

Economic Independence

Introduction

- 7.1 Indigenous people suffer considerable economic disadvantage in terms of wealth, employment and income in comparison with other Australians.¹ The barriers to Indigenous people achieving greater economic independence include: low formal education levels; poor literacy and numeracy skills; a lack of personal financial management skills; difficulties in raising capital; a lack of established business networks; and access to good business advice. In remote areas, Indigenous people may also suffer from deficient labour markets. In some cases, cultural barriers and traditions or their inflexibility conflict with economic activities. Poverty, poor health, lack of educational opportunity, alienation, and the weight of long term welfare dependency all contribute to the disadvantage and deprive many Indigenous Australians of opportunities most other Australians have.
- 7.2 The end result is:
- an unemployment rate in 1996 of 23% for Indigenous people in comparison with 9% for other Australians. The Indigenous figure would be 40% if those employed on Community Development Employment Projects (CDEP) were included;²
 - nearly 25% of the Indigenous labour force working as labourers or in other unskilled jobs, compared to 10% of all Australians;³

1 Council for Aboriginal Reconciliation, *Achieving Economic Independence*, p. 1.

2 Australian Bureau of Statistics (ABS), *Census of Population and Housing: Aboriginal and Torres Strait Islander Peoples*, 2034.0, 1999, pp. 39-40.

3 Commonwealth Grants Commission (CGC), *Draft Report of the Indigenous Funding Inquiry: Discussion Paper*, IFI 2000/2, p. 141.

- only 3.2% of Indigenous people self employed compared with 8.4% of all Australians;⁴ and
- nearly 70% of jobs filled by Indigenous people rely to some extent on public funding.⁵

Note, however, that these are national figures and that there is regional variation in unemployment and labour force participation rates.

- 7.3 The situation indicated by these statistics has the potential to get worse, given that the Indigenous population growth rate is double that of non Indigenous Australians.⁶ A high growth rate, coupled with an already young age cohort indicates that more jobs will need to be found, just to maintain the unemployment rates at their existing high levels, quite apart from aiming to close the gap with mainstream levels of employment.
- 7.4 While urban Aboriginals and Torres Strait Islanders have access to a wider variety and number of jobs than those living in remote areas, those in cities and towns will also be competing with a larger pool of non Indigenous job seekers.
- 7.5 Furthermore, the Commonwealth Grants Commission identifies educational attainment as 'a vital factor' influencing an employer's decision on whether to hire an Indigenous employee, particularly as employers tend to use education as a mechanism for filtering applicants.⁷ In 1996 national figures, 71% of Indigenous secondary students had dropped out of school before year 12, compared to just 26% for all students and only 14% of Indigenous people had a post school qualification, compared to 34% of all Australians.⁸
- 7.6 The situation will become worse for Indigenous job seekers as the increasing levels of education in the mainstream community mean that education standards required for even unskilled jobs are rising. For example, the average age for people entering apprenticeships has risen from the traditional 15 or 16 years old to 18 or 19 years old, reflecting the difference between leaving school at the end of year 10 and year 12.⁹

4 Council for Aboriginal Reconciliation, *Achieving Economic Independence*, p. 3.

5 Department of Employment, Work Place Relations and Small Business (DEWRSB), *Indigenous Employment Policy*, www.jobsearch.gov.au/Indigenous/ (August 2001); See also ATSIIC, *Submissions*, p. S646.

6 ABS, *Experimental Projections of the Aboriginal and Torres Strait Islander Population*, 3231.0, 1998, Canberra, p. 3.

7 CGC, *Draft Report of the Indigenous Funding Inquiry*, p. 144.

8 CGC, *Draft Report of the Indigenous Funding Inquiry*, p. 124; Australian National Training Authority, *Partners in a Learning Culture: Australia's National Aboriginal and Torres Strait Islander Strategy for Vocational Education and Training, 2000-2005*, pp. 11, 12.

9 ATSIIC, *Submissions*, p. S650.

- 7.7 This chapter examines some of the initiatives to assist Indigenous people find jobs and ease their transition from school to employment or post school training. One of the difficulties for this inquiry, but something which is a great strength of the process, is that strategies are being modified continually and new ones introduced in an effort to make them more successful and accessible to Indigenous people. While it has been a challenge for the Committee to keep up with the changes, it means programs are constantly refined or better targeted. Much of the credit for this innovation and willingness to try new ways comes from leadership at the Ministerial level and the Department of Employment, Workplace Relations and Small Business (DEWRSB).¹⁰

Employment

Mainstream Government Programs

- 7.8 Mainstream employment programs are funded primarily by DEWRSB, although the Department of Family and Community Services (FaCS) provides some employment services for people with disabilities under the Commonwealth State Disability Agreement.
- 7.9 DEWRSB funds Job Network, which is a mainstream national network of around 200 private, community and government organisations operating from over 2,000 sites and dedicated to finding jobs for unemployed people. It provides job matching services, intensive assistance to disadvantaged job seekers, such as assessment, vocational training, help with transport and return to work costs and post placement support. Centrelink is the gateway to Job Network.¹¹
- 7.10 Job Network is seen by government as the main avenue for Indigenous people to use to seek employment.¹² However, evidence suggests that unemployed Indigenous people avoid Job Network, as one witness told the Committee:

Aboriginal people do not use the Job Network program because they find it a humiliating and shameful process.¹³

and that:

10 See DEWRSB, *Transcripts*, p. 546.

11 DEWRSB, *Employment Programmes for Indigenous Australians*, Exhibit 12, p. 5; FaCS, *Submissions*, p. S1482.

12 DEWRSB, *Employment Programmes for Indigenous Australians*, Exhibit 12, p. 5.

13 Anaconda Nickel Ltd, *Transcripts*, p. 205.

the Job Network has totally failed Aboriginal people. I am quite clear in my mind about that.¹⁴

- 7.11 The Commonwealth Grants Commission inquiry into Indigenous funding similarly notes that ‘Indigenous people have been and continue to be difficult for employment agencies to place in employment’ and that:

Because of its mainstream nature, focussed approach and relative inflexibility, Job Network is less likely to be effective in addressing the employment needs of Indigenous people than it is for other people.¹⁵

- 7.12 The disinclination by unemployed Indigenous people to use Job Network has been acknowledged by DEWRSB which introduced new initiatives from 2000 to encourage Indigenous people to use Job Network.¹⁶ The initiatives include the Indigenous Employment Program’s Wage Assistance package (see below) which has been designed to give greater incentives to Job Network members to find jobs for Indigenous job seekers. In addition, the latest Job Network Request for Tender included changes to improve services to Indigenous job seekers by: improving coverage by creating smaller Job Network catchment areas; encouraging the establishment of Indigenous employment specialists; and requiring more providers to include Indigenous servicing strategies in their tenders.

14 Anaconda Nickel, *Transcripts*, p. 217.

15 CGC, *Draft Report of the Indigenous Funding Inquiry*, pp. 157.

16 DEWRSB, Indigenous Employment Program, www.jobsearch.gov.au/Indigenous/ (August 2001).

Indigenous Employment – Longreach, QLD

The Queensland Department of Main Roads wished to employ Indigenous people in the upgrade of the Matilda Highway. The Department negotiated funding for the local Aboriginal cooperative to carry out a skills audit of local Indigenous people. The results were supplied to the construction contractor who employed seven Indigenous people out of the 11 strong workforce.

- A mentor assisted those long term unemployed Indigenous people chosen for the job to help them assimilate into the workforce; and
- Sub contractors were given access to the skills audit as a source of employees.

Aboriginal monitors were also employed to ensure road building did not disturb Aboriginal sites.¹⁷

- 7.13 The Committee is concerned to hear that Indigenous people are reluctant to use Job Network services. Members also note that Job Network services do not, in practice, provide adequate support for people in more remote areas. However, Members are pleased to note DEWRSB's willingness to modify arrangements in an effort to reduce the barriers to Indigenous participation. The Committee will follow the outcome of these modifications to Job Network with interest to see if they prove effective.
- 7.14 The Committee sees a role for case managers, as described in chapter three above, to assess the formal training and work experience needs of Indigenous job seekers. Two avenues of gaining work skills are through the Green Corps and Work for the Dole Scheme program established under the Government's mutual obligation strategy.
- 7.15 Mutual obligation is the Government's broad strategy to assist job seekers back to work. It encourages more active job search and participation in activities which improve work skills and habits. Work for the Dole is a Commonwealth Government funded programme which provides work experience opportunities and activities for eligible job seekers. Through Work for the Dole, many unemployed people – Indigenous and non Indigenous - can satisfy their mutual obligation to give something to the community in return for their unemployment payments.¹⁸ The Committee

17 Queensland Government, *Submissions*, p. S1252.

18 www.esn.gov.au.

encourages Indigenous people, where appropriate, to use the Work for the Dole scheme to obtain valuable work skills.

Area Consultative Committees

- 7.16 The Commonwealth Government has established a national network of Area Consultative Committees (ACCs) to provide a link between local businesses and communities and key government job creation programs.
- 7.17 ACCs bring together government agencies, businesses and community representatives with the principal goal of achieving economic growth at the local level through job creation and small business success.¹⁹ ACCs are funded by the Regional Assistance Programme as administered by DEWRSB. One of the functions of ACCs is to promote and facilitate Commonwealth initiatives, including those for Indigenous employment and training.
- 7.18 Aboriginal and Torres Strait Islanders are represented on a number of ACCs, but not all. The Northern Territory ACC, for example, has significant Aboriginal and Torres Strait Islander representation and its strategic plan recognises the importance of employment for Indigenous people.²⁰ However, in urban areas, where the Indigenous population is a much smaller proportion of the total population, ACCs may be less likely to consider the impact of their decisions on Indigenous employment.
- 7.19 In this regard the Committee is pleased to note that the Government sees a major priority of ACCs as assisting with implementation of the Indigenous Employment Policy (see below) with particular emphasis on creating employment and training opportunities.²¹
- 7.20 Nonetheless, the Committee wishes to stress the important role that ACCs can play in assisting Indigenous people in urban areas find employment and recommends accordingly.

