



Submission to House Standing Committee on Indigenous Affairs Inquiry into how the corporate sector establishes models of best practice to foster better engagement with Aboriginal and Torres Strait Islander consumers

Reconciliation Australia

December 2021



Inquiry into how the corporate sector establishes models of best practice to foster better engagement with Aboriginal and Torres Strait Islander consumers

Tuesday, 13 December 2021

RE: Reconciliation Australia's submission to House Standing Committee Inquiry

Dear Chairman Leaser, Deputy Chair Snowdon, and Members of the Committee,

Reconciliation Australia welcomes the opportunity to make a submission to the Standing Committee's Inquiry. We commend the Committee for investigating this important issue.

This submission includes an overview of the RAP program, describing the origins and structure of the program and how RAPs drive meaningful change. We also detail how RAPs support meaningful engagement with Indigenous communities and strengthen cultural understanding in the corporate sector.

Reconciliation Australia is able to provide further information, either verbally or in writing, regarding our submission should you wish to clarify any of the issues raised.

Yours sincerely,

Karen Mundine
Chief Executive Officer

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1. About Reconciliation Australia

Reconciliation Australia is the national organisation promoting reconciliation between the broader Australian community and Aboriginal and Torres Strait Islander peoples. Our vision is to build an Australia that is reconciled, just, and equitable for all. To do so, we are dedicated to building relationships, respect and trust between Aboriginal and Torres Strait Islander peoples and other Australians. We believe a reconciled Australia is one where:

- Positive two-way relationships built on trust and respect exist between Aboriginal and Torres Strait Islander and non-Indigenous Australians throughout society.
- Aboriginal and Torres Strait Islander Australians participate equally and equitably in all areas of life, and the distinctive individual and collective rights and cultures of Aboriginal and Torres Strait Islander peoples are universally recognised and respected. That is, we have closed the gaps in life outcomes, and Aboriginal and Torres Strait Islander peoples are self-determining.
- Our political, business and community institutions actively support all dimensions of reconciliation.
- Aboriginal and Torres Strait Islander histories, cultures and rights are valued and recognised as part of a shared national identity and, as a result, there is national unity.
- There is widespread acceptance of our nation's history, and agreement that the wrongs of the past will never be repeated.

2. Our work

1. Reconciliation Australia was established in January 2001 following a national engagement process on reconciliation led by the Council for Aboriginal Reconciliation (CAR).
2. In 2016, Reconciliation Australia developed the first State of Reconciliation Report to mark 25 years of a formal reconciliation process in Australia through both the Council for Aboriginal Reconciliation (CAR) and Reconciliation Australia and frame the task ahead on the road to reconciliation.
3. In 2021, Reconciliation Australia is celebrating our 20th anniversary. The 2021 State of Reconciliation Report entitled 'Moving from Safe to Brave' frames the next chapter of the work of Reconciliation Australia and the work ahead for the nation. It provides a roadmap for our nation's Parliament, corporate organisations, civil society, and the broader community for taking braver action on the path to reconciliation.
4. Reconciliation encompasses a breadth of areas identified for progress in the Report, which noted that:

For reconciliation to be effective, it must involve truth-telling, and actively address issues of inequality, systemic racism and instances where the rights of Aboriginal and Torres Strait Islander people have been ignored, denied or reduced. That is, we need to move more of

our effort from focusing on the preconditions for reconciliation, to focusing on more substantive change.¹

5. The five dimensions of reconciliation identified in the report—Historical Acceptance, Race Relations, Equality and Equity, Institutional Integrity and Unity—provide a holistic and comprehensive picture of reconciliation and how to measure progress.

6. The dimensions do not exist in isolation, they are interrelated. The 2021 Report notes that Australia can only achieve reconciliation if progress is made in all five areas:

The dimensions – Historical Acceptance, Race Relations, Equality and Equity, Institutional Integrity, and Unity – continue to form the basis upon which we understand the reconciliation effort, track progress and identify areas of greater need. These dimensions are interdependent, meaning sustained progress towards reconciliation can only occur when advancements are made in every dimension².

