

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into indigenous training and employment outcomes

Submission no: 6

Received: 21/06/2004

Submitter: Mr Steve Balzary

Organisation: Australian Chamber of Commerce and Industry

Address: Commerce House
24 Brisbane Avenue
BARTON ACT 2600

Phone: 02 6270 8047

Fax: 02 6270 3139

Email: Steve.Balzary@acci.asn.au

21 June 2004

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

Please find attached a copy of the Australian Chamber of Commerce and Industry (ACCI) submission to the **Inquiry into Indigenous training and employment outcomes**.

ACCI has significant experience working on Indigenous employment and training outcomes and would be prepared to give evidence at a public hearing should an invitation be extended.

If you require any further information on this matter, please contact Mr William Trewlynn, National Manager Indigenous Employment and Training on (02) 6270 8010 or by email: william.trewlynn@acci.asn.au.

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

Yours sincerely



Steve Balzary
 Director
 Employment and Training

Commerce House, 24 Brisbane Avenue, Barton ACT 2600
 PO Box 6005, Kingston ACT 2604 Australia
 Telephone: 61-2-6273 2311 Facsimile: 61-2-6273 3286
 Email: acci@acci.asn.au Website: www.acci.asn.au
 ABN 85 008 391 796



INDIGENOUS TRAINING AND EMPLOYMENT OUTCOMES INQUIRY

ACCI SUBMISSION
TO THE
Senate Employment, Workplace Relations and
Education References Committee

JUNE 2004

Commerce House, 24 Brisbane Ave, Barton ACT 2600 • PO Box E14, Kingston ACT 2604 Australia
Telephone: 61-2-6273 2311 • Facsimile: 61-2-6273 3286 • Email: acci@acci.asn.au



INDIGENOUS TRAINING AND EMPLOYMENT OUTCOMES INQUIRY

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.

For the Community Development Employment Project (CDEP) to be a true employment and training program, it needs to be better aligned to industry and in particular, responsive to the training needs of Indigenous jobseekers and the skill shortages currently being experienced by industry.

The development of Industry based CDEPs 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.

Vocational Education Training 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.

INDIGENOUS TRAINING AND EMPLOYMENT OUTCOMES INQUIRY

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.

INDIGENOUS TRAINING AND EMPLOYMENT OUTCOMES INQUIRY

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.

Full details of ACCI's policies in this area can be found at **Attachment 1** "*Principles of Indigenous Employment, Education, Training and Small Business Development Policy*"

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

The main objective of the project is to develop a strategic approach to Indigenous employment and training, through:

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

INDIGENOUS TRAINING AND EMPLOYMENT OUTCOMES INQUIRY

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 development and facilitation of a workshop with member organisations to discuss and promote opportunities for Indigenous people within traditional trade occupations.

The workshop is being planned for mid July 2004 and aims to explore how industry can be more proactive in employing more Indigenous jobseekers in regional and rural locations experiencing skill shortages in traditional trades.

INDIGENOUS TRAINING AND EMPLOYMENT OUTCOMES INQUIRY

Response to Terms of Reference

In responding to the Terms of Reference, ACCI offers the following comments on impediments to Indigenous employment and measures to improve vocational training and employment outcomes for Indigenous people.

- The current Commonwealth Indigenous employment and training policy does not offer firm solutions to jobseekers and industry;
- While the policy has become more flexible, the interpretation by Program Managers differs from State to State;
- The approval process for funding applications, including information required can be a barrier for small to medium employers;
- The process for approval should be streamlined so that approval in-principle can be given subject to meeting all requirements needed by Government;
- Priorities set at the national and state levels do not always respond to the changing environment at the regional, rural and community levels;
- There are limited employability skills with Indigenous jobseekers, including skills and/or qualifications needed by industry; and
- Career counselling and/or mentoring does not always correspond to the local private sector and industries.

Specific Terms of Reference

(a) The effect of the Community Development Employment Projects (CDEP) scheme on the education and long-term employment outcomes of Indigenous people in rural, remote and urban areas.

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.

INDIGENOUS TRAINING AND EMPLOYMENT OUTCOMES INQUIRY

ACCI supports a system that provides the opportunity for people to participate in community activities in locations with a limited labour market. However, in locations with strong labour markets and or significant skills shortages, participation in CDEP should be targetted and supported by strong vocational training linked to labour market activity.

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.

ACCI believes that the current structure for the CDEP scheme does not provide any incentive for innovation and creative thinking. While some CDEPs have evolved into multi-million dollar enterprises, they continue to act as a re-entry point to welfare for those who have moved into mainstream employment.

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.

An alternative to the current scheme

In the past, CDEP has been used as a training tool for Indigenous people working on community infrastructure projects supported by ATSIC infrastructure funding. A significant number of CDEP participants undertook apprenticeships and/or traineeships on these projects. However, most were unable to “complete” because the length of training offered was for the duration of the project. In most cases this was less than the required training hours to complete the formal requirements of the training system.

This has led to many Indigenous people gaining Statements of Attainment and not full qualifications. This limits their ability to gain full time employment within their community, as most work needs to be undertaken by fully licensed tradespersons.

In addition this, when further infrastructure development occurs in the future, the process of “Recognition of Prior Learning” does not always occur and people restart trades at the lowest level. In some cases, this is used as a cost saving measure with community members undertaking higher-level work than the wage they receive.

