participate in business briefing sessions;
- support and participate in business capability development initiatives;
- report on local and Indigenous participation outcomes;
- identify the skills required to support the Project;
- identify project roles suitable for local Indigenous job seekers;
- consult with community based service providers to determine the availability of local and Indigenous job seekers;
- ensure relevant staff complete cultural awareness training; and
- consider supporting (financially or in-kind) employment and training programs and initiatives supported by the project.

9 Local and Indigenous participation reporting

Rio Tinto has developed a project contractor Local and Indigenous Participation reporting template. Outcomes will be aggregated and collated to inform reporting requirements:

- Queensland Resource and Energy Code of Practice for Local Content; and
- Australian Industry Plan.

Aggregated information may also be used by Rio Tinto in news articles, press releases and presentations to Government.

Rio Tinto will collate project specific data related to local and Indigenous participation:

Table 9.1: Data collated for local and Indigenous participation

Procurement	Employment
Spend value	Total project employment
Contractor origin	Indigenous employment
Business registrations	Employee origin
Work package EOIs listed with ICN Queensland	Apprentices and trainees
Engagement with local industry	Training delivered
	Female employment

Tier 1 contractors are required to submit the completed reporting template to Rio Tinto quarterly, or within an alternate agreed timeframe if specified.

Any reporting to be made public will be in aggregated form and published at the discretion of Rio Tinto.

10 References

In developing this strategy, the following documents were used for reference.

Rio Tinto corporate policies

- *The way we work* – our global code of conduct
- Procurement Principles

Regulations and standards

- State Government
 - South of Embley Environment Impact Statement
 - South of Embley Draft Social Impact Management Plan
 - Coordinator General's report on the South of Embley Project Environmental Impact Statement
 - Coordinator General's approved Project Change Requests
- Federal Government
 - Australian Jobs Act 2013
 - Australian Jobs (Australian Industry Participation) Rule 2014

Traditional Owner Agreements

- Western Cape Communities Co-existence Agreement (WCCCA)
- Bauxite Mining Project Agreement (EBMPA)
- Weipa Township Agreement

Existing Strategies and Plans

- Rio Tinto Weipa *Indigenous Employment and Training Strategy July 2013 – June 2016*

Other

- Australian Bureau of Statistics Information Paper, Defining Aboriginal and Torres Strait Islander – Owned Businesses Australia, 2012, 4732.0
- Queensland Resources and Energy Sector Code of Practice for Local Content (2013)



Contacts

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