

Crown among big companies given government funding to employ Aboriginal people

Greens senator Lidia Thorpe accuses the Coalition of using the Indigenous Advancement Strategy as a 'slush fund' for 'their big donor mates'



Crown Resorts has received \$2.29m from the National Indigenous Australians Agency for employing 230 Indigenous workers for at least 26 weeks.

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Crown Resorts, the casino giant facing royal commissions in two states over allegations of facilitating money laundering and allowing junkets linked to organised crime to bring in high-rolling gamblers, is among big companies that received millions in federal government funding to employ Aboriginal people.

A \$3.6m grant to Crown Resorts is one of several awarded to big corporations from the Indigenous Advancement Strategy (IAS), a \$4.9bn fund set up in 2014 to alleviate Indigenous disadvantage.

Thirty-nine per cent of all current IAS grant funding – around \$1.685bn – is being paid out to 589 non-Indigenous corporations, charities and organisations.

At least \$91.7m of the money has been allocated to just 10 of Australia's biggest companies, including Crown, Wesfarmers, Woolworths, Fortescue Metals and Accor Hotels, under a scheme called the employment parity initiative (EPI).

The National Indigenous Australians Agency (NIAA) confirmed it had paid Crown \$2.29m for placing 230 Indigenous employees “and retaining them in jobs for at least 26 weeks”.

NIAA said the agreement with Crown, which began in August 2015 and expires in June this year – is for up to \$3.622m for an additional “400 Indigenous Australians into a range of jobs within hospitality, management, security, housekeeping”.

These big corporate partners receive a payment when an Indigenous employee achieves a minimum term of employment of at least six months.

But during a tense exchange at last week’s Senate estimates hearing, the Greens senator Lidia Thorpe asked NIAA officials: “Given that they have billions and billions of dollars in revenue, why do they need money from the Indigenous Advancement Strategy?”

“Billion-dollar companies don’t need government funds, taxpayers funds, to employ Aboriginal people,” Thorpe said.

“Our communities need this money. And if you want to close the gap, I would stop giving money to mining companies and these big corporations who are raking it in. They just don’t need the money. It needs to go to the people.”

The Liberal senator Amanda Stoker replied: “I suspect we have a philosophical difference on [this] point, and so I respect your different point of view, but the employment outcomes for Indigenous people are something that the Coalition deeply cares about. And we regard this as money that goes directly to the grassroots, going into the pockets of Indigenous people.”

Crown is facing royal commissions in Western Australia and Victoria after an inquiry in New South Wales found it facilitated money laundering and that junket operators who brought high-rollers to its casinos in Perth and Melbourne were linked to organised crime.

The NSW inquiry, run by former judge Patricia Bergin, found Crown was currently unfit to hold the licence for its new \$2.2bn casino at Barangaroo on Sydney Harbour. Bergin’s report, tabled in NSW parliament in February, led to an exodus of management and board members, and has put major shareholder James Packer, who resigned from the board in 2018, under pressure to sell his stake in the company. Private equity group Blackstone has offered to buy the group.

A Crown spokesperson did not respond to Guardian Australia’s questions about the EPI, including whether uncertainty over its operations would affect its participation.

In a brief statement in response to detailed questions, the spokesperson said: “Crown has provided employment for over 1,000 Indigenous Australians since 2009, and are committed to continuing the efforts to train and employ more Indigenous Australians over the long term.

“Crown has received major industry, State and Federal Government awards for its Indigenous Employment Program.”



Crown casino in Perth. Crown Resorts, which receives funding from the Indigenous Advancement Strategy, is facing royal commissions in WA and Victoria.

Woolworths, which is the biggest corporate recipient of EPI money with an allocation of \$25.2m, said the money paid for training more than 3,200 Aboriginal and Torres Strait Islander job seekers over five years.

“Every cent of funding we’ve received over the past five years has gone to our employment service partner – Diversity Dimensions – to support participants and deliver the program,” a spokesman said.

“We pay the full wage cost for team members in the program and don’t keep any of the funds.”

He said 70% of people hired under the scheme remained employed at the six-month mark.

The company did not respond directly when asked how many remained employed after one year, but said it currently employed almost 5,000 people who identify as Aboriginal and Torres Strait Islander.

Wesfarmers received the next largest allocation, \$15.8m, under an agreement struck in May 2019, but the company said it had so far only received \$2m and to receive the whole amount needed to employ an “additional 1,985 Aboriginal and Torres Strait Islander people across its business”.

“We employed more than 2,700 Aboriginal and Torres Strait Islander people as at 31 December 2020, which is 2.5 per cent of our Australian workforce,” a spokeswoman said.

“Since launching the program in the first quarter of 2020, our Aboriginal and Torres Strait Islander team member numbers have increased by around 800.

