



Australian Government

Submission to House of Representatives Standing
Committee on Indigenous Affairs Inquiry into
Pathways and Participation Opportunities for
Indigenous Australians in Employment and Business

January 2020

Contents

1. Introduction	3
2. Closing the Gap Refresh	3
3. Pathways and Participation Opportunities for Indigenous Australians in Employment	4
3.1 Data on employment outcomes for Indigenous Australians	4
3.2. Barriers to employment for Indigenous Australians.....	5
3.3. Education and skills development	5
3.3.1 Indigenous-specific recommendations from the Expert Review of Australia’s VET System .	6
3.3.2 Higher Education Participation and Partnerships Program	7
3.3.3 ABSTUDY	7
3.3.4 Indigenous Students Success Program	8
3.4. Mainstream employment programs supporting Indigenous Australians.....	8
3.4.1 jobactive	8
3.4.3 Community Development Program	11
3.4.4 Disability Employment Services	12
3.4.5 Indigenous Australian employees in Australian Disability Enterprises (ADE).....	13
3.5. Complementary employment programs available to Indigenous Australians	13
3.5.1 Transition to Work	13
3.5.2 ParentsNext.....	14
3.6. Indigenous-specific complementary employment programs.....	15
3.6.1 Vocational Training and Employment Centres initiative	15
3.6.2 Tailored Assistance Employment Grants	15
3.6.3 The Employment Parity Initiative.....	16
3.6.4 Time to Work Employment Service	16
3.6.5 Employment Projects delivered through the Indigenous Land and Sea Corporation	17
3.6.6 Employment Services in Yarrabah	18
3.7 Commonwealth public sector Indigenous employment strategies.....	18
3.7.1 Whole of Government Indigenous Employment Pathway Programs.....	19
4. Pathways and Participation Opportunities for Indigenous Australians in Business	20
4.1 Data on business participation outcomes for Indigenous Australians	20
4.2 Barriers to and opportunities for business participation for Indigenous Australians	20
4.3. Mainstream programs facilitating business opportunities for Indigenous Australians.....	21
4.3.1 New Enterprise Incentive Scheme	21
4.3.2 Australian Small Business Advisory Service– Digital Solutions	21
4.3.3 Small Business Digital Champions.....	22

4.3.4 Relevant Department of Industry, Innovation and Science initiatives	22
4.4. Indigenous-specific programs facilitating business opportunities	23
4.4.1 Indigenous Procurement Policy	24
4.4.2 Infrastructure – Indigenous Participation Targets	25
4.4.3 Indigenous Business Sector Strategy	26
4.4.4 Indigenous Business and Employment Hubs	27
4.4.5 Expansion of the microenterprise support and finance program	27
4.4.6 Remote Indigenous Business Incubator pilots.....	28
4.4.7 The Indigenous Entrepreneurs Capital Scheme.....	28
4.4.8 Indigenous Business Australia.....	28
5. Gaps and opportunities that could result in employment and business participation options for Indigenous Australians.....	29
5.1 The New Employment Services Model	29
5.2 Projected growth industries.....	30
5.3 Economic opportunities on Indigenous land	32
5.4 Strengthening the evidence base	33
APPENDIX 1 - Table of Employment Programs that place individuals in jobs	35
APPENDIX 2 - Overview of Employment Programs.....	36

1. Introduction

The National Indigenous Australians Agency (NIAA), the Department for Employment, Skills, Small and Family Business (DESSFB), the Department of Social Services (DSS) and the Australian Public Service Commission (APSC) welcome the opportunity to make a joint submission to the House of Representatives Standing Committee on Indigenous Affairs Inquiry into Pathways and Participation Opportunities for Indigenous Australians in Employment and Business. Additional input was provided by the Department of Industry, Innovation and Science (DIIS).

The Australian Government is committed to closing the gap in employment and economic participation for Indigenous Australians. Employment contributes not only to financial and economic security, but to self-determination for individuals, families and communities. The Australian Government is also committed to increasing and promoting the Indigenous business sector. This sector contributes to self-determination for Indigenous Australians as well as increased economic prosperity for individuals, families and communities.

The Australian Government funds a range of programs which support employment pathways and business participation and are available to all eligible Australians. These are commonly referred to as mainstream programs. These programs and initiatives are administered by a number of Commonwealth agencies and are detailed in this submission.

The Australian Government also funds a number of Indigenous-specific programs and initiatives which support employment pathways and business participation. These programs and initiatives are administered by NIAA and other Commonwealth agencies and are detailed in this submission.

The Australian Government is committed to increasing employment for Indigenous Australians in the Commonwealth public sector. The Government has put in place a number of public sector employment initiatives which target Indigenous Australians and support their entry into the Commonwealth public sector. The Australian Government is also committed to increase its purchasing from Indigenous businesses through the Indigenous Procurement Policy.

The agencies welcome the opportunity to provide any further clarification the Committee requires.

2. Closing the Gap Refresh

Closing the Gap is a key priority of the Council of Australian Governments (COAG). COAG is delivering a refresh of Closing the Gap in partnership with Indigenous Australians, led by the Australian Government (through NIAA).

