

MINING AGREEMENTS AND ABORIGINAL ECONOMIC DEVELOPMENT IN AUSTRALIA AND CANADA

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INTRODUCTION

During the last two decades Aboriginal Peoples in Australia and Canada have increasingly achieved a capacity to negotiate agreements with mining companies and governments in relation to mineral development on their traditional lands. Referred to in Australia as "Mining Agreements" and in Canada as "Impact and Benefit Agreements" (IBAs), the context and form of negotiated agreements vary widely.¹ Despite this diversity, for Aboriginal participants most mining agreements have similar objectives. They seek to achieve recognition of Aboriginal interests in relation to mineral development projects; to minimise negative economic, social, cultural or environmental impacts arising from such projects; and to ensure that projects contribute towards the economic development of affected Aboriginal communities. This paper focuses on the last of these objectives, and it does so in the context of opportunities for Aboriginal involvement in the monetary economy (as opposed to in subsistence production of food, clothing or shelter).²

The relationship between mining agreements and Aboriginal economic development has not been dealt with in a systematic way in the grow-

ing literature on mining agreements. This literature focuses on issues related to the process of negotiating agreements (Barsh & Bastien, 1997; McKenna, 1995; O'Faircheallaigh, 1996; 2000; O'Reilly & Eacott, 1998; Saskatchewan Indian Federated College, 1996); on the legal and policy context for negotiation of agreements, on their relationship to existing legal and regulatory regimes and on specific legal issues such as enforceability and confidentiality (Henderson, 2001; Keeping, 1998: 7-8, 27-29; Kennett, 1999a: 19-28; 1999b; Sosa and Keenan, 2001: 3-8); on matters that can or should be covered by agreements (Kishchuk, 2001: 9-14; SIWGMI, 1991: 51-62; Sosa and Keenan, 2001: 9-17); on the contents of individual agreements (Henderson and Voogd, 2001; Keeping, 1998: 8-27; Kennett, 1999a; Kerr, 2000: 13-75; O'Faircheallaigh, 1995a; Wilkinson, 2001: 6-57); and on implementation of agreements (Kennett, 1999b: 97-102; O'Faircheallaigh, 2002; Sosa and Keenan, 2001: 17-19).

Discussions of the contents of mining agreements certainly encompass matters relevant to economic development, but the approach adopted is generally descriptive rather than analytical or evaluative (for an exception see

O'Faircheallaigh, 2004b). Two examples will illustrate this point. A number of authors briefly describe provisions that give Aboriginal communities a financial interest in mining projects and mention issues arising from monetary payments, for example their capacity to cause economic inequalities within communities. However they do not offer any systematic analysis of the alternatives available to communities in this area, of the economic development consequences of choosing one alternative rather than another, or of how broader social or political issues raised by monetary payments can be addressed (Kerr, 2000: 79–80; O'Reilly & Eacott, 1998: 17–19; Sosa and Keenan, 200: 13–14; Wilkinson, 2001: 34–35). The second example involves employment of Aboriginal people in mining projects. There is a large literature spanning more than three decades, summarised later in the paper, dealing with the obstacles to maximising Aboriginal employment in mining projects and the preconditions for success in this area. However few attempts have been made to consider the implications of this literature for the design and implementation of agreement provisions dealing with Aboriginal employment, education and training.

The goal of this article is to contribute to a more systematic consideration of the relationship between mining agreements and Aboriginal economic development. It does so by analysing three areas in which mining agreements can contribute to such development, by generating an income stream for a community through royalty or other similar payments; through the creation of opportunities for employment and training for Aboriginal people; and by facilitating Aboriginal participation in business development opportunities created by a project's demand for goods and services. The first two areas are dealt with in detail, the third more briefly. In each case the article identifies the opportunities that exist, the issues that must be addressed if Aboriginal people are to take advantage of them, and approaches that have been used or can be used in mining agreements to deal with these issues.

The analysis is based on a review of relevant literature and on an examination of mining agreements involving Aboriginal parties (45 in Australia and 27 in Canada).³ No comprehensive record of mining agreements exists in either country, so we cannot be certain what proportion

of all agreements we have been able to examine. However, it is certainly substantial. Our review of the literature and searches of relevant databases and of media sources indicates that we are close to having full coverage of agreements in many of the major mineral-producing regions in both countries. We are confident that we are aware of the range of relevant mining agreement provisions negotiated in Australia and Canada during recent decades.

Almost all mining agreements in Australia and many recent agreements in Canada contain legally binding confidentiality clauses, and their presence represents a fundamental problem in learning about, analysing and presenting agreement provisions. We have largely been able to overcome this problem in terms of our own access to agreements by entering into research protocols with Aboriginal organisations that have been extensively involved in negotiating mining agreements. However, these protocols require us to maintain the confidentiality of agreement provisions, and so we face constraints in providing readers with examples of particular provisions or extracts from individual agreements. This inevitably means that in providing such material we must rely on the smaller sub-set of agreements that are not confidential or on which information is available from published sources. In doing so we stress that both the analysis of general issues and the discussion of specific provisions is informed by our access to the larger body of mining agreements.

The diversity evident in mining agreements also characterises Aboriginal Peoples and communities in Australia and Canada, reflecting differences in their cultures, their social and political structures, the nature of the environment in which they are located and the specific history of their contact with European society. However, most Aboriginal people affected by mining projects also display common characteristics, some of which can represent significant barriers to economic development. Many live in areas remote from major industrial centres; they tend to experience a limited range of economic opportunities; to have levels of formal education lower than those of the non-Aboriginal population; to have restricted access to economic infrastructure and social services; and to have limited experience in operating commercial ventures and limited access to investment capital (Bennett,

1999: 4–10; Indian Affairs and Northern Development Canada, 2001; NRTEE, 2001: 14–15). Modern mining projects tend to be capital intensive and technologically sophisticated, requiring large inputs of capital and skilled labour, and this can create additional barriers to Aboriginal economic participation in the minerals sector. Thus a key general question underpinning the analysis that follows is how mining agreements can assist in overcoming these barriers to economic development.

MINING PAYMENTS AND ECONOMIC DEVELOPMENT

During recent years there has been an uneven but increasing tendency for mining agreements in Australia and Canada to provide for substantial cash payments to Aboriginal landowners and/or communities. The specific provisions involved vary considerably depending on the legislative context, company policy and the preferences and negotiating positions of the Aboriginal parties. In some cases Aboriginal groups have a legal right to themselves impose taxes; in others they have a right to receive a portion of royalties collected by federal or provincial authorities; and in yet others private arrangements between Aboriginal people and resource companies include negotiated payments. The generic term “mining payments” is used here to describe these different income flows.