Recommendation 30

- 7.21 **Area Consultative Committees (ACCs), particularly those in urban areas, invite members of their local Indigenous communities to become ACC members and to consult local Indigenous communities when identifying potential employment opportunities.**

19 *National Network of Area Consultative Committees: Charter*: www.acc.gov.au/acccharter.htm (August 2001).

20 See: Northern Territory Government, *Submissions*, p. S399; ATSIC, *Submissions*, p. S647.

21 *National Network of Area Consultative Committees: Ministerial Statement of Priorities*: www.acc.gov.au/priorities.htm (August 2001).

Indigenous Specific Government Employment Programs

Indigenous Employment Policy

7.22 Indigenous employment policy is now administered by DEWRSB. The policy's objective is to generate more employment opportunities for Indigenous Australians. There are three components to the policy: the Indigenous Employment Programme (IEP); the Indigenous Small Business Fund (ISBF); and several new measures to improve Job Network outcomes. The IEP and ISBF are described below and the new measures to improve Job Network outcomes we described above.²²

7.23 The IEP itself consists of several elements, which are:

- the Structure Training and Employment Projects (STEP) program, which provides flexible financial assistance for projects which offer structured training and lead to lasting job opportunities;
- the Wage Assistance Programme which provides employers with a wage subsidy for employing Indigenous job seekers for at least 26 weeks;
- the CDEP Placement Incentive which provides a financial incentive to Community Development Employment Project (CDEP) sponsors for each placement of a CDEP participant in open employment and off CDEP payments;
- the Corporate Leaders for Indigenous Employment Project, by which companies commit to employing Indigenous people while the Commonwealth provides access to flexible funding for that purpose (usually STEP);
- the National Indigenous Cadetship Project, under which financial assistance is provided to companies which provide work experience to cadets during their study breaks and then usually offers them a permanent position on successful completion of their study;
- Voluntary Services to Indigenous Communities which facilitates the placement of volunteers to provide for short term needs identified by Indigenous communities; and
- the Rural Pilots Project, which provides employment strategies for regions to break down barriers to regional Indigenous employment.²³

Several of these initiatives are discussed in greater detail below.

22 DEWRSB, *Employment Programmes for Indigenous Australians*, Exhibit 12, pp. 2-8.

23 DEWRSB, Indigenous Employment Program, www.jobsearch.gov.au/Indigenous/ (August 2001).

Community Development Employment Projects

- 7.24 The CDEP scheme is a community based employment and community development initiative administered by ATSIC. The CDEP scheme was established in 1977 with the original aim of assisting remote area community development through work programs. CDEP participants did and do forgo income support entitlement benefits in return for being paid award wage equivalents for part-time work by the CDEP funded organisations.
- 7.25 ATSIC provides funding for CDEP positions and 'oncosts' (administration, materials and services to support projects).²⁴ Indigenous community organisations are then contracted by ATSIC regional councils to deliver the services to communities and individuals.
- 7.26 The aims of CDEP have now broadened to maximise the commercial potential of projects. CDEP also now emphasises business development and pre-employment and training linkages with mainstream programs so that CDEPs become a conduit to mainstream employment.²⁵
- 7.27 In June 2001, CDEP involved over 270 Indigenous community organisations and over 34,000 participants with funding made available in the 2001-02 Commonwealth budget for 36,300 participants.²⁶

CDEPs in Urban Areas

- 7.28 While CDEPs operate in urban, rural and remote areas, they are predominantly located in remote areas where there are few labour market opportunities. The first CDEP organisations in urban areas were established in 1987. However, by 2000 there were still only 11 CDEP funded organisations in metropolitan areas and 81 in regional areas while there were 169 situated in remote areas.²⁷
- 7.29 The impact of having few CDEP placements in urban areas has an adverse effect as one firm pointed out:
- in areas such as western Sydney, where unemployment rates are high and there are very few CDEP positions, there are negligible opportunities of any sort for community people to gain work skills, and become job ready.²⁸

24 ATSIC, *Annual Report 1999-2000*, p. 48.

25 ATSIC, *Submissions*, pp. S727-29, S1618.

26 The amount includes CDEP expenditure by the Torres Strait Regional Authority.

27 ATSIC, *Submissions*, p. S736.

28 Burns Aldis Community Development Consultants, *Submissions*, p. S363.

Peedac Pty Ltd – Perth, WA

Peedac Pty Ltd is an Indigenous community organisation that currently administers the CDEP in Perth. It has six regional offices in the metropolitan area.

Peedac employs over 500 CDEP participants with 200 for its own projects and 300 people placed with other Aboriginal owned corporations. The participants undertake, painting, house maintenance, automotive repairs, steel fabrication, horticulture, ceramics, screen printing, dressmaking and upholstery.

Peedac has also won lawn mowing and cleaning contracts with state government departments and local councils. The company has also won a contract to provide maintenance and cleaning for public housing in Mandurah.

