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**The Hon Lou Leiberan
Chairman
Standing Committee on ATSI Affairs
House of Representatives
Parliament House
Canberra ACT 2600**



Dear Hon Leiberan

INDIGENOUS EMPLOYMENT AND TRAINING INITIATIVE BY ANACONDA

Following the meeting of the Standing Committee last year at Murrin Murrin please find enclosed the file history of funding submissions by Anaconda over the last three years, to Federal and State agencies. These sought to underpin indigenous training and employment through the John Forrest VTEC. We have sent a second copy to The Hon. Barry Haase at his request.

You will recall that we (and other related organisations) are extremely disappointed in the level of genuine assistance offered to train and employ indigenous Australians. Generally, the correspondence agrees to assistance in principle, however little program flexibility and minimum funding commitments have been delivered.

The delay in providing this information has been due to the latest negotiations with DEWR/SB, that outcome being disappointing. However, at the State level, significant progress has been made and should the Federal agencies demonstrate the same level of commitment, the future of the VTEC is assured.

The summary issues relating to this very complex set of challenges will require strong leadership and support from the committee for them to be resolved satisfactorily. I have outlined overarching issues relating to Federal leadership, agency issues relating to synergies and flexibility followed by an update of the current situation relating to the state contribution and success of recent programs.

We wish to meet with yourself and your colleagues in the near future to discuss how our collective efforts can be harnessed to develop new and stable long term initiatives that deliver realistic and practical responses to the issue of indigenous socio-economic development. I will make contact through Cheryl Scarlett to progress a meeting date. Please call me should you wish to discuss any matter raised in this correspondence.

Kindest regards
ANACONDA NICKEL LIMITED

JOHN JURY

Manager: Community Development

**Submission to the House of Representatives Standing Committee on ATSI
Affairs**

By: Anaconda Nickel Limited

RESRICTIONS AND ISSUES IMPEDING INDIGENOUS TRAINING AND EMPLOYMENT IN REGIONAL WESTERN AUSTRALIA

From the outset, we argue that industry is well placed to facilitate employment and training developing skilled people who meet the required level of competency, knowledge and skills. It is not however, industry's role to underpin the costs associated with basic training and education in remote areas where those services have been withdrawn or underdeveloped. Anaconda's work in developing a funding framework whereby training into employment can be linked in a one stop shop, is testimony to what can be achieved through strong industry and government partnerships. However, the road has been far too long, the level of trust by government far too little and the funding available to the framework we have developed totally inadequate to ensure long term outcomes (refer to file history Appendice IV).

In order to create a realistic long term response to indigenous development the following funding and flexibilities need to implemented. Analysis of the current situation, outlining impediments issues and restrictions are outlined below.

REQUIRED FUNDING AND POLICY FLEXIBILITY

To adequately meet the challenges relating to pre-employment and employment based training significant flexibilities need to be developed based on the following levels of support:

- Outcome from VTEC employment program
\$10,000
- Outcome from development training and entry into VTEC \$
5,000
- Funds to undertake mentoring and work experience \$
3,500
- Maintenance of existing 66 CDEP positions without absorption or loss by
CDEP manager of surplus positions.

Existing levels of support are listed at the end of this document, those being inadequate to foster long term programs.

OTHER FLEXIBILITIES WITHIN POLICY

- Federal leadership is required through a lead agency such as DEWRSB. There is sound argument for a one stop shop approach where case managers with industry experience works closely with employers to develop integrated employment strategies, options and funding levels.

Any interagency funding should be arranged by the lead agency case manager.

- ATSIC needs to ensure that EEO is not an issue when ATSI people from any background apply to join the VTEC program in good faith (see ATSIC and CDEP Compatibility section for explanation).
- ATSIC must develop arrangements whereby industry access to CDEP for employment programs is guaranteed. Industry should not have to undertake protracted negotiations with Regional Council and other parties every time it wants to run a course.
- ATSIC should develop guidelines that ensure CDEP placements granted for employment training are not absorbed into mainstream.

SYNOPSIS

Over all, there are two overarching issues that affect industry's ability to initiate and participate in indigenous employment and training:

- I. The continual competition between State and Federal agencies and their respective ministers over successful outcomes and funding frustrates effective partnering between industry and agency program administrators. This competition takes form in neither party committing support until it is clear what the other (both state and federal agency level) is contributing with the result that initiatives are slow and difficult to progress.
- II. The level of fragmentation between DETYA, DEWRSB, ATSIC and the State seriously hinders industry's ability to develop integrated programmes. For instance, each training and employment program requires Anaconda to enter five agreements, one federal contract, two state contracts and two written agreements with ATSIC funded organisations (namely the CDEP Provider and Regional Council).

In essence, there is no lead agency facilitating a one stop shop approach to support industry's endeavours.

Additionally, there are issues relating to those agencies which provide funding and programs:

DEWRSB POLICY

- Industry is only paid for employment outcomes. This leads to selection of only the best people available, to the exclusion and non-development of others. Further to this, even with the best mentoring and selection, industry is penalised as some individuals choose to drop out of training and or employment, mainly due to family circumstances.
- There is no scope for preparatory/pre-employment training in an adult and industry environment. This manifests the revolving training door syndrome, particularly when there is no scope/funding to continue working with people who either fail in training/employment or require additional training to reach employment (one shot and out). Current funding limits training to 24 weeks, which for many individuals is inadequate.
- DEWRSB's unit cost does not recognise the additional costs relating to accommodation

when running a remote residential program, which adds another 30% to total costs.