Mining payments offer an important potential benefit for Aboriginal communities with a limited income and investment base and, in many cases, a desire to reduce their dependence on government funding. To fully realise that potential Aboriginal communities must address three critical issues: the way in which payments are extracted from mining projects; how income derived from mining payments is expended; and the way in which political tensions surrounding payments are managed.

Extracting Mining Payments

The method used to extract mining payments has important economic implications that are complex and merit detailed discussion (see O'Faircheallaigh, 1998). Briefly, there are five basic ways in which payments can be structured. Each has advantages and disadvantages from

the perspective both of Aboriginal communities and project operators, and communities need to negotiate arrangements which facilitate achievement of their objectives but also allow a project to operate efficiently. This will often involve modifying one of the basic approaches noted below and/or combining more than one of them in a composite approach (see O'Faircheallaigh, 1998 for some examples).

Model 1: Payment of fixed dollar amounts: In this case the project operator makes payments to the Aboriginal parties that are fixed in advance. Payments are usually due on signing of an agreement or/and on the issue of project approvals, and thereafter annually or quarterly for the life of a project or the term of an agreement. Fixed payments are very common in agreements in both Australia and Canada, including for major projects such as the Ekati and Diavik diamond mines in the Northwest Territories (NWT) and the Century zinc mine in Queensland. Their prevalence reflects the fact that they are simple to administer, create predictability for both parties and, from the Aboriginal community's perspective, are not dependent on the project achieving profitability. However they do have a significant disadvantage in that payments do not adjust to changes in the expected scale or profitability of a project and so may come to appear inappropriately low or high to one or other party. For example if a project turns out to be larger and/or more profitable than expected affected Aboriginal communities may feel they have had a poor return from development on their land, particularly if environmental effects are also greater than anticipated. This may create conflict within communities, pressure for re-negotiation of the agreement and uncertainty for project operators. Thus there are strong arguments for considering alternative approaches.

Model 2: Royalties based on volume of output. One alternative is to charge a fixed sum on each unit of mineral produced by a project (for example cents per pound, dollars per tonne), an approach utilised for instance in the *Ely Agreement (Queensland)*⁴ and as a component of IBA financial provisions for the Voisey's Bay project (Newfoundland and Labrador).⁵ The advantage of this approach is that payments rise as produc-

tion and project scale increase, an important consideration for Aboriginal people who tend to be greatly concerned about the impact of resources projects on their land and to believe that as the scale of that impact grows, so should the amount of financial benefit they receive. However royalty revenue adjusts only to changes in the volume of output and not to changes in mineral prices. Thus, Aboriginal communities do not share in any additional wealth generated by a project because mineral prices are rising. Conversely, they do not share in the "downside" when prices are falling. For a project operator, this approach means that royalty liability remains the same even if its revenues are falling because of declining prices.

Model 3: Royalties based on value of production. A third approach (referred to as an *ad valorem* royalty) is to calculate payments as a percentage of the value of minerals produced by a project, derived by multiplying the volume of output by the price received per unit. This approach is adopted, for instance, in most agreements negotiated under Aboriginal land rights legislation in Australia's Northern Territory and in the *Hope Vale Agreement* (Queensland). From a project operator's perspective this has the advantage that its royalty liability moves in line with one of its critical business parameters, the price it receives for its output. However, royalty payments do not adjust to changes in a company's production costs (which along with level of output and prices determines company profitability), and so royalty liability may remain unchanged if profits fall. For an Aboriginal community *ad valorem* royalties have the advantage that the community shares in the benefit of any increase in mineral prices.

However, prices fall as well as rise and they tend to fall or rise more quickly than output. A major drawback of this approach is that royalty income may decline substantially over short periods of time, creating difficulties for Aboriginal groups in maintaining services or investments supported by royalty income. For example in Australia's Northern Territory the Gagudju Association, which received royalties under the *Ranger Agreement*, suffered a 50 per cent decline in royalty income over just two years in the early 1990s as uranium prices fell sharply and the

project operator cut output in response. As a result Gagudju had to cease provision of certain services to the Aboriginal community and was unable to service loans it had raised to fund investments in tourist facilities. The Enoch Band in Alberta faced similar difficulties during periods of low oil prices (York, 1990: 191).

Model 4: Royalties based on profits. Profit royalties are a charge on the funds that remain after a mining company has deducted from revenues costs that can be defined to include a range of operating and capital charges. The *Raglan Agreement* (Quebec), for instance, includes a profit-sharing royalty that is applied for each calendar year to the amount by which aggregate project revenues exceed the aggregate of a range of operating and capital costs. The *Argyle Diamonds Agreement* (Western Australia) also utilises a profit based royalty, in this case charged on EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization). A profit-based royalty allows an Aboriginal community to share in the benefits both of rising prices and of any fall in costs achieved by a project operator through greater efficiency. Profit based royalties have significant benefits for project operators as they move in line with both prices and costs, and are least onerous precisely when a company is most in need of financial relief—when a project is being developed, or when operations are only marginally profitable or incurring losses.

Of course not all projects turn out to be profitable. Many mines lose money during at least part of their lives and nearly all generate only modest profits during the early stage of project life when capital investment is being written off. Certain projects never achieve profitability. As a result, Aboriginal communities may face substantial delays in receiving income, may experience periods when no income accrues and, in a worse case scenario, may receive no financial benefit from mining on their land. This prospect may be unacceptable in principle to Aboriginal people given that significant social, cultural and environmental impacts are often associated with major resource projects. Profit based royalties can also introduce administrative complexities, associated with the need to verify that allowable deductions are not manipulated so as to reduce effective royalty rates.