In the 12 month period to April 2001, 30 participants had moved into full time employment off CDEP.²⁹

- 7.30 The Committee notes CDEP participation provides basic ‘pre-employment’ experience that equips participants to move to the mainstream job market. As one urban CDEP funded organisation told the Committee, CDEP participation has:

Given [participants] confidence, given them work experience. A lot of them have never worked before so it is making them job-ready, making them get up and go to work, be there on time and learn how to take orders from somebody else.³⁰

- 7.31 The Committee sees urban based CDEPs as providing a form of employment assistance and more structured training (apprenticeships, traineeships, mentoring and the like), for which there appears a need. The Committee believes that an appropriate expansion of CDEP is justifiable in recognition that employment and training opportunities are being lost in urban areas because of CDEP funding limits. The Committee notes that the Government provided funding for an additional 1,500 CDEP places in rural and remote areas in the 2000-01 budget.³¹ However, the unmet

29 Peedac Pty Ltd, *Transcripts*, pp. 301, 312, 313.

30 Peedac & Yahnging Aboriginal Corporation, *Transcripts*, p. 313.

31 Commonwealth Government, *Our Path Together*: Statement by the Honourable Philip Ruddock, MP, Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs, 22 May 2001, p. 6.

demand for CDEP places in urban areas justifies further additional funding, although not at the expense of remote area CDEP placements.

Recommendation 31

- 7.32 That the Government provide the Aboriginal and Torres Strait Islander Commission with additional funding to further expand the number of Community Development Employment Projects participant places, particularly in urban areas.**

CDEP Employment Programs

- 7.33 While the CDEP program has successfully employed many Indigenous people in urban and non urban areas, the Government is concerned that CDEP organisations are not moving participants off CDEP and into mainstream employment as successfully as they could.³²
- 7.34 One of the elements of the IEP is funding for CDEP Placement Incentives, which were first introduced in 1999. Under the scheme, CDEPs receive a bonus for each participant placed in open employment and off CDEP payments. The incentive fee can be paid for placement in subsidised jobs (such as through the Wage Assistance Programme), so long as the participant is off CDEP.³³
- 7.35 ATSIC has been critical that the placement incentives have, in fact, not provided sufficient incentive to encourage CDEPs to provide pre-vocational training or to track participants once they leave the scheme.³⁴ DEWRSB has recently agreed to pursue new arrangements for payment of placement incentives and to pilot an increase in the incentive fee. DEWRSB is also piloting 'CDEP Trials' in which CDEPs are being directly funded to provide structured employment training for participants.³⁵
- 7.36 CDEPs can take advantage of the Wage Assistance Programme, also part of the IEP, which provides a financial incentive to employers who provide Indigenous job seekers with long term jobs.
- 7.37 The Committee has been told that a 'major' barrier to moving Indigenous people off CDEP into mainstream employment is the lack of self esteem and confidence felt by many participants. CDEP participants are reluctant to leave the security of an Indigenous controlled and staffed organisation

32 Commonwealth Government, *Our Path Together: Statement by the Honourable Philip Ruddock, MP, Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs*, 22 May 2001, p. 6.

33 DEWRSB, *Employment Programs for Indigenous Australians*, Exhibit 12. See also www.jobsearch.gov.au/Indigenous/ (August 2001).

34 ATSIC, *Submissions*, p. S1621.

35 Personal Communication, Secretariat, DEWRSB, July 2001.

to enter an organisation where they may be the only Indigenous person. Accordingly, people want to stay on CDEP jobs or return to CDEP jobs after a period of mainstream employment.³⁶ This highlights the need for people going into off-CDEP employment to have mentors to check on their progress and offer them support in their new employment.

Recommendation 32

- 7.38 The Department of Employment, Workplace Relations and Small Business allocate funds from the Indigenous Employment Program Wage Assistance Program to provide mentoring services for Community Development Employment Projects (CDEP) Scheme participants entering employment off CDEP and during the initial stages of that mainstream employment.**
- 7.39 In remote areas with limited labour markets, CDEP may be the major local employer. In such cases, it is important to recognise that training to seek advancement or career changes within CDEP (rather than off CDEP) is an appropriate use of training funds.

Indigenous Employment Centres

- 7.40 From February 2002 and as part of the mainstream *Australians Working Together* strategy, CDEPs in towns and cities where there are viable labour markets will be contracted, where willing, by DEWRSB to take on a new role as Indigenous Employment Centres. These centres will offer work experience, tailor made job search support and access to training to the Indigenous unemployed. The Centres will work with local employers and Job Network members to help Indigenous people find jobs and keep them. Individuals will be able to receive up to 12 months assistance from a Centre.³⁷
- 7.41 As indicated in chapter three, the Committee believes it is important that government programs build the capacity of communities, or in this case community organisations, to manage their own affairs. The Committee is concerned that the managerial and supervisory skills within CDEP funded organisations will be stretched in order for the organisations to fulfil their responsibilities as Indigenous Employment Centres. As a consequence, the organisations may be obliged to contract in non Indigenous experts. The Committee wants to ensure that the funding packages for Indigenous

36 Anaconda Nickel, *Transcripts*, p. 206.

37 See Minister for Employment, Workplace Relations and Small Business, Tony Abbott MHR, *Media Release*, 22 May 2001, ABB41/01; *Australians Working Together, What Indigenous Australians and their communities need to know: www.together.gov.au/Groups/Indigenous* (August 2001).

Employment Centres provides a component for skills transferral and Indigenous managerial capacity building within the CDEP organisations. Accordingly, the Committee makes the following recommendation.