7. This is why Reconciliation Australia is engaged across a breadth of issues. We have led engagement on national reform processes, including constitutional reform. We are a member of the Close the Gap Campaign Steering Committee for Indigenous Health Equality, the Change the Record Campaign Steering Committee focused on incarceration and family violence, the National Anti-Racism Partnership and Strategy, and a supporter of the Family Matters Campaign.
8. We engage across a range of other policy and research issues, releasing, for example, the Australian Reconciliation Barometer every two years which measures the attitudes and perceptions of the Australian public towards reconciliation, the Workplace RAP Barometer every two years which measures the attitudes and perceptions of the employees of RAP organisations towards reconciliation, and the State of Reconciliation Report every four years.
9. As the lead body for reconciliation in Australia, Reconciliation Australia works across a range of programs to create pathways for non-Indigenous people to engage with those five dimensions to remove barriers to self-determination for Aboriginal and Torres Strait Islander peoples. The Reconciliation Action Plan or RAP program is one part of that effort. In addition to the RAP program, described in detail below, we engage across the community in a number of ways.
10. We lead the annual National Reconciliation Week, a time for all Australians to learn about our shared histories, cultures, and achievements, and to explore how each of us can contribute to achieving reconciliation in Australia. The dates for NRW remain the same each year; 27 May to 3 June. These dates commemorate two significant milestones in the reconciliation journey—the successful 1967 referendum, and the High Court Mabo decision respectively.
11. Our Narragunnawali: Reconciliation in Education Program supports the development of environments that foster a high level of knowledge and pride in Aboriginal and Torres Strait Islander histories, cultures and contributions. The program provides professional learning and curriculum resources to Australian teachers and supports reconciliation activities for schools and early learning services across the country. It currently supports over 76,989 teachers,

¹ Reconciliation Australia, *The State of Reconciliation in Australia Report (2021)*, available at https://www.reconciliation.org.au/wp-content/uploads/2021/01/state-of-reconciliation-2021-full-report_web.pdf, pp 1.

² Ibid, pp 2.

educators and community members and is directly engaged with 1337 schools and early learning services.

12. Our Indigenous Governance Program aims to progress reconciliation through recognising, supporting, and celebrating strong Aboriginal and Torres Strait Islander governance and self-determination. The program objectives are to build the capability of Aboriginal and Torres Strait Islander organisations to create better outcomes for the communities they serve and to positively reframe the wider community and policy discourse around Aboriginal and Torres Strait Islander governance and success. The objectives directly address three of the five dimensions of reconciliation—equality and equity, institutional integrity and unity—and indirectly influence race relations and historical acceptance.

3. Overview of the RAP program

Origins and structure of the program

13. The Reconciliation Action Plan (RAP) program was launched in July 2006 to provide a framework to assist organisations to embed the principles and purpose of reconciliation.
14. The framework provides a long-term, structured journey to enable organisations to commit to reconciliation in a way that is appropriate for their business.
15. The first eight organisations to develop a RAP came from a diverse array of sectors including two large corporate organisations, a small publicly listed company, a federal government department, a state government department, a local government, a non-government organisation, and an Aboriginal and Torres Strait Islander organisation.
16. Based on the learnings from the first seven years of the program and to respond to the rapid growth of the network, Reconciliation Australia introduced the RISE framework in 2013 (named for the four RAP types, Reflect, Innovate, Stretch, and Elevate).
17. The RISE framework provided a long-term, structured journey to enable organisations to commit to reconciliation in a way that was appropriate for their business. The framework is not linear but enables organisations to select the RAP that is appropriate for their organisational context.
18. All organisations begin with either a Reflect RAP (a one-year commitment to initial commitments to reconciliation) or an Innovate RAP (a two-year commitment to testing specific strategies for their sector and organisational context).
19. A limited number of organisations (less than 10 percent of the network) progress to the RAP leadership cohort. The RAP leadership cohort begins with a Stretch RAP – a three-year commitment to embedding reconciliation throughout the business.
20. A much smaller group (20 organisations in November 2021) are invited to develop an Elevate RAP – a three-year commitment to continue to embed reconciliation throughout their business and to implement a leadership project or projects that drive transformation in their organisation and beyond.