Model 5: Equity. The final approach is for an Aboriginal community to take equity in a project, to become its part owner and so receive an entitlement to the dividends that flow to shareholders. Such a provision is included, for instance, in the *Darnley Bay* (Northwest Territories), *Ross River* (Yukon) and *Skardon River* (Queensland) agreements. Many of the same arguments apply here as to profit-based royalties. Dividends tend to be paid only after profitability has been achieved and after other financial needs (such as funds for expansion) have been met. This has obvious advantages for the project operator. However, it means that Aboriginal groups can expect to wait a considerable time before receiving income unless a project is already well established when an agreement is signed, and they face the prospect of obtaining no revenues during periods when operations incur losses or generate only limited profits. Obtaining equity does, however, create the possibility of achieving a capital gain, if shares can be sold for substantially more than their initial cost. In addition a shareholding may, if it is substantial, allow Aboriginal groups to have a say in how a project is managed, to have a right of access to information about a project, and to gain commercial experience which may later be applied in other business ventures. However, the larger a share Aboriginal people seek in a project the more likely it is that the developer will expect them to pay "market value" for their shares, and Aboriginal groups then face an important decision about whether investing in what may be a high-risk resource project represents the best use of their scarce resources.

The degree of risk borne by Aboriginal groups increases as we move from Model 1 through to Model 5, while the prospect of achieving substantial revenues from profitable projects also increases. Each Aboriginal community will differ in its capacity and desire to bear risk, and it is also possible to balance risk against the desire to share in profits by combining a number of the models outlined above. Both these points highlight the need for Aboriginal communities to give careful consideration to the choice of financial models if they are to maximise the contribution of mining agreements to economic development.

Utilisation of Mining Payments

In general terms, mining payments can be used in four ways — to make payments to individual community members; to fund services and infrastructure for Aboriginal communities; to help establish business enterprises operated by or from an Aboriginal community; or to build up an investment portfolio (such as stocks and property) that may be based outside the region or even the country in which the community is located.

Payments to individuals. In both Canada and Australia a share of mining royalties is sometimes paid to individual landowners or community members. Initial payments under the *Ely Agreement*, for instance, were distributed to community elders, on the basis that they had suffered the consequences of earlier mining activities and would have little opportunity to obtain benefits under other aspects of the Agreement, such as employment and training programs (see also Robinson et al., 1989: 35, 92). Individual payments are typically modest (in the range of A\$500–A\$3000 per annum),⁶ although substantially larger payments have been made to some individuals in both Australia and Canada. Distributions usually take the form of cash, though one Innu community utilised some of its initial payments under the *Voisey's Bay* — Innu IBA to purchase a snowmobile for each family, and payments under the *Nabarlek Agreement* (Northern Territory) were used to fund distributions of vehicles.

Individual payments generate a benefit for the people who receive them and, where they are in cash, allow individuals to make their own decisions about how to use the money involved. However this benefit is short lived unless the money is invested in durable assets. In fact because of the small sums typically involved and the pressure to share with kin that exists in many Aboriginal communities, individual payments are often quickly spent on consumer goods. In a wider economic context, while in theory expenditure of individual payments could stimulate economic development by creating a demand for goods and services in an Aboriginal community (Robinson et al., 1989: 91–93, 116), any such effect is usually minor because the goods purchased (durable or otherwise) tend to be imported rather than produced locally.

Individual payments can be a source of social conflict by causing distrust and jealousy between recipients and non-recipients (see below), a cost which must be offset against any economic benefit that does materialize.

Services and infrastructure. Many Aboriginal communities are seriously deficient in services such as education and health and to physical infrastructure such as housing, roads and water supplies. It is therefore not surprising that communities often decide to use mining payments for the provision of social services and infrastructure. For example, the Gagudju Association used revenues from the *Ranger Agreement* to build a school, establish a health service for its members, construct houses and provide food distribution to remote "homeland centres" or "outstations". Such expenditures can create substantial social benefits and, by raising educational standards and living standards more generally, make a significant contribution to economic development over the longer term. However, using mining payments in this way does raise two important issues that require careful consideration and management.

The first is that mining payments can be highly unstable, especially where they are based on company revenues or profits, and they cease when a mine or oil field becomes uneconomic. Communities which rely on mining payments to support services may find themselves in serious difficulties unless they have made provision for an alternative source of income to support services, for example, by investing part of their mining income in a capital trust designed to generate a self-sustaining flow of income over the longer term. For example, the Gagudju Association's declining income in the early 1990s (see above) made it impossible to maintain health and other services and imposed severe costs on community members.

The second issue involves the very real danger that government agencies responsible for providing public services and infrastructure will reduce funding to Aboriginal communities that receive mining payments because the agencies believe the community can "afford" to provide their own services, a problem also noted in the context of land claim settlement payments to Aboriginal communities in Canada (Robinson et al., 1989: 23-24). Faced with insufficient

resources, agencies may regard this as an equitable approach because it means that government resources can be concentrated on communities that have no alternative sources of funding. However, the result may be that a community affected by a mining project is no better off in terms of service provision than it would be in the absence of the mine. In the meantime it may have incurred significant environmental, social and cultural costs as a result of the mine's operation. For example, Altman (1998: 20-21) found that the Kakadu region in which the Ranger uranium mine is based was actually worse off in terms of service provision than other adjacent regions that did not have any major mining projects. Thus, considerable care must be taken to ensure that mining payments spent on services and infrastructure do not simply substitute for government expenditure that would have occurred in any case. For example, mining payments could be spent on services or infrastructure that a community requires but that would not qualify for government funding.⁷

Business enterprise. A third alternative is to use mining payments as capital to establish business enterprises. This is a common use of mining payments, being employed for example by communities gaining revenues from oil exploitation in Alberta and central Australia, from diamond mining in the Northwest Territories and from bauxite, manganese and uranium mining in the Northern Territory (Altman and Smith, 1999; O'Faircheallaigh, 2002b; York, 1990: 100). The fact that this approach is used so widely reflects the potential benefits it can offer. Typically Aboriginal communities have limited employment opportunities, and establishing businesses creates jobs and training. Their dependence on government funding is often a major source of concern for Aboriginal Peoples, and creating businesses offers a chance to be involved in the "real economy" and to enhance their autonomy. Where businesses are not directly reliant on the mining or oil project concerned, they offer an economic base that can continue to operate after the resource has been exhausted. Given that Aboriginal communities often have difficulty in accessing conventional sources of finance such as bank loans, mining payments can offer a unique opportunity to gain access to this range of benefits.

