
The Parliament of the Commonwealth of Australia

Report on Indigenous Participation in Employment and Business

House of Representatives
Standing Committee on Indigenous Affairs

August 2021
Canberra

© Commonwealth of Australia 2021

ISBN 978-1-76092-289-4 (Printed version)

ISBN 978-1-76092-290-0 (HTML version)

This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Australia License.



The details of this licence are available on the Creative Commons website:
<http://creativecommons.org/licenses/by-nc-nd/3.0/au/>.

The Indigenous Affairs Committee acknowledges the Aboriginal and Torres Strait Islander peoples of this nation and the traditional custodians of Country throughout Australia. The Committee pays respects to ancestors and Elders past, present, and future, and is committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to land, waters and seas.



Contents

Contents	v
Chair's foreword	ix
Membership of the Committee	xiii
Committee Secretariat	xiv
Terms of reference	xv
List of abbreviations	xvii
List of recommendations	xix

REPORT

1 Introduction	1
Background	1
Conduct of the inquiry	1
Remote travel was not possible due to the pandemic	2
Themes in the inquiry and report structure	2
Aboriginal and Torres Strait Islander businesses	2
Aboriginal and Torres Strait Islander employment	3
2 Growing Aboriginal and Torres Strait Islander businesses	5
Overview	5
Aboriginal and Torres Strait Islander business successes	6
Kulbardi	7
Voyages Indigenous Tourism Australia	8
Manapan Furniture	9
The Eather Group	10

The Indigenous Procurement Policy	12
Background and operation	12
Successes with the IPP	19
Issues	20
Black cladding	20
Defining an Aboriginal and Torres Strait Islander business for the purposes of the IPP	24
Should the IPP have skills transfers and/or employment measures?	26
Lack of data	28
Administrative burden	30
Committee comment	32
Capacity building for Aboriginal and Torres Strait Islander businesses	35
Background	35
Tendering for government contracts	36
Indigenous business hubs	40
Indigenous Business Australia	42
Foreign trade and investment opportunities	45
Committee comment	47
3 Growing Aboriginal and Torres Strait Islander employment	49
Overview	49
Trends in Aboriginal and Torres Strait Islander employment	49
Jobactive	51
Background and operation	51
Issues	53
Incentives for Jobactive providers	53
The new employment services model	53
Committee comment	55
Vocational Training and Employment Centres	56
Background and operation	56
Analysis	57
Committee comment	58
Community Development Program	59
Background and operation	59
Comparison of the CDP with its predecessor, the CDEP	61

Current status of the CDP and its upcoming replacement in 2023	63
Criticisms of the CDP	64
Lack of long-term employment prospects.....	64
Disparities with Jobactive.....	65
Lack of tailoring to community needs	67
Recognition of traditional and culturally important activities	68
Committee comment	69
Training and mentoring	71
Focused training.....	71
The construction sector.....	73
Committee Comment	77
Mentoring	78
Common barriers to Aboriginal and Torres Strait Islander employment.....	82
Police record	82
Committee comment	86
Poor access to public transport.....	86
Committee comment	88
Current data limitations	89
Committee comment.....	91

APPENDICES

Appendix A - Submissions	93
Appendix B – Public hearings	97

TABLE

Table 1 Comparison of the targeted number and value of contracts for various Commonwealth agencies under the Indigenous Procurement Policy with the numbers actually awarded.....	17
---	----



Chair's foreword

One of Australia's most important economic and social policy goals is to improve the economic participation of Aboriginal and Torres Strait Islander Peoples.

Having a job or running a business can be life changing.

Witnesses told the committee that owning a business gives people greater freedom, choice and independence. It can provide pride, purpose, a legacy and a sense of achievement. Many of those sentiments are also true about having a job.

Indigenous businesses have grown in number from 13,700 in 2011 to over 17,000 today across a very wide range of industries including construction, healthcare and social services, professional services, administration, manufacturing, transport, retail, agriculture, arts, tourism and education.

Indigenous businesses create Indigenous jobs. Indigenous businesses have an employment rate for Aboriginal and Torres Strait Islander people that is 60% higher than other businesses.

