

## **2013 DUNGALA KAIELA “DEFINING SHEPPARTON” ORATION BY PETER NASH, KPMG**

Colin and Sharon, thank you for your warm welcome to country. I too would like to acknowledge the traditional owners of the land on which we meet – the Yorta Yorta people – and pay my respects to their elders past and present.

I’d like to extend my respect to Aboriginal and Torres Strait Islander elders and guests with us this evening and to recognise the rich and enduring contribution to our country of the world’s oldest, continuous living culture.

I also wish to thank our hosts this evening, the University of Melbourne and the Kaiela Institute for honouring me with this 2013 Dungala Kaiela “Defining Shepparton” Oration.

I’m here tonight in a number of guises:

- as a Director of the Board of Reconciliation Australia;
- as a proud Australian who knows that patriotism means cherishing the *whole* of our nation’s human history and *all* the cultures that form it;
- as a father who wants my children to one day live in a nation truly reconciled;
- and as the leader of a major Australian business.

And it’s in this capacity as a business leader that I want to speak to you tonight.

As the head of a business that advises other companies on how to improve their performance, I have seen how businesses can succeed when they take their community engagement seriously. I’ve seen how both businesses and their communities can grow together. And there is no better way to engage with the community than through reconciliation. Many businesses are doing just that.

Of course, every Australian is part of the reconciliation journey. Footballers, teachers, neighbours, politicians and civic leaders are building bridges as well as crossing them.

But the business community has a special role to play as a partner of Indigenous Australia – because it has the means and the scale to convert changes in public attitudes into a fairer go and rising living standards for Australia’s first peoples.

Business can help directly by providing advice, training and employment experience. It can help indirectly by educating and influencing its own employees and turning them into agents of change. And it can help immediately by adding its voice to the growing numbers of Australians calling for constitutional recognition.

Business engagement in reconciliation promises benefits for so many communities across Australia, including here in Shepparton. As Access Economics’ 2010 report tells us, closing the gap in employment in the Goulburn Valley would lift the region’s GDP by 1.3 per cent by 2030, raising economic activity by \$61 million a year and create 300 new jobs. It could change a lot of lives.

So, I want to use this platform this evening to encourage all members of the Australian business community to take up the call for reconciliation in practical, economic and symbolic forms.

I want them to get behind the Constitutional Recognition referendum.

More precisely, I want them to consider creating their own Reconciliation Action Plan as a way of committing themselves to tangible actions that will make an impact and a difference.

My involvement with Indigenous Australians has come mainly as an adult. I didn't grow up alongside Indigenous boys and girls and haven't had to endure first hand, the tragedy of seeing them die young. The recent death of that fighter for justice, Mr Yunupingu, is a reminder of the shocking disparity in life expectancy that still exists.

But it's never too late to join a just cause. And I think my path – which came out of my company's acknowledgement that it had to be part of the reconciliation movement – has something to say to ordinary Australians everywhere.

My business, KPMG, like many others, takes its role as a corporate citizen seriously. We feel that in Australia it isn't possible to be socially responsible without addressing the nation's greatest moral failing – Indigenous social and economic disadvantage.

In broad terms, we have adopted a four-pronged approach that includes tackling Indigenous economic disadvantage through:

- business leadership – inspiring and encouraging others to join us on our journey;
- cultural awareness and respect within our own organisation;
- building capacity by providing business advice and services;
- and employing Indigenous Australians directly.

These approaches now form the core of our Reconciliation Action Plan, which today is a source of considerable focus and pride right across our organisation.

We started by trying to learn as much as we could about the issue. What we quickly discovered was that knowing the broad and specific facts about Indigenous Australia is only the start. The more we learned, the more we realised we didn't know, or what we thought we 'knew' was distorted and in some cases, far from the truth. And simply 'knowing' is never really

enough. We can *know* many things without feeling a compulsion to act on them. What moves people on this issue, as on others, is ‘understanding’.

Prime Minister Paul Keating captured it beautifully in that line from the Redfern Address in 1992:

“With some noble exceptions,” Keating said of the past treatment of Indigenous Australians, “we failed to make the most basic human response and enter into their hearts and minds. We failed to ask, ‘How would I feel if this were done to me?’ As a consequence, we failed to see that what we were doing degraded all of us.”