Certain Aboriginal groups have had considerable success in adopting such a strategy, establishing enterprises in areas such as agriculture, contract mining, tourism, transport and catering (RMC, 1984: 12–13, 20; O'Faircheallaigh, 2002: Chapter 6; SIWGM, 1990: 158; 1993: 61–63, 68–69; 1997: 60–64). However, others have run into serious difficulties (O'Faircheallaigh 2002b, Chapter 7; Robinson et al., 1989: 9, 19–23, 87, 113–115). In some cases this may reflect the limited markets available to businesses operating in the remote regions where many Aboriginal people live, which means that investment in any local business enterprise will struggle to achieve profitability. It may also reflect the impact of cyclical factors in the industries concerned, for example tourism. The limited business experience of Aboriginal people may also represent a barrier to success, and in a number of cases problems could have been minimized or avoided by more careful assessment of the economic and financial viability of businesses purchased or established by Aboriginal groups (O'Faircheallaigh, 2002b: Chapter 7).

Portfolio investment. Portfolio investment involves the use of mining payments to build up income-generating assets that are selected for their ability to maximise returns and minimise risk over the longer term. These assets will not include any ventures based in the Aboriginal community itself, unless those businesses are capable of generating a financial return as high as can be obtained outside the community. Typically portfolio investment would be channelled into a diverse range of assets including “blue chip” shares, real estate and government bonds so as to achieve, in total, a level of risk and a level of financial return acceptable to a particular Aboriginal community.

While portfolio investment does not usually generate jobs and business opportunities in Aboriginal communities, at least in the short-term, it does have a number of advantages. First, because investment can be spread across a wide range of sectors, the chances of a community earning negative or highly unstable returns is diminished. Second, portfolio investment generates an economic base independent from the resource development activity that generates mining payments, a base that can continue to generate an income after mining ceases. Third, if a

community can re-invest a part or all of the income derived from its portfolio investments, it can build up an asset base and income streams that are very substantial. For example, the Aboriginal communities involved in the *Western Cape York Communities Agreement (WCCCA)* (Queensland) have calculated, using conservative assumptions about rates of return, that by investing about half of their income under the Agreement and re-investing the interest, they will at the end of 20 years enjoy an annual income in excess of A\$10 million (real dollars).

The major drawback associated with portfolio investment is that it ties up resources that are urgently needed to raise individual incomes and provide services in Aboriginal communities, until such time as a capital base has been developed that can generate an ongoing income sufficient to help meet these needs. Thus long-term portfolio investment may need to be part of an overall strategy that devotes part of mining payments to immediate distribution or investment in community services (Robinson et al., 1989: 116–117). For instance, under the *Argyle Diamonds Agreement* 30 per cent of moneys flowing into trust funds established for the benefit of Aboriginal landowners are specifically allocated for expenditure designed to generate immediate benefits.

Managing the Politics of Mining Payments

Choices regarding how mining payments are used and who should benefit from their expenditure are highly political and often very contentious. This reflects a number of factors. First, most people in Aboriginal communities tend to have a keen and personal interest in the outcome, whereas interest in employment in mining or business development, for instance, tends to be confined to specific groups. Second, when money is distributed in cash or spent on provision of specific goods and services such as vehicles or housing, comparison with the benefits received by others is simple and can lead to resentment and jealousy where distributions are uneven. Third, other sources of cash income are usually limited and so even if the absolute amounts involved appear modest from an economic perspective, the stakes are often high for Aboriginal people. Reflecting on these factors, expenditure

of mining payments has often been accompanied by social conflict (see for example Altman and Smith, 1994; Impaxsia Consulting, 2004: v, 46–48; O’Faircheallaigh, 2002b; York, 1990: 100–101; Sosa and Keenan, 2001: 13–14).

Given the inherently political nature of distribution issues it will be difficult to avoid conflict in this area. However, the need to manage conflict does have two important and related implications. The first is that every effort should be made to ensure that decisions in relation to financial aspects of agreements are made in as transparent and participatory a way as possible. Nothing is more conducive to suspicion and social conflict than a belief that such decisions are being taken behind closed doors and to the exclusion of individuals who believe they have a legitimate interest in the outcome.

The second implication involves the need to develop appropriate and robust structures to manage payments over the longer term. Decisions in relation to utilisation and distribution of funds have to be made on an ongoing basis, to maximise returns on investment, to protect the capital base, and to choose between alternative uses for what are inevitably scarce financial resources. A substantial amount has been written about how, in a technical and economic sense, a stream of income from a mining project can be applied to create long-term, sustainable benefits for Aboriginal communities (see for instance O’Brien & Olsen, 1990; Pretes & Robinson, 1989; 1999; Robinson et al., 1989). However, careful attention must also be paid to political considerations. Much less research has focused on this area, but some critical points are that structures to manage mining payments must:

- Provide representation to the full range of Aboriginal groups that have an interest in the application of mining payments;
- Establish clear and explicit guidelines for setting priorities for use of mining payments;
- Provide access to the technical expertise required to manage funds effectively, while ensuring that Aboriginal priorities drive the use of mining payments at a strategic level;
- Allow a degree of flexibility so that changing economic and social conditions can be taken into account (Altman and Smith, 1994; O’Faircheallaigh, 2002; Robinson et al., 1989).

Mining payments inevitably give rise to intense political activity within Aboriginal communities. It is critical that community leaders and economic development workers recognise this point and pay careful attention to decision-making processes and management structures, as well as to the economic issues involved in extracting and applying mining payments.

EMPLOYMENT AND TRAINING

The second major area in which mining agreements can contribute to Aboriginal economic development is by creating opportunities for employment and training. The positive economic impact associated with such opportunities can be substantial. Modern mining projects generate relatively few jobs given the scale of the capital investment involved, but those employed earn high wages and so Aboriginal employment can generate substantial income for neighbouring communities (Hicks, 1997: 14; SIWGMI, 1990: 128). The Hope Vale Aboriginal community in north Queensland, for instance, has at times received twice as much income from the wages of workers employed at the Cape Flattery silica mine as it receives from royalty payments. In the longer term, employment and training in the mining industry can contribute to more broadly based economic development as former mine workers and trainees apply their experience and skills in other industries or in community organisations. A number of Hope Vale people who completed apprenticeships at Cape Flattery, for example, now work for the Hope Vale Community Council.