Recommendation 33

- 7.42 The Department of Employment, Workplace Relations and Small Business ensure it is a goal of Indigenous Employment Centres that they be managed and run by Indigenous staff. Funding for the Centres should include sufficient amounts to allow for appropriate skills transferral and training.**

An allowance in the funding for Indigenous Employment Centres also be made in recognition of the additional administrative overheads ('oncosts') that will be faced by the parent Community Development Employment Projects (CDEP) organisations.

CDEP Partnerships with Industry

- 7.43 The Committee has received evidence on the benefits of linking CDEP positions closely with particular industries to facilitate the flow of people off CDEP funding and into full time employment.³⁸ This is on the basis that there are mainstream industries 'with a big interest' in employing Indigenous people, but which do:**

not have the knowledge, the skills, the time or the resources to learn enough about employing Indigenous people or setting up programs, particularly if they use state and federal funding, to successfully develop any sort of program.³⁹

- 7.44 The Committee notes that a number of companies, particularly in the mining industry, have or are developing partnerships with CDEP organisations for the training and development of participants.⁴⁰ Developing relationships between CDEPs organisations and larger companies or industry groups can have two advantages: they can provide CDEP organisations with links to employers; and give employers wishing to employ Indigenous people access to a labour pool.**
- 7.45 By using ATSIC, DEWRSB (and DETYA) assistance to pool CDEP and IEP funding plus state or territory government resources, Indigenous organisations should be able to establish effective partnerships with the private sector.⁴¹ The Committee wishes to encourage such partnerships**

38 Anaconda Nickel, *Transcripts*, p. 213.

39 Anaconda Nickel, *Transcripts*, p. 204.

40 Such as Anaconda Nickel, Pasminco Ltd, Rio Tinto. See ATSIC, *Submissions*, p. S732.

41 The pooling of funds is likely to be notional pooling.

with a wider range of industry sectors and in urban areas and recommends accordingly.

Recommendation 34

7.46 The Aboriginal and Torres Strait Islander Commission, the Department of Employment, Workplace Relations and Small Business, and the Department of Education, Training and Youth Affairs jointly pilot projects in urban areas that:

- **encourage partnerships between Indigenous organisations (particularly those receiving Community Development and Employment Project funding) and public authorities, private companies or industry groups;**
- **have the goal of moving Indigenous people into mainstream employment with those public authorities, private companies or industry groups; and**
- **use, at least notionally, pooled Commonwealth funds.**

7.47 One of the consequences of linking CDEP and mainstream employment programs more closely is that it has led to CDEP participants gaining access to more Centrelink benefits, including the CDEP Participant Supplement (CPS) payments.⁴² However, the Committee has taken evidence that the closer links have led to difficulties in practice. CDEP participants have noted frequent duplication of requests for information, delays in receiving CPS payments; and unanticipated payment adjustments to Centrelink entitlements. Participants also claim that CDEP work is increasingly being seen as just a Work for the Dole project, rather than as a scheme with its own socio-cultural objectives.⁴³

7.48 While acknowledging these problems and drawing DEWRSB's attention to them, the Committee sees CDEP as a very valuable scheme for preparing Indigenous people for employment and assisting them gain jobs.

7.49 The Committee has been impressed by the quality and innovation of many of the employment initiatives being run through CDEPs. Members note

42 The CDEP Participant Supplement (CPS) is paid by Centrelink to those working for a CDEP organisation. CDEP participants are now also eligible for a range of additional entitlements available to social security income support recipients, including health care cards, rent assistance, pensioner concession cards: See Department of Family and Community Services, *Submissions*, p. S460.

43 Kurrawang Aboriginal Christian Community, *Submissions*, p. S101.

the distribution of the magazine *CDEP News: The National CDEP Newsletter* to all CDEPs and other interested parties. The Committee sees the magazine as a useful mechanism for bringing together information on CDEP initiatives; for providing inspiration for others; and for facilitating professional networks. However, the Committee believes that the effectiveness of the magazine would be increased if it were also available electronically and recommends accordingly.

Recommendation 35

- 7.50 **The Aboriginal and Torres Strait Islander Commission make *CDEP News* available on the ATSIC Website.**

Training

- 7.51 The Committee has received little evidence of the effectiveness or otherwise of the Commonwealth, state and territories' provision of vocational education and training (VET) for Indigenous people. What is clear, however, is that participation and completion of VET courses will be more likely if VET participants have gained adequate prior literacy and numeracy skills at primary and secondary school. Education is the key to training and training is the key to employment.
- 7.52 The Committee notes that Indigenous people are more likely to enrol in lower level post school VET courses than non Indigenous Australians and are less likely to pass VET courses than non Indigenous students. Even when they do graduate, Indigenous graduates of colleges of Technical and Further Education (TAFE) are less likely to obtain employment than non-Indigenous graduates and when they do so, their post graduation incomes are significantly lower.⁴⁴
- 7.53 What evidence the Committee did receive stressed the importance of school based VET for Indigenous students and the need for pre-employment training to help Aboriginals and Torres Strait Islanders become more competitive with non Indigenous job applicants. These issues are discussed below.
- 7.54 The provision of VET is essentially a partnership between the Commonwealth, states and territories.⁴⁵ The states and territories have primary responsibility for funding VET and for administering and

