



A U S T R A L I A N C H A M B E R O F C O M M E R C E A N D I N D U S T R Y

9 May 2005

The Secretary
Senate Employment, Workplace Relations
and Education References Committee
Suite SG.52, Parliament House
CANBERRA ACT 2600

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BY: AT SIA

Dear Ms Scarlett

I am pleased to forward the Australian Chamber of Commerce and Industry (ACCI) submission to the **Standing Committee on Aboriginal and Torres Strait Islander Affairs Inquiry into Indigenous Employment.**

ACCI has significant experience working on Indigenous employment and training outcomes and would be prepared to provide further assistance should an invitation be extended.

If you require any further information or assistance on this matter, please contact Dean O'Neil, National Manager - Indigenous Employment and Training on (02) 6270 8010 or by email: dean.o'neil@acci.asn.au.

ACCI looks forward to reading the outcomes of this inquiry and any subsequent findings and directions into Indigenous employment and training.

Yours sincerely

Steve Balzary
Director
Employment and Training

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Summary

Improved access for Indigenous jobseekers to VET courses with specific pathways to industry is critical if we are to enhance career prospects for Indigenous jobseekers.

The development of Industry based Community Development and Employment Projects (CDEP) could provide significant long term answers to Indigenous unemployment and the skill shortages experienced by industry. Through partnerships with industry and targeted vocational training, CDEP participants could gain valuable employability skills and long-term career options.

ACCI believes that there is an opportunity for a new strategic positioning of the New Apprenticeships program in the Indigenous vocational education and training (VET) system to revitalise its role in meeting the skills needs of those Indigenous jobseekers entering the labor market, those already in the existing workforce or those who are on income support. New Apprenticeships should remain the central focus of the VET system but should be modified where necessary to meet the emerging growth patterns, labor market changes and demographic developments that characterise Indigenous communities today.

Vocational Education Training (VET) needs to deliver industry-based skills to Indigenous jobseekers. Such training needs to be supported by flexibility in delivery mechanisms and culturally appropriate training resources.

Any future directions in Indigenous Employment Policy needs to focus on delivering outcomes to Indigenous people with viable labour markets that promote employability skills, linking skills development with skill shortages and the aspirations of jobseekers and the needs employers.

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Background

The Australian Chamber of Commerce and Industry (ACCI) is Australia's peak national body of employer associations. Members of ACCI represent employers of all sizes, in all regions and across all industry sectors. ACCI and its members have particular, but not exclusive, interest in workplace and industrial issues.

Membership of ACCI is made up of State and Territory Chambers of Commerce, together with employer and industry associations. ACCI, through its member organisations, is the largest and most representative business organisation in Australia with a strong and active network including:

- wide coverage and representation of Australian business (over 350,000 enterprises nationally);
- coverage of all key State and Territory based Chambers of Commerce and employer associations;
- geographical coverage, including all capital cities and major regional centres nationally;
- all sectors of Australian commerce and industry; and
- large, small and medium sized enterprises, including:
 - the top 100 companies
 - over 55,000 enterprises employing between 20 and 100 employees; and
 - over 280,000 enterprises employing less than 20 employees.

The ACCI employer network employs over 4 million people.

ACCI has worked closely with Government to ensure that the needs of business are taken into account in the development of policies and has contributed significantly to reforms within the employment and vocational education and training system.

ACCI Indigenous Employment and Training Involvement

Over the past 12 years ACCI has been at the forefront in developing strategies aimed at increasing Indigenous employment participation rates in the private sector. During this time ACCI has worked closely with its member associations and Government to promote pathways to employment for Indigenous jobseekers.

A major challenge for ACCI has been finding suitably qualified Indigenous jobseekers for the positions created through its Indigenous strategies. While it has been a challenge for both industry and jobseeker, many jobseekers have gone onto rewarding careers and others have found exciting career options previously inaccessible to Indigenous jobseekers.

Currently, ACCI is working closely with its member associations to promote employment and training opportunities for Indigenous Australians in the private sector.

- (a) the development of an "industry specific" approach to Indigenous Employment;
- (b) establishing and maintaining stronger partnerships between Industry and Indigenous jobseekers; and

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- (c) the provision of quality advice to stakeholders on Indigenous issues within the private sector.

Indigenous Employment Training Program priorities include:

- developing an Indigenous Employment Strategy Framework for Industry;
- providing advice to Government on new products aimed at assisting Indigenous employment and training;
- promoting and developing Indigenous employment and training strategies with industry associations; and
- working with industry and the Aboriginal and Torres Strait Islander Service to develop pathways from Community Development Employment Projects (CDEP) to employment within industry.

Through a more strategic approach to industry needs, ACCI aims to develop an “industry best practice” approach to employment and training for Indigenous jobseekers.

Recognising that each industry has specific requirements and training needs, ACCI is developing partnerships between industry, the Indigenous community and key service providers to meet these aims and objectives.

Indigenous Vocational Education and Training (VET)

Improved access for Indigenous jobseekers to VET courses with specific pathways to industry is critical if we are to enhance their career prospects.

While the participation rate of Indigenous people within the VET system has increased significantly over the past 10 years, research shows that participation is at the Certificate Level II or below. While these courses boost individual confidence, in most cases they do not meet entry-level requirements for industry, thus hindering pathways to employment opportunities.