There is an extensive literature in Australia and Canada, spanning more than 30 years, on Aboriginal employment in the mining industry, on the obstacles to maximising employment and on the measures required to overcome these obstacles (see for example AMSI, 1992; Australian Institute of Aboriginal Studies, 1984; Cousins and Nieuwenhuysen, 1984; Deines, Littlejohn and Hunt, 1979; Grant, 1983: Chapters 4, 7; Hicks, 1997; Hobart, 1982a; 1982b; 1984; NEDGI, 1992; O’Faircheallaigh, 2002b: Chapters 4, 5; SIWGMI, 1990–1998). Obstacles identified in the literature to the recruitment and retention of Aboriginal workers and to their advancement into higher-level positions include:

- lack of the skills and work experience required to compete on the open job market or to achieve advancement to more senior positions, and an absence or scarcity of affordable opportunities to upgrade existing skills;
- racism towards and stereotyping of Aboriginal people by senior company managers, supervisors and co-workers;
- a tendency for managers to prioritise the demands of production and cost containment over Aboriginal employment and training in allocating financial and other resources, including their own time;
- lack of awareness of employment and training opportunities among potential Aboriginal recruits;
- alienation and loneliness arising from the unfamiliarity of industrial environments and distance from home communities, leading to a failure to complete training and education programs, irregular work patterns and high turnover;
- the reluctance of Aboriginal people to forgo land-based activities such as hunting and fishing that may conflict with regular wage employment;
- absence of suitable accommodation for Aboriginal trainees and employees;
- a failure to specifically address the needs and priorities of Aboriginal women employees and potential recruits.

As noted in the introduction there is considerable diversity within Aboriginal populations in Australia and Canada, and not all of these issues arise in relation to every Aboriginal community. However, mining agreements must seriously address those issues that are relevant in specific contexts if they are to help maximise the contribution of employment and training to Aboriginal economic development. The remainder of this section discusses a range of relevant agreement provisions, providing specific examples of each. It should be stressed that individual agreements vary greatly in the extent to which they incorporate the provisions discussed below (O'Faircheallaigh, 2004b: 320–21; Wilkinson, 2001).

Goals and incentives

A key requirement for Aboriginal employment and training initiatives, particularly given the range of obstacles that must be addressed and the need to ensure that senior managers focus on dealing with these, involves the setting of concrete goals, for instance specific and rising proportions of Aboriginal employees, and the creation of incentives for achievement of these goals and/or sanctions for their non-achievement. Agreements negotiated in Australia and Canada in the 1970s and 1980s generally lacked these elements, as do some more recent agreements. For instance the *Osborne Agreement* (Queensland) simply states that “the parties shall take reasonable and genuine efforts to encourage employment and training opportunities for Aboriginal people within ... the Osborne Project.” Similar provisions are contained in a number of IBAs negotiated for diamond mines in the Northwest Territories in the late 1990s, which commit project operators to “take all reasonable steps” to employ the greatest possible number of First Nation members, assuming there are sufficient qualified and interested people to fill available positions and to “offer opportunities for training and apprenticeships” in order to maximize the number of available jobs.

Such provisions give project operators considerable discretion to determine what is “reasonable”, whether or not Aboriginal people do possess the required qualifications, and what type and how much training should be provided. The vagueness of the provisions and the discretion afforded the project operator make enforcement of an agreement virtually impossible (see for example Yukon Economic Development, 2001: 6).

A number of mechanisms are used to make commitments in relation to employment and training more specific. One involves the setting of targets for Aboriginal employment, with a requirement to achieve a certain level (in total or across specified employment categories) by a specified date. For example, the *Dona Lake Agreement* (Ontario) calls for 55 people from the relevant First Nations to be employed during construction and 30 during operations, while the *Mistissini Agreement* (Quebec) sets a target of at least 25 per cent of the workforce being members of First Nations. Many in the mining industry and some Aboriginal people oppose

mandatory targets, sometimes referred to as quotas (see for instance O'Reilly & Eacott, 1998: 4; Keeping, 1998: 13). Industry is concerned that quotas may adversely affect project economics by requiring the project operator to employ people it does not need or who are not appropriately qualified simply in order to meet its quota. Also, project operators who put a major effort into Aboriginal employment and training may be found to be in breach of an agreement even where their failure to meet quotas results from factors beyond their control, for example a lack of interest on the part of suitably qualified Aboriginal people (Kennett, 1999: 48; SIWGMI, 1990: 126, 149). For these reasons obligations on project operators are more frequently couched in non-mandatory terms, involving a requirement that they make "best endeavours" to reach specified targets. However as noted above, this approach raises issues regarding the enforceability of the relevant provisions. Indeed the Voisey's Bay IBAs, for example, explicitly state that employment targets are not "quotas" and shall not be legally enforceable.

From an Aboriginal perspective quotas or targets may result in a tendency for project operators to set goals at too modest a level in an attempt to ensure that they can achieve them, and may remove the incentive to further increase Aboriginal employment once quotas or targets have been achieved. In addition, they may lead project operators to focus Aboriginal employment on non-core, peripheral or unskilled activities that do not require significant training.

An alternative approach is the use of "rolling" targets that set objectives for Aboriginal employment and training on an ongoing basis, create incentives for meeting these targets and provide automatic adjustment mechanisms if they are not met. For example, the WCCCA specifies successive and rising targets for Aboriginal employment over a number of three-year periods. Failure to meet targets does not represent a breach of the agreement, but does require the project operator to progressively increase spending on employment and training programs beyond a base level specified in the agreement until the relevant target is achieved. This additional expenditure is not, however, triggered unless educational outcomes in the local school system are maintained, recognising the importance of sustaining a supply of suitably qualified

Aboriginal recruits if employment targets are to be met. Where employment targets are met, the project operator is committed to continuing the base level of spending on Aboriginal employment and training programs, helping to ensure that targets continue to be met and possibly exceeded (Cape York Land Council/Comalco, 2001). These provisions represent one way of establishing concrete benchmarks for performance and creating incentives to achieve those benchmarks, while at the same time minimising any counter-productive behaviour that may be associated with use of quotas or of targets based only on "best endeavours".

Whatever specific provisions are employed, the critical requirement is to make the commitments of the project operator and of the Aboriginal parties clear, explicit and, to the extent possible, quantifiable.

Employment Preference

Recognising the general disadvantages that Aboriginal people often face in competing in job markets, mining agreements frequently make an explicit statement of preference in favour of Aboriginal people who are suitably qualified or capable of becoming so. For example under the *Cameco Agreement* (Saskatchewan) the project operator undertakes to fill "all job vacancies at the Projects with Residents [of signatory communities] as long as suitable candidates are available...." Agreements may also create a hierarchy among Aboriginal groups for the purpose of applying an employment preference. The *Raglan Agreement*, for instance, establishes an order of priority as follows: (a) Inuit beneficiaries residing in the signatory communities (b) Inuit beneficiaries residing in other Northern villages (c) Inuit beneficiaries residing elsewhere. (d) Other persons of Inuit ancestry. In addition to general statements of preference, specific measures may be included that, for instance, adjust or waive standard educational requirements for positions for Aboriginal candidates (*Synchrude Agreement* (Alberta), *Diavik Agreement* (NWT)); or allow for previous on-the-job experience to be considered in lieu of educational requirements (*Raglan Agreement*); or accommodate re-entry into project workforces of former Aboriginal employees (*Ulu Agreement* (NWT), *Cameco Agreement*).