Originally implemented in 2008, Closing the Gap is a COAG strategy that aims to improve the lives of all Indigenous Australians and deliver better outcomes in health, education and employment. Many of the targets associated with the original agenda expired in 2018. The majority of the targets were not on track, including the target to halve the gap in employment by 2018.¹

In December 2018, COAG issued a draft framework and targets for the refreshed Closing the Gap agenda, and agreed this would be finalised through a genuine partnership with Indigenous Australians.²

¹ Closing the Gap Report 2019: <https://ctgreport.niaa.gov.au/sites/default/files/ctg-report-20193872.pdf?a=1>

² COAG Statement on the Closing the Gap Refresh, 12 December 2018: <https://www.coag.gov.au/sites/default/files/communique/coag-statement-closing-the-gap-refresh.pdf>

A Partnership Agreement between a Coalition of Aboriginal and Torres Strait Islander Peak Organisations (Coalition of Peaks), the Commonwealth, all states and territories and the Australian Local Government Association came into effect on 22 March 2019. A Joint Council was also established, comprising 12 representatives elected by the Coalition of Peaks, a Minister nominated by the Commonwealth, Ministers from each state and territory government and one representative from the Australian Local Government Association. For the first time, Indigenous Australians, through their peak bodies, are sharing decision making with governments on targets, performance indicators and policies to support Closing the Gap.

This partnership is responsible for refreshing the Closing the Gap framework and draft targets. The partnership is more than a consultative mechanism, with decisions made on a consensus basis.

A refreshed Closing the Gap Framework will better account for the interdependencies of social, economic, environmental and cultural drivers, and intergenerational impacts. Draft targets agreed by COAG in December 2018 support progress across an individual's life course, including birth outcomes, preschool attendance, school readiness, school and tertiary education success, greater workforce participation, appropriate and affordable housing, and reduction or elimination of both the over-representation of children in out-of-home care and violence against women and children.

Increasing Indigenous Australians' economic development through skills, higher levels of employment, higher incomes and wealth will be key priorities. Draft targets in schooling and further education will focus on early investment to improve education levels and skills development. The engagement of young people in education and employment will support their successful transition from schooling into the workforce. The Refresh will ensure more Indigenous Australians of working age are adequately supported to participate in the workforce and secure meaningful, ongoing employment.

The Closing the Gap Refresh is making good progress under the Partnership Agreement. All parties are working together with the aim of having agreed targets and a new National Agreement ready for endorsement by the Joint Council in the first half of 2020 ahead of COAG endorsement. Following finalisation of the new Agreement, each party will develop implementation plans outlining actions it will take to achieve the Agreement's outcomes. Closing the Gap will set the aspirations and strategic intent of governments to address a range of issues, including employment and business participation.

3. Pathways and Participation Opportunities for Indigenous Australians in Employment

3.1 Data on employment outcomes for Indigenous Australians

In the 2016 Census, 47 percent of Indigenous Australians aged 15 to 64 years were employed, compared with 72 percent for non-Indigenous Australians.³ In 2016, the unemployment rate for Indigenous Australians aged 15 years and over was 18 percent, compared with 7 percent for non-

³ Australian Bureau of Statistics, Aboriginal and Torres Strait Island Population, 2016: https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by_percent20Subject/2071.0~2016~Main_percent20Features~Aboriginal_percent20and_percent20Torres_percent20Strait_percent20islander_percent20Population_percent20Article~12

Indigenous Australians.⁴ The unemployment rates for Indigenous Australians were higher than those for non-Indigenous Australians, across all age groups. The difference was largest for young people aged 15 to 24 years (27 percent for Indigenous Australians, compared with 14 percent for non-Indigenous Australians).⁵ The gap between Indigenous and non-Indigenous employment rates has widened between 2006 and 2016 by around 6 percent.⁶ In 2016, Indigenous Australians aged 15–64 were 1.9 times as likely to be not employed as non-Indigenous Australians.⁷

The employment gap between Indigenous and non-Indigenous Australians narrows as education levels increase. There was effectively no gap in the 2016 employment rate between Indigenous and non-Indigenous Australians with a Bachelor degree or above (around 83 percent employed for both).⁸ Completion of Year 12 qualification also boosts employment considerably for younger Indigenous Australians compared with early school leavers. The employment rate in 2016 for young Indigenous Australians aged 18–29 who had completed Year 12 was between 1.5 and 3 times the rate for those without Year 12 qualification, depending on gender and remoteness locations.⁹ Young, employed Indigenous Australians with Year 12 qualification were more likely than early school leavers to be employed full time, and be in a skilled occupation.¹⁰

3.2. Barriers to employment for Indigenous Australians

Despite the efforts of governments since 2008 under the Closing the Gap Strategy, Indigenous Australians continue to be underrepresented in the Australian workforce. While Indigeneity is not a key determinant of employment participation, Indigenous job seekers on average face more barriers to employment than non-Indigenous job seekers. These barriers include lower educational attainment, limited access to transport, criminal convictions, or residence in outer regional, remote or very remote localities (with the consequence of locational disadvantage related to living away from centres of economic activity).¹¹

3.3. Education and skills development

Education and skills attainment is an important factor in determining employment outcomes for Indigenous Australians. In the last 10 years in Australia, the number of Indigenous Australians accessing higher education has more than doubled¹². Currently almost 20,000 Indigenous Australian students are attending university.¹³ The 2016 Census showed an increase between 2006 and 2016 in attendance at university or other tertiary institutions for 18 to 24 year old men (from four percent to seven percent) and women (from seven percent to 12 percent).¹⁴

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

⁸ Snapshot: Indigenous Employment, Australian Institute of Health and Welfare, 11 September 2019: <https://www.aihw.gov.au/reports/australias-welfare/indigenous-employment>

⁹ Ibid.