Once you move from *knowing* to *understanding* the need for reconciliation, and realise the deeply *human* nature of this issue, you can’t help but get involved, and the desire and compulsion to be part of the solution will never leave you. Reconciliation isn’t a left-wing or a right-wing issue – it’s a human issue.

As the old Chinese proverb says: Tell me and I will forget, Show me and I will remember, Involve me and I will understand.

One of the things you often hear people say in business is “I am an optimist.” But optimism not matched by sufficient reasons for optimism can be glib and even dangerous. And on this issue of reconciliation, I believe optimism is strongly justified.

For a long time – too long – the state of Indigenous Australia was something that deeply divided our country. It was a cause of raw anger and recrimination. These emotions were inevitable and probably even necessary at a time when the overwhelming majority of Australians were reluctant to face up to the truth about Indigenous dispossession. There is still too much wilful ignorance and economic inequality. But it’s also true that in the last 20 or so years Australians have made long strides in the direction of mutual understanding and economic reconciliation.

One of our foremost Australian Indigenous scholars, Melbourne University's Professor Marcia Langton, who will be responding to my oration, was right when she argued in her recent Boyer Lectures that the way forward lies not on the politics of protest but in the economics of personal and community advancement. And she is right when she says that the seeds of success are already present in the growth of an educated and skilled Indigenous middle class and the creation of an Indigenous business sector.

Past symbolic acts of reconciliation are now bearing fruit in practical results. To my mind the symbolic and the practical are part of the same movement towards justice.

If I could just dwell for a moment on the issue of symbolic acts.

Symbolic acts are everywhere, and they produce change. Whether it's a woman like Rosa Parks refusing to give up her seat on a bus or an AFL champion like Adam Goodes refusing to accept demeaning insults, such acts change the way people conceptualise the issue of race.

And although there were many downsides in the recent Adam Goodes incident, it too has moved reconciliation forward. Casual racism has been dealt a major blow. Larrikinism can no longer camouflage bigotry. The definition of socially acceptable behaviour has been progressed. A new young Indigenous leader of high personal character has been found.

Business people understand the crucial role that symbolism and behavioural change plays in transforming any organisation. And I believe symbolic national leadership has an important role to play in advancing economic reconciliation.

First, though, we have to overcome a false dichotomy between symbolic and practical action. The task before us isn't to dismiss symbols as unimportant and praise only practical solutions. I believe we make a mistake when we set the goal of 'practical reconciliation' against the goal of 'symbolic reconciliation'. Taken too far, such a strategy can be unnecessarily divisive.

The role of the business leader – in fact the role of any leader – is to show how the symbolic can advance the practical and motivate real change.

I therefore want to argue this evening that our approach to reconciliation must remain on a broad front, and that far from being a distraction from economic advance for Indigenous Australians, the Constitutional Recognition referendum journey now underway, can assist that economic advance.

This is demonstrated by our nation's history.

Symbolic change has frequently been a catalyst for change in the field of Indigenous social and economic policy. Three stages to date in Australia's post-war history stand out.

**The first was the 1967 referendum**, which not only brought the plight of Indigenous Australians to the forefront of public debate but created a significant catalyst for policy and legislative change.

**The second symbolic change was the Mabo judgement.** It was of course a practical advance because of the new property rights it conferred. But so significant was it that it has become a symbol of change and a spur to further economic advance.

The Mabo judgement drew attention to the fact that Indigenous economic disadvantage is deeply historically rooted in an act of economic dispossession caused by the racist attitudes of past generations. It reminds us that we can't confront economic disadvantage unless we also simultaneously confront our nation's historical character.

In his incredibly persuasive 'Towards a More Perfect Union' speech, President Obama quoted the novelist William Faulkner to the effect that, *'The past isn't dead and buried. In fact it isn't even past.'* He was pointing out that the disparities between African Americans and other Americans today can be directly traced to racist attitudes that prevented African

Americans from owning property, going to good schools, getting decent jobs and getting a piece of the American dream.