Resource Commitments

Achievement of employment and training goals requires commitment of substantial resources. Mining agreements can spell out relevant commitments in a number of different ways. One approach, adopted in the WCCCA, is to specify an annual expenditure budget, with the specific allocation of these resources usually determined by a joint committee made up of company and Aboriginal community representatives. The *Ross River Agreement* (Yukon) adopts a similar approach in providing a budget for scholarships, with any funds that cannot be expended in a calendar year being carried forward in a trust for use at a later date. Another approach is for the project operator to commit to fund dedicated training or liaison staff, such as a full time Aboriginal Employment Officer, a role that a number of studies indicate is critical to successful employment initiatives (AMSI, 1992: 62; Lange, 1984: 127-28; Grant, 1983: 99-101). Funds may also be committed to provide pre-employment or on-the-job training to a specified number of potential employees, or to establish a minimum number of apprenticeships. For instance the *Hope Vale Agreement* (Queensland) includes funding for eight Aboriginal apprenticeships, a major commitment for a project where total employment is just 120.

Information Exchange on Employment opportunities and potential recruits

It is well established that specific measures are required to ensure that members of Aboriginal communities are aware of employment opportunities, that such measures need to be maintained throughout project life, and that visits to Aboriginal communities are critical in creating awareness of employment opportunities (see for example Grant, 1983: 46, 100-101; NEDGI, 1993: 27). Most mining agreements contain some provisions relating to dissemination of information on opportunities. These may involve a general commitment to make Aboriginal communities aware of them, and a requirement for provision of written notices of job opportunities to community or band councils or to insertion of job advertisements in local newspapers (*Dome Agreement* (British Columbia), *Cameco Agreement*). Other agreements provide for regular community visits

by mining company staff both to foster general awareness of available opportunities and to advertise vacancies (*Ulu Agreement*). Another and more pro-active approach utilised in the *Argyle Diamonds Agreement* involves compilation by the community of lists of potential applicants and their qualifications and experience, and a mechanism through which individuals on the lists are provided with the opportunity to apply for job vacancies. The *Ely* and *Hope Vale* agreements require the project operator to hire from the lists of community members where they include individuals that have relevant qualifications or experience.

Career Advancement

Aboriginal people working in the mining industry tend to be concentrated in lower-skilled and lower-paid positions. Both individual workers and Aboriginal communities have strong aspirations to change this situation and secure higher incomes and the status and influence associated with high-income positions. In addition, having Aboriginal people in supervisory and managerial roles can enhance the prospects for further recruitment and retention of Aboriginal workers.⁸

Apart from training programs designed to enhance general skill levels, five types of provisions can assist the career advancement of Aboriginal workers. The first involves commitments by the project operator that employment and training initiatives will be aimed at placing Aboriginal people in positions at all skill levels in an organisation. For instance, the *Dome Agreement* calls for employment to be maximized "throughout the range of job classifications in the project." The second involves the award of high school or university scholarships to members of Aboriginal communities. For instance, the *Ely Agreement* creates a number of bursaries to assist community members to attend University, and since their establishment in 1998, these have supported four students to completion of their studies, a significant number given that the community involved previously had no university graduates.

Another approach (used for instance in the *Century Agreement*) is to specify the steps that Aboriginal recruits and employees must take to move into more senior skilled and senior positions, and identify initiatives that help workers

move through these steps. Making the path to career advancement transparent can also be important in retaining Aboriginal workers initially recruited into lower-skilled and lower-paid positions. A fourth approach is to require establishment of a minimum number of training positions specifically designed to prepare Aboriginal people for supervisory or managerial positions, or appointment of a minimum number of Aboriginal people to such roles. The Voisey's Bay IBAs contain a provision of the first sort, while the *Ely Agreement* provides for the employment of at least three Aboriginal people in supervisory or managerial roles. Finally, the project operator may offer employment opportunities to Aboriginal people who complete education or training programs (the *Hope Vale Agreement*, the *Synchrude Agreement*).

The Workplace Environment

Another major issue addressed in agreements is the creation of a work environment conducive to recruitment and retention of Aboriginal employees. A fundamental issue in this regard involves the attitude of non-Aboriginal employees, and especially of supervisory staff. Racist attitudes or stereotyping on their part can make Aboriginal workers uncomfortable and resentful, making it difficult for them to perform to their potential and in some cases leading them to resign. Under the *Raglan Agreement*, the project operator must take all reasonable steps to prevent employees from experiencing discrimination; take prompt disciplinary action against any employee who behaves in a negative or discriminatory fashion towards employees on the project; undertake a series of initiatives to promote inter-cultural dialogue; and evaluate all candidates applying for work for their sensitivity to inter-cultural contact.

Even where other workers are not hostile to Aboriginal employees, lack of understanding regarding Aboriginal values and priorities can be a major problem. For instance, supervisors may regard individual workers as being unreliable or lacking commitment because they are not aware that Aboriginal people sometimes have to give cultural and social obligations precedence over their work obligations. To help address these issues and to combat racism agreements may require non-Aboriginal employees to undertake

cross-cultural training, provided by or with the involvement of knowledgeable people from local Aboriginal communities. For example the *Argyle Diamonds Agreement* requires all workers and contractors to undertake cross-cultural training on arrival and at intervals of two years thereafter, while managers must undertake a more intensive course that includes camping in the bush with Aboriginal elders.

Agreements may also seek to enhance the attraction of mining employment to Aboriginal workers by providing for variations to standard rotation schedules for fly-in/fly-out projects,⁹ or more generally to working hours and leave arrangements, to facilitate their continued participation in activities such as hunting and fishing or to allow for urgent absences for funerals or other important events. In some cases specific arrangements are negotiated to provide access to "country" or "bush" foods at mine sites or to allow hunting or fishing in the vicinity of project sites. For example the *Raglan Agreement* provides that Inuit employees can opt for a two weeks on/two weeks off rotation (rather than four weeks on/two weeks off), and requires the project operator to supply facilities needed to provide country food to Inuit workers.