21. Reconciliation Australia ensures every RAP is carefully reviewed prior to endorsement so that organisations can be confident they are moving forward with an ambitious and achievable plan. The different RAP types ensure organisations are adequately supported at the start of their reconciliation journey and are given space to continuously grow and progress their commitments.
22. RAPs provide a structured journey that meets organisations where they are and supports their growth over time. The 2020 Australian Reconciliation Barometer found that while 61 percent of non-Indigenous people want to improve reconciliation, only 32 percent know what to do to help. RAPs provide organisations, and individual employees, with a clear plan to contribute to reconciliation.
23. In November 2021 the RAP network consists of 2,080 organisations from every sector of Australian society. The network includes 1,090 Reflect RAPs, 812 Innovate RAPs, 159 Stretch RAPs, and 20 Elevate RAPs. Over 25 per cent of Australia's working age population are directly impacted by a RAP each day as an employee of a RAP organisation or a student who studies at a university RAP partner.
24. Each year, Reconciliation Australia conducts the RAP Impact Measurement Questionnaire to understand the breadth of the impact of the RAP program and track the progress of RAP organisations.
25. Data from June 2021 Questionnaire demonstrated there were 3,890,545 people who worked at a RAP organisation or studied at a tertiary institution with a RAP. 58,882 Aboriginal and Torres Strait Islander people are employed with RAP organisations, and \$2,794,862,877 in goods and services were procured from Aboriginal and Torres Strait Islander businesses in the financial year July 2020 – June 2021.
26. The 2019 RAP program evaluation, conducted by EY and the Wollotuka Institute at the University of Newcastle, found that over 50 percent of both Aboriginal and Torres Strait Islander employment and procurement from First Nations businesses was directly attributable to the targets and strategies included in the organisation's RAP.
27. Reconciliation Australia also conducts the biennial Workplace RAP Barometer (WRB) to measure the depth of the impact of the RAP program, especially comparing the attitudes and experiences of the employees of RAP organisations to the general experience measured in the Australian Reconciliation Barometer.
28. The 2020 WRB showed that while 64 percent of all Australians are proud of Aboriginal and Torres Strait Islander cultures, that number rises to 78 percent for employees of RAP organisations. Likewise, the WRB found that 81 percent of RAP employees report they can "always be true to their culture while at work," compared to 69 percent of the general population.
29. This commitment to building a culturally safe workplace means RAP organisations are seen as preferred employers for First Nations people, people from culturally and linguistically diverse communities, and women.
30. The 2020 WRB also provides clear evidence that RAPs enhance the capacity of organisations to meaningfully engage with Aboriginal and Torres Strait Islander people.

31. It found that sixty-two percent of RAP employees reported that the RAP had a positive impact on building relationships with local First Nations communities and 60 percent said the RAP helped reduce prejudice against Aboriginal and Torres Strait Islander people.

Process for developing a RAP

32. The process for developing a RAP and engaging with Reconciliation Australia is:

- Reconciliation Australia engages with the organisation to determine the most appropriate RAP type for the organisation, providing RAP templates and other tools to develop a strong RAP;
- The RAP partner is responsible to engage with internal and external stakeholders to develop their RAP to include strategies that work for their organisation and sector;
- Reconciliation Australia carefully reviews drafts and encourages the organisation to be specific and ambitious in their commitments;
- After endorsement, the RAP partner is responsible to implement, monitor, and report to Reconciliation Australia on RAP progress;
- Reconciliation Australia provides various kinds of implementation support including various capacity building activities and regular meetings with members of the leadership cohort; and
- The RAP partner is then encouraged and supported to develop their next RAP and continue their reconciliation journey.