President Obama was making the powerful point that acknowledging past economic injustice isn't just symbolic; it's overwhelmingly practical because it's the starting point for creating economic justice. It's a point Mabo symbolizes powerfully here in Australia.

**And the third symbolic moment, the Apology to the Stolen generations,** created the momentum for our various governments and parliaments to join together for the complex business of Closing the Gap. Here was symbolic change building momentum for new investments to advance health, education, housing and other important measures of economic progress.

That apology demonstrated as nothing else has in recent times, the power of moral leadership to confound cynicism and negativity. It's a lesson for every Australian, business leaders included.

I believe the **Constitutional Recognition Referendum campaign** now underway can be the symbol that catalyses a fourth great moment of economic advance.

Recognition of the central place of Indigenous Australians in our nation's story can be the starting point for new efforts to include Indigenous Australians in the mainstream of our economy. I believe it will draw new attention to the reconciliation task at the moment when new policies are starting to work and the results of Indigenous economic advance are starting to come through. A successful recognition referendum can bear fruit in the creation of Indigenous business, jobs and prosperity.

That's why I and KPMG support the Constitutional Recognition process.

And I want to add my voice here today to all those urging every political party to get behind the referendum campaign and urge a 'yes' vote.

Whoever governs us after September 14 should make a referendum campaign government policy and campaign hard for a 'yes' vote. It's my strong impression that the business community will be firmly behind a positive constitutional referendum campaign. No party has anything to fear. No Australian has anything to fear!

But back to Business.

KPMG's reconciliation journey began in 2006 when my predecessor as Chairman, Doug Jukes, travelled at the invitation of Westpac to the North West Cape, where it quickly became apparent that our business skills could make a big difference. We saw a role for our skills in helping Indigenous organisations create businesses, jobs and better services. The following year we seconded our first two employees to work with Indigenous organisations. And seeing them return full of hope and inspiration, we multiplied our efforts considerably.

In 2009 we formalised this in the KPMG Reconciliation Action Plan, which is now driving a KPMG Indigenous development effort of considerable size.

To date our RAPs have generated:

- more than 140 secondees taking part with our partner, Jawun, devoting almost 30,000 hours of professional skills and advice, including our recent secondees to the Rumbalara Cooperative and the Rumbalara Football and Netball Club;
- more than \$1 million in contracts with Supply Nation Indigenous certified suppliers; and
- we are supporting 2 tertiary scholarships annually through the Australian Indigenous Education Foundation, and 4 tertiary



scholarships at the University of Melbourne and the University of Technology Sydney.

We are now up to our third RAP, and they have unearthed authentic and passionate corporate leaders from within our company who are genuinely moved to make a difference to the communities they have come to know and love.

Of course we are just one of many companies engaging with reconciliation in this way. Last year's Business Council of Australia Indigenous Engagement Survey found that more than three quarters of survey respondents have Indigenous engagement activities. In 2012 alone, those companies provided 48,500 hours of unpaid work with Indigenous organisations and businesses, and increased their Indigenous employees by 2,000 and their trainees by 700.

So as you see, progress is being made. Business knows that Indigenous engagement is becoming increasingly important. But why is business now getting on board and playing an increasing role?

Put most simply, a new generation of business leaders has emerged who take human rights seriously. They pursue reconciliation because it's the right thing to do. Even if it was irrelevant to their businesses, as responsible citizens they would still get involved. The changes in social norms that are sweeping through our country have reached the business community. In fact, they did some time ago and are now delivering real change.

But of course, as we have discovered, reconciliation is good for business. How could it not be? Progressive opinion is no longer to be found only on campus, but increasingly in commerce. The smart young employees we need to help run our companies rightly find any racism totally unacceptable. Our clients demand we share their social as well as their business values. Our accountants tell us that ethical procurement actually saves us money.

Our business developers tell us that connecting with Indigenous communities drives innovation.

For all these reasons and more, I am a strong supporter of the idea of 'creating shared value' which has been developed by business and management thinkers like Harvard's Professor Michael Porter.

As Porter puts it, creating shared value is ultimately about reconnecting company success with social progress. It recognizes that businesses most often thrive when the communities around them thrive.