Measures Directed at Aboriginal Women

The issue of gender equity in employment is rarely addressed in mining agreements. This is perhaps not surprising given that mining has traditionally been a male-dominated industry, and that mining agreements are usually negotiated by men. The failure to address gender issues can have serious implications: Employment on resource projects often represents one of the few, and often the most lucrative, sources of cash incomes available in remote Aboriginal communities. There is evidence that Aboriginal women both in Australia and Canada are, given the chance, keen to share in this source of income, and their exclusion is likely to represent a significant source of inequality (Holden & O'Faircheallaigh, 1995; Lange, 1984; O'Faircheallaigh, 2002b: 85–86, 100, 130; O'Reilly & Eacott, 1998: 26). In recent years a small number of agreements in Australia and Canada have included a commitment by the par-

ties to equal employment opportunity and statements that employment and training programs are intended to include Aboriginal women as well as men. However, such commitments represent little more than an acknowledgement of legislative realities and obligations. The *Hope Vale Agreement* does go further and specifies a minimum number of positions that must be made available to Aboriginal women.

Family and Community Support

It has long been recognised that Aboriginal trainees and workers need support from their families and communities; that families require support when family members take up employment at mining sites, especially when this requires extended absences from home; and that absence of support for families can lead workers to abandon training programs and jobs (AMSI, 1992: 30–32, 64, 66–67; Chretien, 1969; Grant, 1983: Chapters 4, 7; Johnson, 1993: 21; NEDGI, 1993: 40, 44; O'Faircheallaigh, 2002b: 100). Some agreements modify rotation schedules for fly-in fly-out mines to allow Aboriginal workers to return to their communities more frequently. Agreements may provide for the appointment of staff whose duties include liaison between workers and communities and provision of support to workers and to their families. The *Cameco Agreement* and the *Century Agreement* provide funding for an employee relations counsellor to provide support for employees and their families in each signatory community, while under the *Diavik Agreement* (NWT) both parties appoint a liaison person who work together to develop counselling and support programs to “prepare Dogrib individuals and families for lifestyle changes associated with shift rotation work” and to “promote individual and family well-being.” The *Hope Vale Agreement* includes an unusual approach in that the project operator undertook to renovate a disused accommodation building and make it available to members of workers' families so they could visit workers during their shifts at the mine site.

While the importance of maintaining links with families and communities and of providing support for families is well documented, many of the agreements reviewed for this study contain few if any provisions designed to address these issues. Their failure to do so can represent a

significant obstacle to maximising Aboriginal participation.

Provision of Appropriate Accommodation

Another issue whose importance has long been documented involves provision of suitable accommodation for Aboriginal workers (AMSI 1992: 59; Stevenson, 1968: 25; Littlejohn and Powell, 1981: 6). Where projects are fly-in fly-out, mine operators provide single accommodation for workers at the mine site. However, where workers travel daily to a mine from their home community or must find accommodation in another community close to the mine, serious problems can arise either because of the high cost of obtaining rental accommodation or because housing conditions in the home community are poor and not conducive to regular or effective participation in the workforce. For example, O'Faircheallaigh has shown how overcrowded housing and attendant social problems such as family violence and substance abuse seriously affected the ability of Aboriginal workers to complete training programs and attend work regularly at uranium mines in Australia's Northern Territory (2002b: 102–105). Similar problems have been documented in Canada (AMSI, 1992: 26–27; NEDGI, 1993: 38–39). However, few of the agreements reviewed address the issue of accommodation in any substantive manner.

BUSINESS DEVELOPMENT

Mining agreements can also contribute to Aboriginal economic development by creating opportunities for Aboriginal businesses to provide goods or services to the project concerned, in the process generating employment and incomes that in some cases exceed those created by direct employment in project operations (SIWGMI, 1990: 158; 1993: 61–63, 68–69; 1997: 60–64). However as in the case of employment and training, Aboriginal businesses may face significant barriers in seeking to take advantages of the available opportunities, related in particular to (i) the high transaction costs that can be involved in standard tendering and contracting arrangements; (ii) scarcity of capital for business investment; (iii) lack of relevant

skills; and (iv) the difficulty of competing with large, well-established non-Aboriginal businesses (AMSI, 1992: 38–40; Grant, 1983: 52–53; NEDGI, 1993: 57–63; O’Faircheallaigh, 2004b: 322–23; Robinson et al., 1989: 13, 25; SIWGMI, 1993: 6).

Virtually all the agreements reviewed contained some provisions offering support to Aboriginal businesses. In certain cases that support is expressed only in very general terms and, as with comparable provisions on employment and training, use of phrases such as “where practicable” or “reasonable endeavours” raises questions about their enforceability. For example, the *Mt Hunderer Agreement* (Yukon) requires the project operator “during the life of the mine ... [to] identify some contracts, where practicable, to allow possible participation by Local Businesses.” In other cases (for instance the *Doig River Agreement*) project operators undertake to award contracts to Aboriginal businesses that are competitive in relation to costs, quality, deliverability and other relevant criteria, which begs the question as to why Aboriginal businesses would need support if they are already competitive. However other agreements in both Australia and Canada do contain a range of specific measures designed to address the barriers listed above.

High Transaction Costs

Transaction costs facing Aboriginal businesses can be reduced in a number of ways. The project operator can provide information on upcoming contracts to them in a form and within a time frame that facilitates tendering and a registry of Aboriginal businesses can be created, assisting information flows to potential bidders about available contracts and to the project operator about the capacities of Aboriginal businesses (*Argyle Diamonds Agreement*). Some agreements, including the *Ulu Agreement*, provide for breaking up of what would normally be large single contracts into a series of smaller ones, making it easier for Aboriginal businesses with limited capacity and financial resources to tender successfully. Provisions may be made for contracts below a certain size to be offered first to local Aboriginal enterprises, and if they can meet price, quality and delivery specifications the contract is awarded without going to tender. For

instance under the *Ulu Agreement* Inuit owned businesses have an opportunity to bid on contracts between \$50,000 and \$500,000, while an Inuit regional organisation has first right to negotiate contracts expected to exceed \$500,000. Similar provisions apply under the *Raglan Agreement*. Project operators may also waive performance bonds and tender deposits for Aboriginal businesses.