¹⁰ Ibid.

¹¹ 2014-15 National Aboriginal and Torres Strait Islander Social Survey: <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4714.0~2014-15~Main%20Features~Summary%20results%20for%20States%20and%20Territories~10002>

¹² ABS Census 2016

¹³ Ibid.

¹⁴ Ibid.

The Australian Government is committed to supporting students while in tertiary education to increase the number of Indigenous Australian students completing tertiary qualifications and the flow on benefits this provides to individuals, families and communities. Improvements in education outcomes for Indigenous Australians is a heartening indication of improved employment outcomes into the future.

The Australian Government funds a wide range of programs supporting strong educational outcomes for all Australians. Through the Indigenous Advancement Strategy (IAS)¹⁵ the Australian Government provides a range of supports to Indigenous Australian school and tertiary students, including career planning, industry expos and year 12 pathways, as well as transition support activities from primary to secondary and early secondary to senior secondary and post-school options. As students move through school, the IAS also provides mentoring support for secondary students and scholarships through a range of schools, colleges and private organisations.

These programs include initiatives which support educational attainment in sought-after professional skills to increase employment outcomes, for example in Science, Technology, Engineering and Mathematics (STEM). The Indigenous Girls' Science, Technology, Engineering and Mathematics (STEM) Academy is a \$25 million, ten-year national investment in high achieving Indigenous Australian girls who aspire to pursue education and careers in STEM professions. NIAA administers the STEM Academy.¹⁶

While not an exhaustive list, education not being the primary focus of this inquiry, the following reviews and programs are an example of some of the work underway in relation to supports available to Indigenous Australians post mandatory schooling.

3.3.1 Indigenous-specific recommendations from the Expert Review of Australia's VET System

The vocational education and training (VET) sector is a key pathway to employment for many Indigenous Australians. In March 2019, the final report of an independent review of Australia's VET sector was delivered to the Government.¹⁷

The *Expert Review of Australia's Vocational Education and Training System* focused on how the Australian Government's investment in VET could be more effective to deliver skilled workers for a stronger economy and provide Australians with the skills they need to be successful throughout their working life. The review considered the additional challenges that Aboriginal and Torres Strait Islander Peoples face and noted Indigenous Australians participate in VET at higher rates than non-Indigenous Australians. This includes higher levels of engagement with VET delivered as part of secondary school studies.¹⁸ The review included three recommendations specifically focussed on Indigenous issues:

¹⁵ Funding for Vocational Training and Employment Centres, Tailored Assistance Employment Grants and the Employment Parity Initiative (detailed further in this submission) is also provided through the IAS. More information about the IAS is available at: <https://www.indigenous.gov.au/indigenous-advancement-strategy>

¹⁶ More information about the academy is available at: <https://www.csiro.au/en/Education/Programs/Indigenous-STEM>

¹⁷ Department of the Prime Minister and Cabinet 2019, Final Report: Strengthening Skills: Expert Review of Australia's Vocational Education and Training System, <<https://www.pmc.gov.au/resource-centre/domestic-policy/vet-review/strengthening-skills-expert-review-australias-vocational-education-and-training-system>> (accessed 14 January 2020) 2019: <https://www.pmc.gov.au/domestic-policy/vet-review>

¹⁸ In 2015, 18.8 percent of 15 to 19 year old Indigenous students participated in VET in Schools, compared with 15.9 percent for non-Indigenous students (NCVER National Centre for Vocational Education Research, 2017, *Indigenous VET participation, completion and employment outcomes: infographic*). <<https://www.ncver.edu.au/research-and-statistics/infographics/indigenous-vet-participation-completion-and-employment-outcomes-infographic>> (accessed 20 January 2020)).

- Recommendation 8.5: *The Commonwealth to support the development of more quality Indigenous-owned-and-led Registered Training Organisations to provide more Indigenous learners with the option of foundation and vocational training in an Indigenous cultural setting.*
- Recommendation 8.6: *The Commonwealth and the States and Territories to specifically measure levels of enrolment, progress and outcomes for Indigenous learners at relevant funded Registered Training Organisations as part of a new Commonwealth-State vocational education funding agreement.*
- Recommendation 8.7: *New funding models to be developed to provide flexible wrap-around social support services in communities where there is high disadvantage so that vocational educators do not have to search through myriad targeted funding programs to find additional support to keep their learners engaged.*

The Australian Government is investing over \$585 million to upgrade and modernise the VET sector, in response to the review. The Government introduced the first stage of its response to the review in the 2019-20 Budget with the *Delivering Skills for Today and Tomorrow* package.¹⁹ Initiatives under this package include:

- the Commonwealth Training Scholarships for Young Australians program, which will Program, to support young Australians living in ten selected regions with high youth unemployment to undertake VET qualifications linked to in-demand occupations. Priority will be given to applications from selected cohorts, including in ten identified regional areas - young Indigenous Australians.²⁰
- Foundation Skills for Your Future – Remote Community Pilots, which will deliver foundation language, literacy, numeracy and digital (LLND) skills training and assessment in four remote communities. The Government will engage one or more Indigenous small and medium enterprises to provide tailored, flexible and locally relevant LLND training and assessment in the four pilot communities.²¹

3.3.2 Higher Education Participation and Partnerships Program

The Department of Education administers the Higher Education Participation and Partnerships Program (HEPPP).²² HEPPP provides funding to higher education providers to improve access to undergraduate courses for people from low socio-economic status backgrounds (which includes some Indigenous Australian students), as well as improving retention and completion rates. Further assistance for students is also available through the Higher Education Loan Program Scheme which removes up-front cost barriers to tertiary education by providing income contingent loans. In 2019, around \$143.7 million was provided under HEPPP to universities.

3.3.3 ABSTUDY

DSS administers the ABSTUDY scheme, which assists Indigenous Australians to take full advantage of available educational opportunities and improve their employment prospects.²³ ABSTUDY provides a

¹⁹ More information about the package is available at: <https://www.employment.gov.au/delivering-skills-today-and-tomorrow>.

²⁰ More information is available at <https://www.employment.gov.au/delivering-skills-today-and-tomorrow>.

²¹ More information is available at <https://www.employment.gov.au/delivering-skills-today-and-tomorrow>. More information about these pilots is available at: <https://www.employment.gov.au/foundation-skills-your-future-remote-community-pilots>

²² More information about this program is available at: <https://www.education.gov.au/higher-education-participation-and-partnerships-programme-hePPP>.

²³ More information about ABSTUDY is available at: <https://www.humanservices.gov.au/individuals/services/centrelink/abstudy>

means-tested living allowance and a range of supplementary benefits for Indigenous Australian full-time students and apprentices, with some supplementary benefits also available to part-time students. In 2018-19, \$264.87 million was invested through the ABSTUDY program to support around 27,412 secondary and tertiary students.

3.3.4 Indigenous Students Success Program

NIAA administers the Indigenous Students Success Program (ISSP), which provides supplementary funding (\$71 million in 2020) to 40 universities to help students take on the demands of university and succeed.²⁴ Under ISSP, universities offer scholarships, tutorial assistance, mentoring, safe cultural spaces and other personal support services. The flexibility of ISSP assists universities to tailor their services to match student needs. ISSP is prioritised towards rewarding universities where their Indigenous Australian students are obtaining their qualification as well as supporting Indigenous Australian students who are financially disadvantaged and/or from remote and regional areas.

3.4. Mainstream employment programs supporting Indigenous Australians

The Australian Government funds a number of mainstream employment programs available to all job seekers. The majority of Indigenous Australian job seekers are supported through mainstream employment programs.

3.4.1 jobactive

DESSFB administers the Australian Government's mainstream employment service, jobactive, which has been supporting job seekers and employers and promoting stronger workforce participation since its introduction in July 2015.²⁵ As at 30 November 2019, jobactive is delivered to around 600,000 jobseekers over 1,700 sites across Australia, with providers having the flexibility to deliver services that are tailored to local labour market conditions and the needs of job seekers and employers. Indigenous Australians make up 12 percent of jobseekers in the program (around 73,000) as at 30 November 2019.²⁶

The level of assistance a job seeker receives from their jobactive provider is determined using the Job Seeker Classification Instrument (JSCI). The JSCI is a questionnaire conducted by the Department of Human Services (Services Australia) or employment service providers to determine the most appropriate level of employment servicing for the job seeker.

- People assessed as the most job ready are in Stream A. They receive services to help them understand what employers want and how to navigate the local labour market, build résumés, and look for jobs.
- Participants requiring more assistance from their jobactive provider are in Stream B. They may have barriers such as housing instability or poor language, literacy and numeracy skills, which make them less competitive in the job market.
- Some participants' JSCI indicates the need for further assessment through an Employment Services Assessment (ESAt) conducted by a Services Australia health or allied health professional. An ESAt may determine that the Participant be serviced in Stream C due to

²⁴ More information about this program is available at: <https://www.niaa.gov.au/indigenous-affairs/education/indigenous-student-success-program>

²⁵ More information about the program is available here <https://www.employment.gov.au/jobactive>.

²⁶ DESSFB Administrative Data (2019)

them having a combination of serious issues that need to be addressed before they can take up and retain a job.

Indigenous Australians are more likely to be identified as requiring additional support than non-Indigenous Australians. As at 30 November 2019, 79.3 percent of Indigenous job seekers were in Streams B or C compared with 60.1 percent of non-Indigenous job seekers.²⁷

Over the period 1 July 2015 to 30 November 2019, jobactive providers achieved over 140,000 job placements (9.6 percent of all job placements) and 37,000 26-week outcomes for Indigenous job seekers (7.9 percent of all 26 week outcomes).²⁸ Over the same period, non-Indigenous job seekers have achieved nearly 1.4 million job placements (90.4 percent of all job placements) and over 400,000 26-week outcomes (92.1 percent of all job placements).²⁹

3.4.1.1 Wage subsidies

Australian Government wage subsidies, administered by DESSFB, are a financial incentive to encourage employers to hire eligible jobactive, Transition to Work, and ParentsNext (Intensive Stream) participants in ongoing jobs by contributing to the initial costs of hiring a new employee.³⁰ The Restart wage subsidy (for job seekers aged 50 years and over) is also available to eligible Disability Employment Services participants. Wage subsidies can help employers to grow their business and give them greater flexibility in their hiring options.