44 CGC, *Draft Report of the Indigenous Funding Inquiry*, pp. 162-63.

45 Department of Education, Training and Youth Affairs (DETYA), *Submissions*, p. S827.

delivering VET within their jurisdictions.⁴⁶ VET is provided by registered training organisations (RTOs). These include the public sector TAFEs, which deliver about 85% of training. The RTOs that deliver the residual training include schools, community organisations, enterprises and industry bodies.⁴⁷

- 7.55 The Commonwealth does fund some Indigenous specific VET programs such as the VET component of the Indigenous Education Strategic Initiatives Program and the Aboriginal Tutorial Assistance Scheme.⁴⁸
- 7.56 The nationally agreed strategy for Indigenous VET is called Partners in a Learning Culture.⁴⁹ The strategy has several objectives: including obtaining Indigenous VET participation rates equal to those of the rest of the community; providing VET in more culturally appropriate ways; and more closely tailoring Indigenous VET training to employer requirements and job opportunities.⁵⁰

Pre Employment Training

- 7.57 The Committee took evidence indicating that many Indigenous job seekers are uncompetitive with other job seekers because of their low numeracy and literacy standards. As one employer pointed out:

A lot of [Indigenous] people leave school at the end of year 10 but their education is often equivalent to, say, year 7 and they need ongoing training in literacy and numeracy... and I am not just talking about kids.⁵¹

- 7.58 A community group similarly stressed ‘an urgent need’ to address employment opportunities for Indigenous people in the light of their ‘increasingly early school leaving age and low literacy and numeracy skills’.⁵²
- 7.59 The Collins Report into education in the Northern Territory also noted advice from employer bodies that ‘more than ever before’ employers were

46 The Commonwealth provides approximately one third of funding and assists in national coordination of priorities. See DETYA, *Submissions*, pp. S830-33.

47 CGC, *Draft Report of the Indigenous Funding Inquiry*, p. 162.

48 CGC, *Draft Report of the Indigenous Funding Inquiry*, p. 171. See also: DETYA, *Submissions*, p. S827.

49 Australian National Training Authority (ANTA), *Partners in a Learning Culture: Australia's National Aboriginal and Torres Strait Islander Strategy for Vocational Education and Training 2000-2005*.

50 ANTA, *Partners in a Learning Culture*, p. 15.

51 Community Meeting, Laverton, Western Australia, *Transcripts*, p. 29.

52 Youth Coalition of the ACT, *Submissions*, p. S925.

unable to find Indigenous people who met basic literacy and numeracy entry criteria for employment and training.⁵³

- 7.60 There are a number of national and state and territory mainstream and Indigenous specific initiatives to provide basic pre-employment training for people wishing to enter the work force or an apprenticeship. At the secondary school level, a key goal of the National Indigenous English Literacy and Numeracy Strategy (NIELNS) is to raise the literacy and numeracy standards of Indigenous school students to those of their non Indigenous peers.⁵⁴ NIELNS is complemented by the Indigenous Youth Partnership Initiative (IYPI), funded by DETYA, which aims to assist young people in the transition from school to employment, primarily through providing them with vocational education (see below).⁵⁵
- 7.61 DETYA also funds the mainstream New Apprenticeships Access Programme (NAAP), which provides pre-traineeship assistance to post school leavers who are disadvantaged in the labour market and who require preliminary training before they can successfully participate in a New Apprenticeship. Funding is granted to training course providers on the basis that there is a real likelihood that the participant will attain an apprenticeship or traineeship as a result of the training provided.⁵⁶
- 7.62 Without taking further evidence, the Committee is reluctant to make a recommendation. However, Members are concerned that mainstream pre-apprenticeship or pre-employment programs, such as NAAP, be flexible enough so that they can be tailored to provide training to Indigenous people in culturally appropriate ways.

VET in Schools

- 7.63 One strategy for retaining Indigenous young people at school and helping them make a post school transition into private sector employment and formal apprenticeships is by providing VET in schools.⁵⁷ A structured exposure to the workforce is also helpful for students who lack role models with employment skills, arising from being in families with a generational history of unemployment.⁵⁸ The importance of school based VET for preparing Indigenous students to successfully undertake apprenticeships was put to the Committee by an employer:

53 Northern Territory Department of Education, *Learning Lessons: An independent review of Indigenous education in the Northern Territory*, (the Collins Report), 1999, p. 2.

54 DETYA, *Submissions*, p. S826.

55 DETYA, *Submissions*, p. S843.

56 DETYA, *Submissions*, p. S846.

57 ATSIIC, Victorian State Office, *Submissions*, p. S600; DETYA, *Submissions*, p. S841.

58 South Australian Government, *Submissions*, p. S1208.

What we need is better VET skills training in schools. That is really critical to use because otherwise we cannot start preparing those younger kids, at an earlier age. If we could, we would get a much better result.⁵⁹

- 7.64 However, the Queensland Government has indicated that, in Queensland at least, the take up and retention of Indigenous students in school based apprenticeships and traineeships has been low. Barriers included employer perceptions, a lack of family support, transport difficulties and poor education skills.⁶⁰

Agency innovation

VET in Schools – WA

The Western Australian Department of Training and Employment administers the Western Australian School Based Traineeship Program. The program is the result of a partnership between the department, local Indigenous communities, regional high schools and group training schemes.