The Commonwealth Government's Indigenous Procurement Policy (IPP), introduced in 2015 is playing a significant role in that growth and success. Similar policies are being introduced in the States and Territories too.

Under the IPP an Indigenous business is defined as a business with at least 50% Indigenous ownership. Supply Nation, an independent non-government organisation, registers businesses meeting this definition and certifies businesses whose ownership is 51% or more.

The IPP's purpose is to drive economic development and employment for Aboriginal and Torres Strait Islander people. The IPP sets as a target of 3% by volume and 1% by value of all Commonwealth procurement for Indigenous Businesses. The policy is worth \$4.3 billion in contract value today.

The IPP has been a great success with many federal departments repeatedly smashing their targets by volume and value. For instance, the Department of Defence had a target of 70 contracts when the policy started in 2015-16 and awarded

278 contracts that year worth a total of \$159.3 million. In 2019-20 its target was 714 contracts worth \$95.5 million and it awarded 2974 contracts at a value of \$471.9 million.

As the IPP becomes an established part of the culture of Commonwealth agencies it is important to ensure the policy continues to serve its purpose of driving economic development and employment. The Committee has made recommendations about whether Indigenous ownership by itself should be the qualification for participation in the IPP and whether some evidence of employment and skills transfer, the use of company profits and the ability to attract work from the broader commercial marketplace should also be taken into account. The Committee has made recommendations that both the National Indigenous Australian Agency and Supply Nation review their policy settings in this regard.

The Committee also recognises that there are further opportunities for expansion of the Indigenous business sector through the expansion of Indigenous business hubs, more training and support around the tendering process; and further expansion of Indigenous business opportunities through free trade agreements and foreign direct investment. We have also recommend removing legislative and other barriers which prevent Indigenous Business Australia from expanding its operations and lending to more customers.

There is still a significant gap between the employment rate for Aboriginal and Torres Strait Islander people and the rest of the population. In 2018 the Aboriginal and Torres Strait Islander employment rate was 49.1% compared to 75% for the rest of the population. The employment gap did not move much in the previous ten years. One of the new Closing the Gap targets is that by 2031 the proportion of Aboriginal and Torres Strait Islander people aged 25-64 who are employed should be increased to 62 per cent.

The Government has two major employment services programs available to Aboriginal and Torres Strait Islander people: Jobactive which covers most of the Australian population and the Community Development Program (CDP) in remote areas. In addition, Vocation Training and Employment Centres (VTEC) work with Jobactive and CDP providers to help match mentor and place longer term unemployed jobseekers.

Aboriginal and Torres Strait Islander people make up around 10 percent of job seekers on the Jobactive program and 82 percent of participants on CDP.

There are two boutique geographically specific indigenous Jobactive providers but no Indigenous provider of Job active services providing those services to a mainstream national labour market.

This report is released at a time when the Government is changing its employment services policy for all Australian jobseekers with the New Employment Services Model to commence in July 2022. At the same time the Government has announced a new remote jobs program to replace CDP. The new program will be codesigned with Aboriginal and Torre Strait Islander peoples.

The Committee has used this opportunity to provide some observations which we believe may help feed into those new programs. The Committee would like to see a national Indigenous Jobactive provider; greater collaboration and integration between Jobactive and VTEC; with payments ensuring there are more incentives to place people into jobs long term. There should be better alignment with Jobactive and CDP activity requirements. CDP should be place-based. There should be more community leadership in the design of activities under CDP; and a focus not on welfare, but on part-time work for part-time pay given the realities of the thin labour markets in remote Australia. There should also be a focus on the development of locally generated entrepreneurial activity.

We have made recommendations about the importance of training for real jobs delivered on country, transport to work and the vital importance of mentoring. A recurrent theme in evidence was the difficulty of placing jobseekers with police records. More needs to be done to better place these jobseekers and to encourage employers to take them on.

In examining all these policies, the committee wanted to consider their effect on Aboriginal and Torres Strait Islander people living in urban, regional and remote settings. The Committee conducted hearings in Western Sydney and the Central Coast of NSW.

The Committee had planned twice to travel to Northern Australia to visit remote and regional communities but the Covid 19 pandemic meant this was not possible. However, we were able to gather evidence from a wide range of stakeholders including in remote and regional communities via video link.