33. While Reconciliation Australia uses a variety of tools to support the implementation of RAPs, the success of each RAP depends on the commitment of organisational leadership and the investment of resources and energy by the RAP partner.

4. Response to Standing Committee Terms of Reference

How RAPs drive meaningful change

34. RAPs are not the sole solution to 250 years of colonisation. And RAP organisations do not get everything right all the time. Rather, RAPs are an accessible and robust framework for organisations to commit to respectful relationships with Aboriginal and Torres Strait Islander peoples, and a useful starting point for the individuals in that organisation to contribute to a more just and equitable society.

35. While RAPs are not intended to replace consumer or other laws or to serve as a regulatory mechanism, as publicly available documents, they are an important tool for public accountability.

36. The RAP program is designed to support long-term change in individual organisations, their sectors of the economy, and in the Australian community at-large. This change is realised through ongoing transformation that raises the overall standards of corporate citizenship. The goal is not to achieve full participation from all Australian organisations.
37. The development and implementation of every RAP focuses on deepening relationships with, respect for, and opportunities in partnership with Aboriginal and Torres Strait Islander peoples. Each RAP includes specific and measurable deliverables structured under the pillars of relationships, respect, opportunities, and governance.
38. RAPs draw together an array of integrated strategies including strong governance, cultural competency training, Aboriginal and Torres Strait Islander employment, and First Nations procurement. The integrated nature of the RAP program supports organisations to promote cultural safety that benefits Aboriginal and Torres Strait Islander customers, employees, suppliers, and the broader community.

Accountability

39. Endorsed RAPs are published documents available to the general public that must include contact information for the staff member or team at the organisation that owns the RAP.
40. Reconciliation is all about respectful relationships. RAPs are the framework to support organisations to develop meaningful relationships with Aboriginal and Torres Strait Islander stakeholders, but they are not a silver bullet to avoid mistakes.
41. The 2019 RAP Program Evaluation conducted by EY and the Wollotuka Institute at the University of Newcastle found that organisations that expressed a commitment to reconciliation that did not have a RAP were significantly less likely to pursue sustained efforts to advance reconciliation than those that did.
42. When Reconciliation Australia receives complaints from concerned stakeholders, we engage with RAP partners to investigate and respond to those complaints. Our approach is to impact cultural change rather than act as a regulator.
43. The consequences for the RAP partner depend on the nature of the complaint, the length of time the organisation has been in the RAP program, and the type of RAP the organisation has committed to (with higher expectations of those organisations in the leadership cohort).
44. While our general approach is to encourage direct engagement between RAP organisations and concerned stakeholders, Reconciliation Australia has played an important intermediary role to respond to high impact failures by some RAP partners, especially in the past 18 months. We choose to engage in cases where an initial complaint has not been resolved directly, there is a broad risk to the reconciliation activities of the organisation, and/or where there is a power imbalance between the RAP partner and the concerned stakeholder.
45. In the case of high impact failures, Reconciliation Australia has chosen to work with the RAP partner and impacted parties to determine the most appropriate consequence. This can involve the requirement that the RAP partner develop a new RAP to specifically address the context and causes for the failure.