First trialed in 1998, the program provides year 11 and 12 Indigenous students with a two year school based traineeship.

Participants spend two days at school, two days at work and one day in vocational education and training.

In 1999 there were 41 students participating, involving 13 senior high schools. A number of the students were offered apprenticeships on leaving school.

There are expected to be 160 traineeships by 2002.⁶¹

- 7.65 The Australian Student Traineeship Foundation (ASTF) is a Commonwealth funded independent industry led body, responsible for supporting the expansion and enhancement of joint school industry programs. DETYA has contracted the ASTF to manage the IYPI as part of the WADU strategy which the ASTF is running jointly with the Aboriginal and Torres Strait Islander People’s Advisory Council to the Australian National Training Authority.⁶² The WADU strategy focuses on local level partnerships between schools, VET providers and employers. Through WADU funding, the ASTF has financed innovative national and

59 Round Table Discussions, 1 November 2000, *Transcripts*, p. 50.

60 Queensland Governments, *Submissions*, p. S1279.

61 Western Australian Government, *Submissions*, pp. S1136-37.

62 WADU is an Indigenous word meaning ‘together in partnership and trust’.

demonstration projects to implement successful school based VET for Indigenous students. There have been a number of projects funded since late 1999. WADU demonstrators that have proved successful should receive ongoing funding. The Committee believes that their application for expansion in urban areas should be investigated by the ASTF.

- 7.66 The Committee sees VET in schools programs, tailored to Indigenous needs, as a very important mechanism to help Indigenous people in school to work transitions. In fact, the availability of VET in years 11 and 12 may be a key factor in encouraging Indigenous students to remain at school for the post compulsory years. The ASTF should be encouraged to identify any impediments to Indigenous secondary school students taking up VET in schools courses and implement strategies to overcome the impediments.

Green Corps

- 7.67 The Green Corps is a Commonwealth program that provides young people with the opportunity to volunteer to work on environmental and heritage consideration projects. It is managed by Conservation Volunteers Australia on behalf of DETYA as a Commonwealth Youth Initiative. Projects are community based, are of six months duration and are primarily located in regional and remote areas of Australia. The program provides participants with accredited training and a training allowance for the duration of the project.⁶³
- 7.68 Green Corps projects began in October 1999 and will be funded through to November 2002, although there is a possibility of extra Commonwealth funding to continue the Green Corps beyond 2002. During the period, there will be a total of 524 Green Corps projects undertaken across Australia, offering placements for over 5,200 young Australians.
- 7.69 The Committee sees participation in Green Corps projects as an ideal way for Indigenous young people to gain structured training, particularly for those in rural areas and, accordingly, recommends continued funding for the Green Corps beyond 2002 and the promotion of the scheme to Indigenous people.

Recommendation 36

- 7.70 **The Department of Education, Training and Youth Affairs fund the Green Corps beyond 2002 and promote Green Corps membership to young Aboriginals and Torres Strait Islanders.**

63 <http://greencorps.ballarat.net.au>.

Private Sector Initiatives

- 7.71 There are a number of private sector initiatives to assist Indigenous people into employment, two of which the Committee wishes to promote. The first is the Corporate Leaders for Indigenous Employment Project and the second is the Australian Chamber of Commerce and Industry (ACCI)'s Indigenous Employment, and Education Program, run in partnership with DEWRSB and DETYA.
- 7.72 As mentioned above, the Corporate Leaders for Indigenous Employment Project is part of the IEP. Project participants are private sector companies that have signed Memoranda of Understanding with DEWRSB offering to employ Indigenous people. Although the strategies of each company will be different, they may include active recruitment campaigns, provision of work experience, access to apprenticeships or joint venture partnerships. In return and if needed, DEWRSB will offer flexible funding arrangements for the companies, usually using STEP funding.⁶⁴ At the time of this inquiry, over 50 companies had entered the project.
- 7.73 In partnership with DEWRSB and DETYA, the ACCI is promoting DEWRSB and DETYA's Indigenous employment and training initiatives to businesses through Indigenous employment managers at chambers of commerce and industry.⁶⁵ The ACCI is also a co-signatory of the Corporate Leaders for Indigenous Employment Project and has agreed to other initiatives including sponsorship of an annual Youth Indigenous Journalist of the Year award as part of the National Youth Media Awards.⁶⁶
- 7.74 The Committee believes that partnerships between Indigenous people and communities, government and the private sector will provide the best prospects for generating jobs for Indigenous people. Members welcome the two initiatives described above and encourage further ones.

Self Employment

- 7.75 So far the chapter has examined government and private sector initiatives to help Indigenous people gain economic independence through becoming employees. An alternative method of gaining economic

64 DEWRSB, *Corporate Leaders for Indigenous Employment: Indigenous Employment Program*, www.jobsearch.gov.au/Indigenous/ (August 2001).

65 www.ieep.com.au/ (August 2001).