On behalf of the Committee, I would like to acknowledge and thank everyone who made submissions and gave evidence at the hearings. I would also like to take this opportunity to acknowledge the work of the Secretariat and Annette McHugh from my office.

I commend the report to the House.

Julian Leaser MP
Chair



Membership of the Committee

Chair Mr Julian Leeser MP

Deputy Chair Hon Warren Snowdon MP

Members Ms Sharon Claydon MP

Hon Warren Entsch MP

Ms Celia Hammond MP

Ms Anne Stanley MP

Mr Phillip Thompson OAM MP

Mr Terry Young MP

Committee Secretariat

Secretary	Ms Jenny Adams
Inquiry Secretary	Dr Kilian Perrem
Senior Research Officer	Ms Louise Milligan
Research Officer	Dr Michael Francis
Research Officer	Ms Savannah Pingol
Office Manager	Ms Sarah Brassier



Terms of reference

The House Standing Committee on Indigenous Affairs will inquire into and report on opportunities for employment and economic development for Indigenous Australians.

The Inquiry will identify existing and future pathways for employment and the opportunities for Indigenous business enterprises. It will also identify barriers that may impede employment and business opportunities for Indigenous Australians.

The scope of the Inquiry includes, but is not limited to:

- Employment pathways available to Indigenous Australians;
- Barriers to employment for Indigenous Australians, including access to employment and training;
- Government employment programs and opportunities to build upon effective initiatives;
- Identify gaps and opportunities in the workforce and future growth sectors that could result in employment and enterprise options for Indigenous Australians;
- The experience of successful enterprises initiated and owned by Indigenous Australians; and
- The involvement of Government departments and agencies in facilitating business opportunities for Indigenous Australians.



List of abbreviations

ACTU	Australian Council of Trade Unions
AEDF	Aboriginal Economic Development Forum
ALPA	Arnhem Land Progress Aboriginal Corporation
ANAO	Australian National Audit Office
APIC	Aboriginal Participation in Construction
APP	Aboriginal Procurement Policy
APSC	Australian Public Service Commission
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
CDEP	Community Development Employment Projects
CDP	Community Development Program
CfAT	Centre for Appropriate Technology Ltd
DES	Disability Employment Services
DESE	Department of Education, Skills and Employment
DESSFB	Department of Employment, Skills, Small and Family Business
DFAT	Department of Foreign Affairs and Trade
DHPW	QLD Department of Housing and Public Works
DIPL	NT Department of Infrastructure, Planning and Logistics

DITRDC	Department of Infrastructure, Transport, Regional Development and Communications
DSS	Department of Social Services
GI	Geographical Indication
IBA	Indigenous Business Australia
IBD	Indigenous Business Direct
IPP	Indigenous Procurement Policy
IPPPRG	Indigenous Preferential Procurement Programs Research Group
JSCI	Job Seeker Classification Instrument
MMR	Mandatory Minimum Indigenous Participation Requirements
MSA	Mandatory Set Aside
NET	NSWALC Employment and Training Ltd
NHLF	National Health Leadership Forum
NIAA	National Indigenous Australians Agency
NLC	Northern Land Council
NSWALC	New South Wales Aboriginal Land Council
NSWICC	New South Wales Indigenous Chamber of Commerce Inc.
NTIBN	Northern Territory Indigenous Business Network
OECD	Organization for Economic Cooperation and Development
PM&C	Department of Prime Minister and Cabinet
RFSG	Regional Force Surveillance Group
RJCP	Remote Jobs and Communities Program
TMR	QLD Department of Transport and Main Roads
VTEC	Vocational Training and Employment Centre



List of recommendations

Growing Aboriginal and Torres Strait Islander businesses

Recommendation 1

The committee recommends that the National Indigenous Australians Agency (NIAA), in consultation with other agencies, considers developing a richer measurement of performance and outcomes for the Indigenous Procurement Policy (IPP) than just contract numbers and value. Consideration by the NIAA should include how IPP contracts can help maximise Aboriginal and Torres Strait Islander employment and skills transfer.

Recommendation 2

The committee recommends a series of independent random audits of entities that have been awarded IPP contracts to ensure that black cladding is not happening and to assess if employment, skills transfer or other benefits to Aboriginal and Torres Strait Islander peoples is occurring as a result of the contract.