- During training and employment programs, the employer is required to carry a significant federal debt for up to 1 year.
- In some cases, the only available employment post training is part time or casual. DEWRSB currently does not recognise this as an outcome, penalising industry and participants.
- Overall, funding (including other agencies) lacks linkages to inter agency strategies that encapsulate holistic models and programs.

At Management level, DEWRSB has shown a lack of partnership cooperation. Industry is expected to submit program strategies without proper assistance, information or cooperation leading to submissions that do not fit the policy and industry frustration when strategies need to be reworked (invariably numerous times). From Anaconda's experience, and conversation with other industry members, DEWRSB appears to view new players with suspicion until a track record is established. Hence, developing an appropriate strategy from the start is difficult and expensive leading to delays in developing industry employment programs.

ATSIC AND CDEP COMPATABILITY

At the regional level in the WA Goldfields, there are very few industry partnerships designed to increase indigenous employment. There is a need for ATSIC to encourage CDEP managers particularly to develop programs that improve access to employment. Key issues to be addressed are:

- ATSIC policy guidelines for CDEP eligibility creates an EEO issue (refer to guideline 13.6 in extract from "The CDEP Story" attached {Appendice I}). In the Wongutha region, these guidelines are used to discriminate against other Aboriginal groups such as Noongars and Yamatji. Whilst Anaconda has undertaken to give preference to Wongutha applicants, there is constant opposition by the CDEP management committee membership to non Wongai's being offered training and employment. When coupled with the requirement to take the best available people on courses, this policy creates tension with the indigenous community or sets courses and people up to achieve a poor result or fail when people who require more development are added to appease the CDEP managers or the community (which the VTEC does not do, hence the tension).
- Maintaining access to CDEP is difficult due to continued frustration by antagonists at regional and local CDEP Corporation level. This stems from a culture of indigenous funding protection rather than industry partnerships. In respect to the VTEC project's 66 CDEP placements granted by ATSIC federally, the CDEP Manager has basically extorted an arrangement where unused CDEP placements are absorbed into the mainstream program or VTEC will not be supported. Effectively those positions are lost. ATSIC funding guidelines impede the CDEP manager's effective management of surplus positions, this may be an enhancing factor for this particular issue.
- ATSIC whilst agreeing verbally at CEO level to find flexibility in service provision has resulted in no action other than access to CDEP. The inability to access ATSIC funds to

assist enterprise development, VTEC administration and operations costs hampers developing better synergies and employment opportunities.

DETYA

Overall, DETYA whilst mooting their ability to support initiatives, has not been able to provide any assistance to the VTEC Project, particularly where school to work programs are needed in the region. Anaconda is seeking to develop this area in partnership with other mining companies. DETYA is not proactive in working with the industry to develop, initiate and fund new programs, similar to DEWRSB, they basically sit on their hands until an initiative meets their requirements.

The New Apprenticeship Scheme is not appropriate for the VTEC project. Most mining and allied companies will not employ an untrained person due to the need for competent staff under state regulations. Major contractors, particularly earthmovers, find it difficult to utilise New Apprenticeships as many contracts are reviewed annually and tendered every second year. This precludes 3 or 4 year apprenticeships and traineeships. Even with longer contracts, the scope for training people from ground zero is hampered by the tight margins the industry works within.

UNDERPINNING ISSUES IN PRE/POST COMPULSORY SCHOOLS

Appendice II that shows the education pathway, support and key influencers necessary to underpin a holistic approach to ensuring a successful transition from school to employment.

Whilst education is a state issue, you will recall the discussions on education with the Canning family during your visit to the VTEC. After speaking to other people in various vocational areas within the Goldfields region it is clear that there is a pressing need for a federal incentive to assist the states in attracting experienced and mature teachers to remote locations rather than the current contrary situation which leads to poor education outcomes particularly for indigenous children and youth. Such an initiative could be championed by DETYA.

CURRENT SUCCESS OF THE JOHN FORREST VTEC

The John Forrest VTEC Project has the potential to develop into a national model for both indigenous employment and practical reconciliation. Since its inception in 1998, the VTEC has trained into employment some 56 Aboriginal people, with another 40 placements expected this year. These successful outcomes have enabled Aboriginal people to be trained into jobs at a vocational level unprecedented in Australia, that being as Process Operators in metalliferous mining.

The VTEC is also the first training centre to receive unmitigated employment support by 4 other major industry members and three major contractors all of whom take VTEC graduates directly into employment post work experience at their respective operations (Appendice III: Letters of Support).

The level of interest in the VTEC Project has seen several other major mining houses commence negotiations and inhouse work to begin the transition to the VTEC training and employment model.

PRESENT FUNDING SITUATION

Currently the level of funding does not cover the costs of training and employing Aboriginal people. The table below summarises basic costs and available funding.

Unit Costs per Person		Funding Grants per Person	
Accommodation	\$4800	DEWRSB	\$7000
Mentoring	\$700	WADTE	\$1850
Travel	\$1150	CDEP	\$1000
Salary top up	\$3312		
TOTAL	\$9962	TOTAL	\$9850

The key issues have been outlined above, stability and funding of the model being a critical issue needing resolution. Many companies willing to embark on employment programs never run second courses due to the real costs of training becoming evident during their first effort. Industry must have access to long term, well balanced and adequate assistance if opportunities are to be maximised.