ACCI is a member of the Australian Indigenous Training Advisory Council (AITAC) to the Australian National Training Authority (ANTA). As the industry representative ACCI advocates the need for the VET system to deliver relevant skills to Indigenous participants that provide pathways to employment.

As a partner in the current National Indigenous VET strategy, “Partners in a learning Culture”, ACCI has been proactive in working with its member associations to promote opportunities for the development of “Pathways to Traditional Trades” for Indigenous jobseekers. This includes the facilitation of a workshop with member organisations to discuss and promote opportunities for Indigenous people within traditional trade occupations.

The workshop was conducted in August 2004 and explored how industry can be more proactive in employing more Indigenous jobseekers in regional and rural locations experiencing skill shortages in traditional trades.

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New Apprenticeship Pathways

ACCI believes that there is an opportunity for a new strategic positioning of the New Apprenticeships program in the Indigenous vocational education and training (VET) system to revitalise its role in meeting the skills needs of Indigenous jobseekers entering the labor market, those already in the existing workforce or those who are on income support. New Apprenticeships should remain the central focus of the VET system but should be modified where necessary to meet the emerging growth patterns, labor market changes and demographic developments that characterise Indigenous communities today.

Adopting this new approach will further enhance the outcomes for all stakeholders. As stated above ACCI supports strongly the New Apprenticeships program and recognises the program's success in strengthening and improving the training and employment environment in Australia. The program is now at a stage where it can be further enhanced to achieve specific outcomes that will improve its delivery of services to the Australian economy and the general community. It is the strength and the maturity of the system that will allow it to embrace these changes.

Response to Terms of Reference

ACCI is the process of releasing the *Indigenous employment Strategy Framework for Industry*. The *Indigenous Employment Strategy Framework for Industry* is a commitment by ACCI and our associated member chamber and industry associations to increasing the employment of Indigenous peoples in the private sector.

During the drafting of the Indigenous Employment Strategy Framework for Industry ACCI was able to increase the awareness of Indigenous employment to industry through promotional materials and activities. As a result many association bodies are now exploring ways of recruiting Indigenous peoples as one possibility to filling the current skill shortages.

Along with ACCI member associations the ACCI has been working closely with Government to provide strategic advice on the issue of Indigenous Employment in industry. ACCI has been able to forge close links between the Department of Education, Science and Training (DEST) and the Department of Employment and Workplace Relations (DEWR).

ACCI has been involved in the current CDEP review. ACCI believes that CDEP in its current form does not provide any firm solutions for Indigenous people looking to enter the labour market, this includes school leavers and those wishing to re-enter the workforce.

ACCI is concerned that for most Indigenous school leavers, CDEP is their first and in some cases, only career choice. The scheme can in some cases disadvantage school leavers and not provide any incentive to progress from CDEP to full-time employment. For some participants, the transition from school to work and/or further education is not an option because CDEP does not provide clear linkages to mainstream vocational outcomes.

In particular, ACCI believes that better links need to be developed between CDEP, industry and group training companies. The transition from CDEP to employment needs to be supported by access to industry-based skills and nationally accredited training.

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The Government has been conducting Structured Training and Employment Projects (STEP) projects with a number of ACCI member chambers. The STEP is designed to assist CDEP recipients off CDEP funding into employment that is not subsidised by Government. The STEP has been highly successful in identifying and negotiating employment opportunities for Indigenous jobseekers.

The introduction of Indigenous Employment Centres (IEC) has created a pathway to employment for Indigenous jobseekers on CDEP. However, further work needs to be done to develop partnerships between IEC and industry to maximise VET funding to build the portfolio of skills matching those required by industry in regional and remote locations.

While discussion to-date on such a proposal has been limited, industry is keen to explore this option given the demographics of Indigenous Australians.

Recommendations

The most important component of the National Training System is the development of a funding regime, which is demand driven, provides incentives for training providers to meet the needs of employers, and encourages competition between, and within, the public and private training provider sectors.

The current funding framework, while setting national training priorities leaves the State and Territory Training Authorities with the responsibility to determine needs. This limits their flexibility and capacity for innovative approaches to the needs of Indigenous clients.

The funding priorities set by Governments needs to be flexible enough to meet the ever changing needs of Indigenous participants and the ability to respond to industry demands in locations with significant numbers of Indigenous jobseekers.

The issue for some rural and remote settings is that the cost to providing training is significantly higher than normal unit costs in urban areas. This limits "Users Choice" and does not provide the opportunity for competitive tendering out of training.

The only Indigenous specific Commonwealth initiative to attain high-level skills is the Indigenous Cadetship Program. While this program has delivered significant qualifications for Indigenous students, it is restrictive in the sense that it is aimed at University qualifications and not at the trade qualification.

ACCI believes that the Cadetship program should be broadened to include trade qualifications. ACCI has had some discussions with the Commonwealth on this matter and believes further research needs to be undertaken, including how to extend the program into those traditional trade areas which are experiencing significant skill shortages.

With the support of the major industry associations, the development of partnerships between key stakeholders could fill the current gaps experienced in the delivery of employment outcomes to Indigenous jobseekers.

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ACCI will continue to work closely with its member associations to promote opportunities for Indigenous jobseekers. However, any future directions in Indigenous Employment Policy needs to focus on delivering outcomes to Indigenous people with viable labour markets that promote employability skills, linking skills development with skill shortages and the aspirations of jobseekers and the needs employers.