Scarcity of Business Capital

Certain agreements provide that the project operator will assist Aboriginal businesses to raise finance by providing documentation regarding contract or purchase order awards to financial institutions (*Diavik Agreement*). An alternative approach is offered by the Voisey’s Bay IBAs, which create a revolving loan fund from which Innu and Inuit businesses can borrow to help meet start-up costs. Joint ventures between the project operator and Aboriginal businesses during their start-up phase provide another avenue for provision of capital, a point discussed separately below.

Lack of Relevant Skills and Experience

Project operators can assist Aboriginal businesses by providing access to the technical and financial expertise of their own staff and by helping them to undertake business management training. For instance, under the *Argyle Diamonds Agreement* the project operator undertakes to assist potential Aboriginal contractors to develop business plans and business skills and to provide them with information on gaining access to loan capital and government grants, on corporate governance and on obtaining business related education and training. The Agreement also provides that where Aboriginal businesses are unsuccessful in bidding for contracts, Argyle will provide written reports outlining the reasons for their failure, assisting them to enhance their tendering capacity. Joint ventures between project operators and Aboriginal businesses provide another avenue for developing business skills (see below).

Competitive Disadvantage

A number of measures may be applied to help overcome the competitive disadvantage of

Aboriginal businesses in relation to large, well-established non-Aboriginal businesses. These include a general preference clause for competitive Aboriginal businesses; evaluation of contract proposals or tenders on the basis of "Aboriginal" content as outlined in the agreement, an approach adopted in the Voisey's Bay IBAs; and the specification of a margin in favour of Aboriginal businesses in assessing tenders. For instance a number of other Australian agreements specify a "price tolerance" of 10 per cent in favour of Aboriginal tenderers, while one Western Australian agreement states that the project operator will not consider tenders from Aboriginal businesses as inferior solely on the basis that the Aboriginal business does not have a history of providing the relevant goods and services.

Joint Ventures

Creation of joint venture arrangements with project operators or/and third parties for the provision of major contracts can provide an integrated basis on which Aboriginal businesses can gain access to capital, skills and business experience (SIWGMI, 1996: 36-37). Joint ventures may provide for the non-Aboriginal partner to provide the bulk of start-up capital and to initially play a major role in contract management. As the Aboriginal participants gain more experience and access to an income stream from their share of the venture they may be in a position to increase their stake and their management role and eventually to buy out their partners. Aboriginal enterprises have employed this approach with considerable success in relation to diamond mining in Canada's Northwest Territories, beginning as junior partners with a minority equity in joint ventures and with a limited role in management; moving to a situation in which ownership and management control was evenly shared; and finally to bidding for contracts in their own right.¹⁰ The Dene Tha' Band used a similar approach in northern British Columbia, entering into joint ventures with, or sub-contracting arrangements with, major non-Aboriginal enterprises in a succession of different areas and establishing their own operations to undertake contracts as they developed relevant skills and experience (RMC, 1984: 12-13, 20).

CONCLUSION

Aboriginal Peoples in Australia and Canada share a determination to overcome the serious economic and social disadvantage that is part of a common historical legacy. To do so it is essential that mining projects located on Aboriginal lands make the maximum possible contribution to Aboriginal economic development. Aboriginal communities have in the past been largely marginalised from such projects, and mining agreements offer an important opportunity to change this situation. In particular, agreements can generate royalty income and so increase incomes, provide a capital base and fund services and infrastructure; can help enhance skills levels and provide new educational and employment opportunities; and support the establishment or expansion of Aboriginal businesses.

However, agreements can only play these roles if their content and management reflects careful consideration of some key issues. These include the appropriate design of royalties or of other mechanisms used to extract income from a project; effective use of the income generated in ways that reflect the economic, social and cultural priorities of Aboriginal Peoples who are parties to agreements; and structures to manage the politics that inevitably develops around the distribution of financial benefits. In relation to employment, training and business development, agreement provisions need to reflect the extensive body of accumulated information regarding barriers to, and preconditions for, the recruitment, retention and advancement of Aboriginal workers and the establishment of sustainable Aboriginal enterprise. It is apparent that in many cases insufficient attention is in fact paid to this accumulated knowledge. For instance, few agreements address issues related to provision of appropriate accommodation for Aboriginal workers and of social support for them and their families. More generally, agreements are still being concluded that lack provisions that are explicit and enforceable and fail to make use of the available opportunities to maximise Aboriginal economic development.

NOTES

1. The focus here is on the relationship between the content of agreements and Aboriginal economic

- development, not on the context and form of agreements, which would require a separate paper to address. For a discussion of the latter see for example Keeping, 1998; Kennett, 1999a; O'Faircheallaigh & Kelly, 2001; O'Faircheallaigh 1995a; 2004a; Sosa & Keenan, 2001; Wilkinson, 2001).
2. Mining agreements can play an important role both in protecting the existing subsistence base and in providing new opportunities for subsistence activity, for example by ensuring protection of land and water used for hunting and fishing; by facilitating access to land used for subsistence activity; and by generating cash income which can be used to purchase items used in subsistence activities such as boats, motors and firearms.
 3. Only agreements involving Aboriginal Peoples or organisations as parties are included in the analysis. Thus for example the "socio-economic agreements" between the Government of the Northwest Territories and the operators of diamond mines in the NWT are not included. The agreements all relate to extraction of hard rock minerals or oil and gas.
 4. For ease of reference a short form is used in citing agreements, and relevant details provided in Appendix 1. Except where a specific name for an agreement is widely used (for instance the *Ulu Agreement*), the short form is the abbreviated name of the first party listed in the title of the agreement concerned (for instance the *Argyle Diamonds Agreement*, the *Doig River Agreement*). The state/province where the relevant project is located is indicated when an agreement is first cited.
 5. The IBAs for the Voisey's Bay project are confidential and so individual provisions cannot be cited. Information on the IBAs was provided by employees and advisers of the Innu Nation and the Labrador Inuit Association in interviews conducted in Goose Bay in April 2005.
 6. In January 2006 A\$1 equalled C\$0.86.
 7. For an extended discussion of the relationship between mining payments and government service provision and of appropriate policy approaches for Aboriginal communities, see O'Faircheallaigh, 2004c.
 8. For example, community members attribute the high levels of Aboriginal employment at the Cape Flattery silica mine in part to the fact that Hope Vale people held a number of supervisory positions.
 9. See O'Faircheallaigh, 1995b for a detailed discussion of Aboriginal employment issues in relation to fly-in/fly-out projects.
 10. Interview with CEO Deton' Cho Corporation, Yellowknife, 11 May 2005.

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