Under the Closing the Gap - Employment Services package announced in the 2017–18 Budget, from 1 January 2018, instead of a six month waiting period, Indigenous Australian participants may attract a wage subsidy of up to \$10,000 (GST inclusive) immediately after commencing in employment services, if they meet all other eligibility requirements. This was an increase from the previous \$6,500 (GST inclusive) for some wage subsidies.

Since 1 July 2014, more than 28,500 Indigenous Australians have been supported into ongoing work with a wage subsidy.³¹ With the introduction of the Closing the Gap – Employment Services measure, since 1 January 2018, 16,800 Indigenous Australians have been assisted into ongoing work with a wage subsidy.³²

3.4.1.2 Work for the Dole in jobactive

Work for the Dole is an approved activity for all job seekers in jobactive, including Indigenous participants. It can be undertaken at any time, but is most commonly undertaken during the Work for the Dole Phase.³³ Work for the Dole builds job seekers' skills and experience in work-like activities and provides an important pathway to securing ongoing employment.

²⁷ DESSFB Administrative Data (2019)

²⁸ DESSFB Administrative Data (2019)

²⁹ DESSFB Administrative Data (2019)

³⁰ More information about wage subsidies is available at: <https://www.employment.gov.au/wage-subsidies>

³¹ DESSFB Administrative Data (2019)

³² DESSFB Administrative Data (2019)

³³ Job seekers enter the 'Work for the Dole Phase' after 12 months in jobactive and every subsequent year that they remain unemployed.

Between 1 July 2015 and 31 October 2019, 12.8 percent of Work for the Dole participants identified as Indigenous.³⁴ On 31 October 2019, there were more than 2,000 Indigenous participants in a Work for the Dole activity.³⁵

Under jobactive, 20 percent of Indigenous participants who exited Work for the Dole in the period 1 January 2018 to 31 December 2018 were in employment three months later.³⁶ Of the 20 percent, 32 percent were employed full-time and 68 percent were employed part-time.³⁷

Since January 2018, jobactive providers with Indigenous participants on their caseloads have been encouraged to establish Indigenous-specific Work for the Dole activities. These activities are linked to Indigenous host organisations and aim to benefit the Indigenous community and individual by linking to community goals and providing meaningful pathways in a supportive environment.

3.4.1.3 Youth Jobs PaTH

DESSFB administers Youth Jobs PaTH (Prepare, Trial, Hire), a program which helps young people (aged 15 to 24) become more competitive in the labour market by ensuring they have the basic employability skills that businesses need, and by providing them with opportunities to demonstrate those skills and secure ongoing employment through internships and Youth Bonus wage subsidies.³⁸ Between 1 April 2017 and 31 November 2019 there have been more than 15,500 Indigenous participants in at least one element of PaTH (noting that Indigeneity is self-reported).³⁹ Of these 15,500 participants, around 10,000 (65%) have had a job placement.

Youth Jobs PaTH comprises three elements:

- Prepare - Employability Skills Training helps young jobactive participants aged 15 to 24 understand employer expectations and become job ready. Training ranges from preparing for job interviews to learning workplace skills such as teamwork and computer skills. As at 30 November 2019, almost 6,400 Indigenous young people have participated in an EST course, with 34 percent of them going on to an Internship or job placement in the six months following their completion of EST, compared to a national figure of 42 percent.⁴⁰
- Trial - Internships of four to 12 weeks provide young participants aged 17 to 24 in jobactive, TtW and Disability Employment Services a supervised work experience opportunity where there is a prospect of an ongoing job. As at 30 November 2019, more than 1,600 Indigenous young people have commenced an Internship. Of these Internships, more than 1,000 have been completed, with almost 700 (67.5 percent) resulting in employment. A further 85 (8.3 percent) obtained employment within three months of their Internship.⁴¹ This compares favourably against overall program outcome rates of 65.4 percent employed upon completion, and a further 8.4 percent employed within three months.
- Hire – Youth Bonus wage subsidy of up to \$10,000 (GST inclusive), paid over 26 weeks to support the ongoing employment of young people 15-24 years of age (inclusive). Since its

³⁴ DESSFB Administrative Data (2019)

³⁵ DESSFB Administrative Data (2019)

³⁶ DESSFB Administrative Data (2019)

³⁷ DESSFB Administrative Data (2019)

³⁸ More information about the program is available here: <https://www.employment.gov.au/youth-jobs-path>.