Background on high profile decisions – Rio Tinto and Telstra

46. In June 2020, Reconciliation Australia announced our decision to revoke our endorsement of Rio Tinto as an Elevate RAP organisation and suspend the company from the RAP program. The decision was a response to the blasting activity in Juukan Gorge that exposed a broken relationship with the Puutu Kunti Kurama and Pinikura People and a breathtaking breach of a respectful relationship.
47. Our decision was taken following an investigation of the event and direct engagement with Rio Tinto leadership to convey our concerns. As we communicated at the time, review of the suspension will be dependent on how Rio Tinto engages with and responds to the PKKP Peoples, and how they respect the aspirations of all Traditional Owner groups they are in partnership with. It will also depend on Rio Tinto's response to the recommendations of the "Never Again" Parliamentary Inquiry and sustained efforts to drive internal cultural change.
48. In November 2020 Reconciliation Australia initiated an investigation of Telstra's Elevate RAP in light of Telstra's admission of unconscionable business practices with respect to at least 108 Indigenous consumers in a proposed settlement with the Australian Competition and Consumer Commission (ACCC). In addition to our specific concerns about the unconscionable business practices, we expressed disappointment at Telstra's failure to engage appropriately or effectively with Reconciliation Australia throughout the course of the ACCC investigation.
49. Our investigation concluded that Telstra had not met its own aspirations to be a leader in the reconciliation movement nor the expectations of an Elevate RAP partner. As a consequence, Reconciliation Australia revoked Telstra's Elevate Reconciliation Action Plan in March 2021.
50. We considered Telstra's actions to take responsibility for the unconscionable business practices and address the financial impact on all impacted individuals to be promising first steps on a long road to rebuilding relationships and restoring trust. We were also encouraged by the robust long-term commitments and accountability in their settlement with the ACCC. They also demonstrated a strong commitment to restoring their relationship with Reconciliation Australia and the RAP network. Taking this into account, we invited Telstra to discuss the development of a new RAP that addresses the concerns raised by the ACCC investigation. It will not be an Elevate RAP.

Supporting meaningful engagement with Indigenous consumers

51. When implemented effectively, RAPs enable organisations to evaluate and adjust every aspect of their business practices to improve outcomes for First Nations people as customers, employees, suppliers, community stakeholders, and investors.
52. RAPs support meaningful engagement with First Nations consumers by challenging and equipping organisations to commit to an integrated strategy. Positive experiences for consumers require a culturally safe environment, the presence of First Nations staff at all levels of the organisation, procurement from First Nations businesses, and clear leadership commitment. RAPs provide tangible strategies to make progress in each of those areas.

53. Meaningful engagement also depends on trust. The fact that RAPs represent a sustained commitment over time and are publicly available enhances accountability and therefore trust.
54. As members of the RAP network, RAP organisations have access to invaluable peer learning opportunities from those in their own sector and beyond. Groups of RAP partners have worked with Reconciliation Australia to form network groups that advance reconciliation in their respective sectors. These groups include such diverse sectors as local government, universities, media, legal, health, and retail.
55. The structure of the RAP program is designed to equip organisations to avoid negative experiences. However, the relationship with Reconciliation Australia and peers in their sector provides access to expertise and support to respond to and learn from negative experiences if they do occur. Importantly, engagement related to high profile issues ensures ongoing accountability to ensure mistakes are not made again.
56. We engaged with Woolworths leadership and key community stakeholders regarding the proposed Dan Murphy's in Darwin in 2020. This engagement preceded the decision to engage the Independent Panel Review and ultimately decide against proceeding with the development.
57. Our engagement does not stop after a troubling incident occurs. Woolworths has remained engaged in the RAP network, sharing their experience in a recent RAP Leadership Cohort gathering. Endeavour Drinks has begun the development of a RAP to guide the reconciliation activities of the newly independent company. Their ongoing presence in the network enables ongoing accountability.
58. This ongoing accountability is not available in similar cases where First Nations consumers and/or other stakeholders have negative experiences with organisations that are not part of the RAP program.
59. Extended engagement in the RAP program equips RAP partners with the confidence to engage quickly to address community challenges. The practice of RAP partners in response to COVID19 demonstrated their confidence to engage quickly to meet needs facing First Nations communities. NBNCo deployed 36 emergency community wifi solutions to support remote communities to respond to covid. BHP acted quickly to change payment terms to seven days to ensure financial security for small First Nations businesses.