66 Minister for Education, Training and Youth Affairs, Hon Dr David Kemp, MP, *Media Release*, 31 May 2001, K119.

independence is for Indigenous people or organisations to establish new businesses and employ themselves. However, as mentioned in the first section of this report, it is estimated that only 1.3% of Indigenous people are self-employed, compared to 8.4% of all Australians.

7.76 In its submission, the South Australian government noted the following keys features necessary for successful small Indigenous businesses:

- training in business planning and management that is provided in a culturally sensitive way before and after establishment of a business;
- formal mentoring schemes, which are most effective if provided by an Indigenous mentor;
- flexible training, possibly provided in short sessions to small groups and including literacy and numeracy training where a need has been identified;
- ongoing support in the early stages of a new Indigenous businesses and business incubators – possibly with advice provided remotely using information technology – have helped Indigenous businesses in the past;
- the establishment of formal and informal Indigenous business networks, which facilitate learning through sharing of experiences and providing encouragement; and
- access to finance, which can be difficult if the Indigenous business person has a lack of capital security or a continuous banking history.⁶⁷

7.77 Other evidence notes that a part time work culture and a lack of exposure to market places and operating environments are barriers to Indigenous people wishing to set up businesses.⁶⁸

Government Programs

7.78 There are two main Indigenous specific programs funded by the Commonwealth to encourage the establishment of Indigenous small business: the Indigenous Small Business Fund (ISBF) and the Business Development Plan (BDP).

7.79 The ISBF is a component of the IEP and is jointly funded by DEWRSB, which provides funding for organisations, and ATSIC, which provides funding for individuals.⁶⁹ The ISBF provides funding to allow:

⁶⁷ South Australian Government, *Submissions*, pp. S1214-15.

⁶⁸ Burns Aldis, *Submissions*, pp. S363-64.

- Indigenous organisations to learn about business, develop good business skills and expand their businesses; and
- Indigenous individuals to develop their business ideas.⁷⁰

7.80 The BDP is administered by ATSIC and combines the former Business Funding Scheme and the Indigenous Business Incentive Program. BDP offers an alternative to mainstream financial institutions by providing a variety of business development facilities. The aim is to promote Indigenous economic development by enabling Indigenous people and communities to acquire or develop commercially successful enterprises. The BDP will also provide finance in the form of loans, grants, guarantees or a combination of them to help start or expand a business.⁷¹

7.81 The Committee is aware that the states and territories also provide their own mainstream and, in some cases, Indigenous specific programs to assist small businesses get established.⁷² However, in what is a common concern raised in the report, there is evidence that the sheer number of different business preparation services is confusing:

An Aboriginal person wanting to start off a business has to deal with five or six different agencies and by the time you have got to about agency three, he is really just about at the end of his rope and does not progress any further.⁷³

7.82 The Committee thinks that small businesses provide an excellent mechanism by which Indigenous people can gain economic independence, particularly in urban areas where there are more markets. However, the Committee makes the following recommendation in recognition that coordination between the various assistance schemes needs to be implemented as much as possible.

Recommendation 37

7.83 That the Aboriginal and Torres Strait Islander Commission and the Department of Employment, Workplace Relations and Small Business

69 DEWRSB, *Department of Employment, Workplace Relations and Small Business – Employment Programmes for Indigenous Australians*, Exhibit 12, p. 4. See also www.jobsearch.gov.au/Indigenous/ (August 2001).

70 DEWRSB, *Commonwealth Government Initiatives for Small Business: Including Government Contacts for Small Business Issues*, 2000, www.dewrsb.gov.au/smallBusiness/advice/ (August 2001).

71 ATSIC, *Programs: Indigenous Small Business Fund*, www.atsic.gov.au/programs (August 2001); *Programs: Business Development*, www.atsic.gov.au/programs (August 2001).

72 For example, Indigenous Development Grants (Queensland); Indigenous Economic Development Scheme (Western Australia).

73 Round Table Discussion, 1 November 2000, *Transcripts*, p. 47.

jointly take a leadership role to coordinate the delivery of Commonwealth, state and territory mainstream and Indigenous specific programs offering assistance to small businesses.

- 7.84 The Committee also notes the establishment of Indigenous Business Australia (IBA) in April 2001. IBA took responsibility for the operation of the Aboriginal and Torres Strait Islander Commercial Development Corporation with the aim of forging partnerships between Indigenous people and corporate Australia. IBA will develop commercially viable joint ventures that will enable Indigenous Australians to acquire equity in a number of large businesses and provide opportunities for Indigenous employment.

Conclusion

- 7.85 The Committee is convinced that improving private sector employment opportunities for Indigenous people will be one of the key drivers for improving the socioeconomic status and economic independence of Indigenous people and their communities. Fortunately, due to their proximity to labour markets, Indigenous people in urban areas are in a position to take advantage of the various government and private sector employment initiatives.
- 7.86 Greater Indigenous participation in the work force will not just benefit the individuals employed. Indigenous people with jobs stimulate local and regional economies; empower Indigenous people to control their own economic choices and development; and reduce their dependence on social welfare with all its associated pitfalls.⁷⁴

74 Council for Aboriginal Reconciliation, *Achieving Economic Independence*, p. 2.