³⁹ DESSFB Administrative Data (2019)

⁴⁰ DESSFB Administrative Data (2019)

⁴¹ DESSFB Administrative Data (2019)

introduction on 1 January 2017, more than 9,900 young Indigenous Australians have been employed with the support of a Youth Bonus wage subsidy.⁴²

3.4.3 Community Development Program

NIAA administers the Community Development Program (CDP).⁴³ CDP is the Australian Government's remote employment program. The CDP aims to prepare both Indigenous and non-Indigenous job seekers in remote Australia to transition from income support into jobs, while contributing to the goals of their community. It is tailored to the unique social and economic conditions of remote Australia, where there are fewer work opportunities.

The CDP currently supports around 31,000 remote job seekers in over 1,000 communities, and approximately 84 percent of CDP participants identify as Indigenous Australians.⁴⁴ Since it began in 2015, the CDP has supported remote job seekers into more than 35,000 jobs and on more than 12,000 occasions they have stayed in a job for more than six months.⁴⁵

Every CDP participant receives person-centred and tailored case management to identify and address their goals, training needs, and any barriers to employment. This support is aimed at bringing positive change to remote job seekers, families and communities. CDP participants who secure a job also receive post-placement support for up to 26 weeks to help them keep that job.

CDP providers develop linkages and partnerships with local authorities, organisations and employers to maximise opportunities for participants and to benefit communities. The CDP also supports local employment markets through economic and enterprise development to increase the number of employment opportunities. CDP activities can be used to generate income, establish new enterprises and keep income locally. Establishing sustainable enterprises can build wealth and empower remote communities to take control of their future.

3.4.3.1 2019 Reforms

In March 2019, the Australian Government made improvements to the CDP to create jobs, improve engagement, and enhance community's say in how the CDP is delivered. These improvements responded to feedback from communities, providers, peak bodies, and other stakeholders, and comprised:

- the 1,000 Jobs Package
- Community Advisory Boards
- reduced maximum participation hours from 25 to 20 hours per week
- flexible participation requirements – enabling flexible hours and days of attendance for participants with competing demands, and
- a new payment model for CDP providers that incentivised engagement over compliance.

Early indications are that these reforms are meeting their intent. Initial data show the number of CDP participants has increased by six percent, from approximately 29,000 in January 2019 to approximately 31,000 in November 2019, showing increased engagement with the program.⁴⁶

⁴² DESSFB Administrative Data (2019)

⁴³ More information is available at: <https://www.niaa.gov.au/indigenous-affairs/employment/cdp>

⁴⁴ CDP Administrative Data as at 30 November 2019

⁴⁵ CDP Administrative Data as at 30 November 2019

⁴⁶ CDP Administrative Data as at 30 November 2019

Financial penalties have reduced by 48 percent from around 18,000 per month to 9,500 per month compared with the same period (March to June) 2018.⁴⁷

3.4.3.2 1,000 Jobs Package

The 1,000 Jobs Package is supporting the creation of 1,000 new jobs in CDP regions for CDP participants. These jobs are intended to grow the size and capacity of the remote labour market, support the development of local businesses and increase remote economic development.

Financial support of up to \$56,000 (GST not applicable) is available over two years for eligible remote employers through wage subsidies and retention bonuses, to help them employ CDP participants in newly created ongoing positions in CDP regions. Jobs created for CDP participants to work with youth to strengthen their engagement with their culture and community and/or promote mental health and social wellbeing could attract up to an additional \$3,000 (GST exclusive) in employer and employee bonuses.

3.4.3.3 Community Advisory Boards

Community Advisory Boards are a way for CDP providers to engage with their community to ensure community control in the delivery of the CDP to ensure it meets community needs and aspirations. Community Advisory Boards have a role in recommending proposals to better support CDP activities and to deliver guidance on the development, implementation and evaluation of CDP activities in their community. This ensures that activities are meaningful, suitable and contribute to the community's economic sustainability.

NIAA is working with providers to ensure there is a Community Advisory Board operating in every CDP region by March 2020. The efficacy of Community Advisory Boards will be assessed as part of the CDP provider performance reviews which are conducted every six months.

3.4.4 Disability Employment Services

DSS administers the Disability Employment Services (DES) program, the Australian Government's employment service for people whose primary barrier to open employment is their disability, injury or health condition.⁴⁸ DES providers deliver a range of support to meet job seekers' individual needs. This may include help to prepare for work, support when initially placed into a job, on-the-job training and employer support, and on-going support in a job if required.

Providers are required to use reasonable endeavours to increase purchasing from Indigenous Enterprises. To increase the employment of Indigenous Australians within their own organisations, providers must also produce and implement an Indigenous Employment Strategy to attract, develop and retain Aboriginal and Torres Strait Islander employees.

There are currently four DES providers with specialist Aboriginal and Torres Strait Islander or Indigenous Australian contracts. These providers operate across 13 sites located in Perth (WA), Townsville, Capricornia (QLD), and Outer Western Sydney and Macarthur (NSW) areas.