Strengthening cultural understanding in the corporate sector

60. The RAP program supports organisations to equip their employees to deliver against their actions and vision for reconciliation by building their respect for and understanding of Aboriginal and Torres Strait Islander peoples and cultures.
61. Strengthening cultural understanding is a key focus of each RAP type. In the year ending June 2021, RAP partners enabled 469,795 employees to engage in cultural learning. The 2020 WRB demonstrated that those RAP employees who participated in cultural competency training were significantly more likely to have high knowledge of Aboriginal and Torres Strait Islander histories (48%) than those who had not participated (28%). Similarly, cultural awareness training was correlated with high knowledge of First Nations cultures (42% compared to 22% for those with no training).

62. RAP partners are supported through their reconciliation journey to commit to progressive growth in the participation of staff in cultural awareness training. Stretch RAP partners commit to specific cultural awareness training targets and are required to meet a minimum threshold of 70 percent staff participation to be eligible for consideration for a future Elevate RAP. Our leading RAP partners have committed to focusing on cultural learning for senior leaders, including face-to-face and on Country experiences for board members and senior executives.
63. RAP employees have high levels of pride in Aboriginal and Torres Strait Islander cultures and in Australia's multiculturalism. The 2020 WRB showed 78 percent of RAP employees are proud of Aboriginal and Torres Strait Islander cultures (compared to 64 percent for the general population) and 86 percent were proud of Australia's multiculturalism (compared to 74 percent of the general population).
64. RAPs support organisations to develop unique products to serve Aboriginal and Torres Strait Islander consumers, especially those in remote and regional communities. In 2018, Origin Energy visited ten regional NSW communities and spoke with 675 community members, to help them understand their energy usage and how they can reduce their bills. Origin's current RAP includes commitment to test energy products and services to meet the unique energy needs of First Nations consumers and businesses. And a minimum of four sessions each year to provide information services to customers in regional and remote communities.
65. RAPs also support RAP partners to engage effectively with First Nations businesses. Stretch RAP partner, Wesfarmers has established the Building Outstanding Aboriginal and Torres Strait Islander Businesses (BOAB) Fund, committing \$10 million to help Indigenous businesses develop and scale. The BOAB Fund provides funding, mentoring and business support to small to medium First Nations businesses.
66. David Jones partnered with the Darwin Aboriginal Art Fair Foundation to strengthen its commitment to working collaboratively and ethically to increase First Nations inclusion in their business and the Australian fashion and lifestyle industry. The Indigenous Pathways Program is a rolling, 12-month fashion label development program that brings together Aboriginal and Torres Strait Islander designers with fashion industry leaders to help develop their craft, build stronger businesses and help raise awareness and the profile of Aboriginal and Torres Strait Islander designers.

5. Recommendations

The RAP program is a proven model for raising the standard of corporate citizenship in Australia. The RAP network impacts 2,080 organisations and over 3.8 million Australians each day. While Reconciliation Australia serves an important intermediary role, the RAP program provides a structure to facilitate organisational change that leads to more effective direct engagement between RAP organisations and Aboriginal and Torres Strait Islander stakeholders.

Standing Committee hearings have uncovered examples that underscore the unique challenges facing many Aboriginal and Torres Strait Islander consumers, especially those in remote and regional communities. Effectively addressing these challenges may require legislative or regulatory action to address inappropriate engagement with First Nations consumers and to eliminate

predatory financial practices. There are also positive policy interventions that could strengthen economic opportunities in First Nations communities.

Based on the content of this submission, Reconciliation Australia recommends that:

67. **Recommendation 1:** The Standing Committee consult with Aboriginal and Torres Strait Islander stakeholders to determine whether the current legislative and regulatory settings are adequate for the protection of Aboriginal and Torres Strait Islander consumers and service users. This consultation should also address the adequacy of existing investigative and enforcement powers under current legislative and regulatory structures. Particular consideration should be given to whether they allow for flexible and culturally appropriate services to be delivered to remote and regional communities.
68. **Recommendation 2:** Given the exponential growth of the RAP Program, the Standing Committee consider how the government could further support the complementary role (to that of regulation) that the RAP program plays to raise the standard of corporate citizenship and enhance engagement with First Nations stakeholders.