Following these audits, Supply Nation should review its policies and procedures to ensure they are fit for purpose.

Recommendation 3

The committee recommends that Supply Nation review its current definition of an Aboriginal and Torres Strait Islander business to better ensure that awarding IPP contracts benefits Aboriginal and Torres Strait Islander communities. Rather than just a percentage ownership definition, consideration should be given to including, among other things, the proportion of Aboriginal and Torres Strait Islander employees, skills transfer, the use of company profits and whether the

business has been able to attract work from the broader commercial marketplace.

Recommendation 4

The committee recommends that Supply Nation works with State and Territory based bodies, such as the Northern Territory Indigenous Business Network, to streamline registration processes to create a single national registration and certification system, and thereby reduce the administrative burden on Aboriginal and Torres Strait Islander businesses.

Recommendation 5

The committee recommends that Supply Nation establishes a presence in Northern Australia.

Recommendation 6

The committee recommends that the Australian Government support more business hubs and employment incubators where Aboriginal and Torres Strait Islander businesses can receive assistance with tender processes and with accessing government procurement opportunities.

Recommendation 7

The committee recommends that the Australian Government remove legislative and other barriers that could impede Indigenous Business Australia from expanding its operations.

Recommendation 8

The committee recommends that all future free trade agreements contain Aboriginal and Torres Strait Islander inclusions, including geographical inclusions, and that the government should support Aboriginal and Torres Strait Islander access to foreign direct investment.

Growing Aboriginal and Torres Strait Islander employment**Recommendation 9**

The committee recommends that the tendering process under the New Employment Services Model give special consideration to Aboriginal and Torres Strait Islander businesses that are also mainstream providers of employment services.

Recommendation 10

The committee recommends that payments between Jobactive and Vocational Training and Employment Centre (VTEC) providers be better

aligned so that there are more incentives to place Aboriginal and Torres Strait Islander candidates into jobs, support them to maintain the position and successfully transition into permanent employment.

Recommendation 11

The committee recommends greater collaboration and integration between VTEC and Jobactive providers to further enhance employment outcomes for Aboriginal and Torres Strait Islander job seekers.

Recommendation 12

The committee recommends that in engaging in the process of codesign, the Australian Government should consider incorporating the following elements into the redesign of the Community Development Program:

- Should be a place-based program and, as far as possible, be jointly governed and administered with locally and regionally-owned and community-based organisations that reflect the needs and aspirations of their local communities;
- Should recognise the unique characteristics of communities and small area labour markets and be able to address the difference and diversity in communities across Australia;
- Should be part-time work for part-time pay;
- Should not be designed as a welfare or job-replacement scheme;
- Flexibility should be built into the program design with local communities having a leadership role in determining activities to be undertaken within it;
- Consideration should be given to the additional resourcing required for meeting on-costs and the provision of capital for job creation;
- Should support the development of locally generated entrepreneurial activities to create small business opportunities in remote areas; and
- The activity requirements between the newly developed CDP and Jobactive should be better aligned to stop people moving from one program to another.

Recommendation 13

The committee recommends that training support should be given to meet the needs of individuals and communities for the local labour market, including for identified work under the new CDP program. The

committee also recommends that where possible, training should be delivered on country and should deliver transferable skills.

Recommendation 14

The committee recommends that in reviewing Aboriginal and Torres Strait Islander employment programs, mentoring becomes a central component of any new program.

Recommendation 15

The committee recommends that all providers under the New Employment Services Model and the revised CDP be required to contact prospective employers about their willingness to take on a job seeker with a police record before seeking to place that candidate.

The committee further recommends that employers be incentivised to employ such candidates.

Recommendation 16

The committee recommends that the Australian Government provides funding, in consultation with local communities, through both the New Employment Services Model and the revised CDP to provide transport options for Aboriginal and Torres Strait Islander job seekers who would otherwise struggle to attend work.

Recommendation 17

The committee recommends that the Australian Government develop systems to collect timely and reliable data that can track people through the employment, education and welfare system to better evaluate the success or failure of policies in individual circumstances. The data should include economic and social indicators and outcomes.