⁴⁷ CDP Administrative Data as at 30 November 2019

⁴⁸ More information is available at: <https://www.dss.gov.au/our-responsibilities/disability-and-carers/programmes-services/disability-employment-services>

As at 31 December 2019, there were 18,352 Indigenous Australians participating in DES,⁴⁹ 234 of who were with an Aboriginal and Torres Strait Islander or Indigenous Australian specialist DES provider.⁵⁰ Since the commencement of DES in March 2010, the proportion of Indigenous Australian participants in DES has increased from 4.5 percent to 6.7 percent as at December 2019.⁵¹

For the 12 months to 31 December 2018, 23.9 percent of Indigenous Australian DES participants were in employment three months after leaving DES.⁵² This is an increase of 0.6 percentage points from the previous year.⁵³ In contrast, 29.5 percent of overall DES participants were employed three months after leaving DES for the same period.⁵⁴

3.4.5 Indigenous Australian employees in Australian Disability Enterprises (ADE)

DSS also funds Australian Disability Enterprises (ADEs) which provide supported employment services to people with moderate to severe disability. ADE organisations provide supported employment opportunities to people with moderate to severe disability who are not able to work in the open labour market. ADEs provide a wide range of employment opportunities. They operate within a commercial context, running diverse businesses such as; packaging, assembly, production, recycling, screen-printing, plant nursery, garden maintenance and landscaping, cleaning services, laundry services and food services.

There are approximately 20,000 supported employees in around 167 ADEs located across Australia, including in remote areas. As at 20 November 2019, there are 52 clients working in ADEs funded by the department who identify as Indigenous.⁵⁵

Funding for employment-related supports is transitioning from the department to the National Disability Insurance Agency. The National Disability Insurance Scheme (NDIS) now funds the majority of these supported employees. DSS funds ADEs up to 30 June 2020, and a further three years continuity of support to ADEs that employ persons not eligible for the NDIS.

3.5. Complementary employment programs available to Indigenous Australians

The Australian Government funds a number of complementary employment programs which provide further assistance to identified job seeker cohorts (for example young people or parents).

3.5.1 Transition to Work

DESSFB administers Transition to Work, an employment service that provides intensive pre-employment support to young people aged 15 to 24, including young Indigenous Australians and

⁴⁹ Department of Social Services, DES Monthly Data Reports, 2019:

<http://lmip.gov.au/default.aspx?LMIP/Downloads/DisabilityEmploymentServicesData/MonthlyData>

⁵⁰ DSS Administrative Data (2019)

⁵¹ Above 44.

⁵² Department of Social Services, Employment Services Outcomes Report - Disability Employment Services – 1 January 2018 to 31 December 2018, 2019:

https://docs.employment.gov.au/system/files/doc/other/employment_services_outcomes_report_january_2018_to_december_2018_-_disability_employment_services.pdf

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ DSS Administrative Data (2019).

early school leavers, to improve their work readiness and transition into work (including apprenticeships or traineeships) or education.⁵⁶

Since the service began in February 2016 to 30 November 2019, more than 23,600 Indigenous young people have commenced in Transition to Work.⁵⁷ The number of young Indigenous Australian job seekers has grown since January 2018 when eligibility for the service was expanded to allow Indigenous Australian youth who have completed Year 12 (or equivalent) to access the service. As at 30 November 2019, young Indigenous Australian job seekers comprise 30.3 percent of the Transition to Work caseload.⁵⁸

As at 30 November 2019, young Indigenous participants have achieved more than 8,100 job placements and almost 2,700 26 week positive outcomes (includes Participation Education Outcomes, Sustainability Employment Outcomes, and Sustainability Hybrid Outcomes).⁵⁹

3.5.2 ParentsNext

DESSFB administers ParentsNext, a pre-employment program that helps parents of young children to plan and prepare for work by the time their youngest child reaches school age.⁶⁰ One of the three overarching objectives of ParentsNext is to help Close the Gap in Indigenous employment (along with reducing joblessness and intergenerational welfare dependency and increasing female labour force participation).

ParentsNext operates in two separate place-based streams—the Intensive and Targeted streams. The Intensive stream operates in the 30 locations where there are large numbers of Indigenous Australian Parenting Payment recipients or a high level of disadvantage. Participants residing in Intensive stream locations receive additional assistance to progress towards their education and employment goals, including a Participation Fund, wage subsidies and relocation assistance.

ParentsNext providers have diverse strategies in place for culturally competent servicing of Indigenous Australian participants. Strategies include employing local Indigenous Australians as provider staff, connecting with Elders in the community and working with local Indigenous organisations. In addition, all providers are required to have an Indigenous employment strategy.

As at 30 November 2019, almost 20,800 participants who identify as Indigenous have received assistance since the national program began on 2 July 2018 (18.5 percent of all participants).⁶¹ There are currently more than 12,200 Indigenous Australian participants commenced on the caseload (19.4 percent of all commenced participants), around 7,200 in the Intensive stream (27.2 percent of all Intensive Stream participants) and almost 5,000 in the Targeted stream (13.7 percent of all Targeted Stream participants).⁶² Of these participants, more than 4,100 are currently engaged in education or training, more than 2,800 are receiving assistance such as personal development courses, parenting courses, or interventions, and almost 1,000 are undertaking employment on a part time or casual basis as their compulsory activity.⁶³

⁵⁶ More information about the program is available here <https://www.employment.gov.au/transition-work>.

⁵⁷ DESSFB Administrative Data (2019)

⁵⁸ DESSFB Administrative Data (2019)

⁵⁹ DESSFB Administrative Data (2019)

⁶⁰ More information about the program is available here <https://www.employment.gov.au/parentsnext>.