“While the program is in early stages, the vast majority of new Aboriginal and Torres Strait Islander team members employed in 2020 remain with the business.”

Ventia, which until last year was known as Broadspectrum, was allocated \$5.9m.

“Over the past five years, 477 people were employed for 26 weeks or more, and 352 were employed for more than a year,” a spokeswoman said.

The chair of the company’s Indigenous advisory board, Eddie Fry, said he had witnessed the “positive impact” of the program and called for it to be “supported and expanded, measured and broadened”.

“Our journey commenced with a passion for change for Indigenous employment and procurement that I believe has matured to one of now being deeply invested and committed to this work,” he said.

Fortescue was allocated \$3.8m for a two-year program, but the company said that after further consideration of its workplace needs it withdrew from the EPI and returned the money it had been advanced.

The CEO, Elizabeth Gaines, said the company was “proud to be one of Australia’s largest employers of Aboriginal Australians” and had 891 Aboriginal employees, about 10% of its workforce.

Another large recipient of EPI funds, Hutchinson Builders, provided Guardian Australia with detailed figures about the performance of the scheme.

It has been allocated \$7.2m but since 2015 has received \$5.3m, managing director Greg Quinn said.

“Hutchinsons has secured 547 employment outcomes for Indigenous jobseekers, directly within Hutchinsons and with our subcontractors and suppliers,” he said.

“Of these, 476 have been employed beyond 26 weeks and the remaining 71 are currently employed (but under 6 months still). 211 Indigenous employees continued to be employed beyond 12 months and another 126 remain on track to achieve this milestone.”

‘This Liberal government is giving millions to Crown’

Under agreements it signs with IAS providers, NIAA has the right to terminate a contract if a provider has “breached any law, become bankrupt or insolvent, entered into a creditors scheme of arrangement, or come under any form of external administration” or if there has been a change in management which would affect its ability to comply.

NIAA did not respond to specific questions about whether it considered Crown to be in breach of its IAS agreement. However, a spokesperson for the agency said the funding agreement with the casino giant was for up to \$3.622m, and it would only release funds “when Crown provides evidence of placing an Indigenous person in a job for at least 26 weeks”.

NIAA spokesperson said it reviewed providers on a regular basis and adjusted its risk ratings “as required”. Crown’s contract expires on 30 June.

NIAA said it was doing an independent evaluation of the employment scheme, with results expected by mid-year.

But Thorpe has since accused the Morrison government of using NIAA “as a slush fund to give millions of dollars to their big donor mates, including Crown casino”.

“It’s appalling that this Liberal government is giving millions to Crown – a massive corporation that is already making enormous profits off the back of misery and harm,” Thorpe told Guardian Australia.

“I’m extremely concerned that the Liberal government is continuing to provide millions of dollars to this corporation, potentially in breach of the NIAA’s own rules around who they give money to.”

Crown has been approached for a response to these claims.

The \$4.8bn IAS was created in 2014 by the Abbott government to “improve the way the government does business with Aboriginal and Torres Strait Islander people, to ensure funding actually achieves outcomes”.

The administration of the IAS has been called into question several times over the past few years.

The Australian National Audit Office (ANAO) investigated the IAS in 2017, and found that the grants administration processes “fell short of the standard required to effectively manage a billion dollars of Commonwealth resources”.

In 2018, the former Indigenous affairs minister Nigel Scullion came under fire for allocating IAS funds to the Northern Territory Cattlemen’s Association, the NT Fishermen’s Association and the Northern Territory Seafood Council – an industry group he used to chair – so they could oppose Aboriginal land claims.

Scullion said he approved grants from the IAS because “there is a clear need for the stakeholder group to be better informed on Aboriginal issues in the NT”.

“I stand by every dollar and every cent of the IAS funding I have approved and every IAS grant has been made in accordance with IAS guidelines,” he said.

In 2019, Scullion approved more than \$560m worth of funding from the IAS in his final six weeks in the role, ahead of the announcement of the federal election in 2019.

In the six weeks from 1 March to 11 April, Scullion approved 240 grants worth around \$567m, including more than \$15m to retailer Wesfarmers.

The ANAO looked at the IAS again after the election in 2019 and found that “five years later” there had been “substantial delays” in establishing a reliable way of measuring the outcomes of IAS programs.

The ANAO said evaluation was still in “the early stages” but had the potential to be “high quality, ethical, inclusive and focused on improving the outcomes for Aboriginal and Torres Strait Islander peoples”.

It said developing criteria for assessing “significance, contribution and risk” should be a priority.

An NIAA spokesperson said that it was doing an independent evaluation of the EPI.

“The results of this evaluation are expected mid-year and NIAA’s practice is to publish evaluations on its website within four months of finalisation,” the spokesperson said. “This evaluation will assist NIAA in considering future employment programs and policies.”