INDIGENOUS TRAINING AND EMPLOYMENT OUTCOMES INQUIRY

ACCI has met with the CDEP Policy Branch within Aboriginal Torres Strait Islander Services (ATSIS) to discuss the development of Industry based CDEPs. The concept is centred on a partnership between Government, industry and the Indigenous community to provide a true pathway to employment for Indigenous jobseekers.

An example of an "Industry based CDEP" could be around the building and construction industry. This would be based on the development of a partnership between the Indigenous communities, the Master Builders Association (MBA), Housing Industry Association (HIA) and Commonwealth funding agencies.

The scheme is based on the following:

- Industry experiencing significant skill shortages in most rural and regional locations;
- significant community infrastructure funding to be announced through the Commonwealth;
- skills audits and recognition of prior learning;
- continuity of training for participants through the MBA and HIA Group Training services;
- follow-up services from MBA and HIA such as licensing of builders upon completion of trade; and
- business development training for future tenders.

While discussion to-date on such a proposal has been limited, industry is keen to explore this option given the demographics of Indigenous Australians. Any approach developed would need to include a sunset clause so that participants who completed a set period of training would leave the program and be absorbed within industry.

For the building industry, the sunset clause could be 26 weeks. This would give participants the opportunity to gain some experience working in the industry, gaining some entry-level skills and industry work ethics. From an industry point of view, they can assess the skills of participants, provide career advice and work with members to create pathways for participants into mainstream employment opportunities.

Participants would be paid a training wage, made up of CDEP allowance and funding through the Commonwealths Indigenous Employment Policy. After 26 weeks participants would be move from CDEP into the industry either through a Group Training Companies and/or member employers.

INDIGENOUS TRAINING AND EMPLOYMENT OUTCOMES INQUIRY

- (b) the appropriateness of the current framework for the funding and delivery of vocational education and training to meet the requirements of Indigenous communities and to prepare Indigenous people for employment, especially in rural and remote settings;**

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.

Further to this, better planning is required so that the priorities set are responsive to community infrastructure and business development. In past years, when communities have received Commonwealth funding for infrastructure development, State Training Authorities (STAs) have had limited resources to respond to community training proposals because the funding had already been allocated and/or this was not a funding priority.

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.

Further to this, in remote locations, communities have to consider a range of others issues when considering training. These are;

- accommodation for training providers;
- limited training resources;
- seasonal and community changes; and
- traditional customs.

Such issues have a significant impact on the decision making process for both providers and communities.

INDIGENOUS TRAINING AND EMPLOYMENT OUTCOMES INQUIRY

ACCI notes that the only Indigenous specific funding for the VET system is through the Indigenous Education Strategic Initiatives Programme (IESIP) and VET infrastructure for Indigenous people.

The process of assessing VET infrastructure funding needs to be examined and future decisions should take into account other infrastructure funding that maybe occurring within the community and/or region. This will allow for joint project management and lowering of costs associated with bringing in outside contractors.

This could further extend construction time to allow for any apprentices/trainees to complete more modules and in some cases complete training.

(c) The effectiveness of competency-based training models to deliver an appropriate level or mix of skills necessary for employment of Indigenous people, including the achievement of the necessary standards of literacy and numeracy:

ACCI supports the competency-based training model. Competencies are developed to meet the training requirements and deliver the skills need for employment with the industry. The issue for Indigenous people is not the competencies themselves, but the mechanisms and support for delivery.

This includes the flexibility to extend the delivery of training in a way that meets Indigenous students' learning needs, and to ensure that support material for training providers are culturally sensitive and appropriate.

The issue of literacy and numeracy needs to be addressed at an earlier age for Indigenous students than through the VET sector. As previously indicated, Training Packages need to be more flexible so that literacy and numeracy skills can be incorporated as a part of the Training Package. In particular, numeracy and literacy skills should be taught specific to the industry and shown as relevant to the workplace.

(d) The effectiveness of Commonwealth, state and territory-based initiatives to engage more Indigenous people in training and to encourage higher level skill acquisition in skilled trades and professions, including health and teaching:

ACCI does not believe the issue is to engage more Indigenous people into training, it is about how to encourage people into training with specific pathways to employment. The participation

INDIGENOUS TRAINING AND EMPLOYMENT OUTCOMES INQUIRY

rate of Indigenous people in the VET sector is compatible with the wider population, however, it is at the lower attainment levels and not linked to employment outcomes.

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 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.

(e) Models for engaging industry and Indigenous communities in partnerships to develop long-term employment opportunities for Indigenous people—in infrastructure development through to the arts—and the limitations and opportunities these confer.

The question of models to engage industry and Indigenous communities in partnerships is not as simple as it has been put. While it is relatively easy to define “industry” it is a lot harder to define “Indigenous communities”.

As previously indicated the development of Industry Based CDEP is a model to engage industry and Indigenous communities.

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.

The Commonwealth is about to undertake significant spending on Indigenous community infrastructure. The development of an industry based CDEP in building and construction industry would not only provide the opportunity for community people to participate in building infrastructure, but would also provide skills and ongoing employment within the industry.

The long-term objective for such a CDEP could be to evolve into a construction company. While enterprises have been established in the past with varied degrees of success, through the partnering with industry ongoing support, mentoring, training, advice and expertise are assured.

INDIGENOUS TRAINING AND EMPLOYMENT OUTCOMES INQUIRY

This model could be easy to replicated with such industries as tourism and hospitality, fish and agriculture and community arts and crafts.

Summary

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.