This is a lesson reinforced to business by the Global Financial Crisis. That episode proved that profit on its own cannot be enough for businesses; the interests of the community have to be taken into account as well.

So how does a concept like creating social value translate into action on reconciliation? Let's look at three aspects – location, procurement and talent.

**First, location.** The importance of 'location' to creating social value makes it something that has particular application to the regional communities where Australian business and Indigenous communities often interact.

For instance, businesses can reduce costs and reap other benefits when they source capable Indigenous employees from good local schools, TAFE colleges and university campuses. Likewise, improving local amenities, raising health levels and addressing social problems helps companies retain precious, skilled employees and raises productivity.

Wesfarmers involvement with the Employment Broker Pilot here in Shepparton is proof that business engaging with local communities can create win-win outcomes. In 2011 alone, the pilot delivered 50 Aboriginal people into private sector employment in the region, many with Wesfarmers businesses. A win for the local people, providing real employment opportunities and a win for the Wesfarmers Group building up its local

workforce in the short-term and hopefully developing its local managers for the future.

**Second, procurement.** Procuring goods and services locally creates more jobs, drives up local wages, leads to rising local prosperity, and can create a virtuous circle that strengthens the community to underpin business viability.

So, I'd say to all businesses, including those here in Shepparton, to apply a community lens to your procurement practices. Think about how you might engage a local indigenous business or organisation.

**And third, talent.** Talented and high-achieving Indigenous people are out there, and companies want and need them. I'm positive there is a great pool of talented young indigenous Australians right here in the Goulburn Valley region. Equally, high-achieving non-Indigenous Australians increasingly want to work for ethical companies that practise what they preach.

KPMG's support for Indigenous Australia has become a powerful differentiator – we know we are attracting the best and brightest from our competitors because they tell us they choose to work for us because of our commitment to the broader community.

In the face of these benefits businesses are increasing their work with Indigenous communities. The Reconciliation Action Plan process is leading important change.

Last year the 358 Australian businesses with RAPs:

- employed nearly 19,000 Indigenous Australians, no doubt many right here in Shepparton;
- purchased more than \$58 million worth of goods and services from Supply Nation accredited suppliers; and
- provided nearly \$15 million of support for education scholarships for Indigenous students.

And its reach is far greater than this would suggest. The positive effects of RAPs now spread outwards like a pebble thrown in a pond. Today more than 1.7 million Australians work or study in an organisation that has a Reconciliation Action Plan. And of those 1.7 million, more than 213,000 people have undertaken cultural awareness training. They talk to their families, their friends, their local football club members, and together spread the word.

Attitudinal differences between people in RAP organisations and the general population speak volumes about the strength of the RAP program. According to Reconciliation Australia's, 'RAP Impact Measurement' report, compared to the general population, people in RAP organisations:

- have more frequent contact with Aboriginal and Torres Strait Islander people;
- are more likely to trust Aboriginal and Torres Strait Islander peoples;
- are far less prejudiced; and
- have greater pride in Aboriginal and Torres Strait Islander cultures.

Now is the time to move this forward. I want to urge businesses across both urban and regional Australia to get involved in the reconciliation process, and not wait for government regulation before taking a lead.

Reconciliation is no longer a responsibility just for government; it's a responsibility for everyone, business included.

If your business hasn't made an RAP yet, talk to Reconciliation Australia, because RAPs offer a well-thought-out model of how to work with Indigenous partners to create real shared value for your business and its community.

I began by talking about the difference between knowing and understanding, so let me finish with that.

I know that already my company KPMG has been a net beneficiary from our involvement in the reconciliation process. I know that this will continue and that a stronger and more united Australia will help us. We're proud of what we are achieving. What gives us the most pride is the feedback we get from Indigenous community members themselves, who can see the positive benefits of Indigenous business development and organisation improvement in their own lives.

I guarantee to any other business, that you will have a positive experience should you get involved in the reconciliation movement. This is a powerful movement. Getting involved will be one of the most rewarding and enriching things you will do, and it will eventually reward not only you but your company and your country. And there can be no greater reward for anyone than that.

Thank you.