⁶¹ DESSFB Administrative Data (2019)

⁶² DESSFB Administrative Data (2019)

⁶³ DESSFB Administrative Data (2019)

3.6. Indigenous-specific complementary employment programs

In recognition of the unique barriers faced by some Indigenous Australian job seekers, a number of Indigenous-specific employment programs are also available to Indigenous Australians. Indigenous Australian job seekers can be referred to these programs from mainstream employment services.

3.6.1 Vocational Training and Employment Centres initiative

NIAA administers Vocational Training and Employment Centres (VTEC).⁶⁴ VTEC providers work with employers, communities and employment service providers across Australia to provide tailored support to Indigenous Australian job seekers to enter into sustainable employment. The guarantee of a job before job-specific training starts is a unique feature of the VTEC model compared to mainstream programs. This ensures that:

- vocational or job-specific training is directly related to available jobs;
- employers can recruit Indigenous Australian job seekers with the right skills for specific jobs;
- job seekers are responsible for opting into available jobs; and
- the commitment of job seekers is rewarded with guaranteed employment.

VTEC is a targeted model, providing financial incentives to providers to support highly disadvantaged Indigenous Australian job seekers.

As at 31 December 2019, since program commencement on 2 January 2014, VTEC Providers have placed 11,602 job seekers into employment, of which 6,967 job participants achieved six months employment.⁶⁵

3.6.2 Tailored Assistance Employment Grants

NIAA administers Tailored Assistance Employment Grants (TAEGs).⁶⁶ TAEGs provide funding to connect working age Indigenous Australians with real and sustainable jobs, as well as to support Indigenous Australian school students to transition from education to sustainable employment. They are specifically targeted to deliver employment opportunities for Indigenous Australians and assist employers to meet workforce demands. TAEG includes three streams:

- TAEG – Employment: providing training and post-placement support for job seekers to reach 26 weeks sustainable employment, and can offer a variable outcome payment tailored to meet the needs of the project.
- TAEG – Cadetships: assisting university students to complete their studies, while at the same time providing practical work experience.
- TAEG – School-based Traineeships: an educational and employment pathway, combining work-related training or employment as an apprentice or a trainee with vocational training and senior secondary school studies.

As at 31 December 2019, since program commencement on 1 July 2016, TAEG providers in the Employment stream have placed 9,120 job seekers into employment, of which 6,119 job participants achieved six months employment.⁶⁷ As at 31 December 2019 through the Cadetships stream since

⁶⁴ More information about the program is available at: <https://www.niaa.gov.au/indigenous-affairs/employment/vocational-training-and-employment-centres-vtecs>

⁶⁵ NIAA Administrative Data (2019)

⁶⁶ More information about the program is available at: <https://www.niaa.gov.au/indigenous-affairs/employment/tailored-assistance-employment-grants>

⁶⁷ NIAA Administrative Data (2019)

program commencement on 1 January 2018, 1,101 young people have commenced cadetships.⁶⁸ As at 31 December 2019 through the School Based Traineeships stream since program commencement on 1 July 2016, 1,616 students have commenced school based traineeships.⁶⁹

3.6.3 The Employment Parity Initiative

NIAA administers the Employment Parity Initiative (EPI).⁷⁰ The EPI aims to increase the proportion of Indigenous Australian employees working in large Australian companies. The labour market does not favour disadvantaged job seekers, and businesses typically hire the most productive workers that have the best skills and experience. The EPI incentivises the ‘demand side’ of Indigenous employment by creating job opportunities with well-resourced companies that can provide adequate training and support.

EPI partners demonstrate leadership in their respective industries, encouraging other companies to commit to Indigenous employment. EPI parity partners are also required to increase the value of its goods and services purchased from Indigenous businesses in their respective supply chains. This indirectly leads to more employment and economic opportunities for Indigenous Australians.

As at 31 December 2019, since program commencement on 17 December 2014, EPI partners have placed 7,215 job seekers into employment of which 4,895 participants achieved six months employment.⁷¹

An EPI pilot career advancement stream is being trialled with Fortescue Metals Group (FMG). The pilot is supporting up to 400 Indigenous employees to achieve their career goals through professional development and training opportunities, as well as long-term employment support (up to 2 years).

3.6.4 Time to Work Employment Service

NIAA and DSSFB jointly administer the Time to Work Employment Service (TWES).⁷² TWES is funded as part of implementing the key findings of the Council of Australian Governments Prison to Work Report, which highlighted actions governments could undertake to improve Indigenous Australian prisoners’ pathways to work.⁷³ Indigenous Australians comprise two percent of the Australian adult population, yet they comprise 28 percent of the incarcerated population.⁷⁴ Compared with a national recidivism rate of 45.6 percent in 2019,⁷⁵ 78 percent of Indigenous Australian prisoners

⁶⁸ NIAA Administrative Data (2019)

⁶⁹ NIAA Administrative Data (2019)

⁷⁰ More information about the initiative is available at: <https://www.niaa.gov.au/indigenous-affairs/employment/employment-parity-initiative>

⁷¹ NIAA Administrative Data (2019)

⁷² More information about the program is available at: <https://www.employment.gov.au/time-work-employment-service>

⁷³ Commonwealth of Australia, Prison to Work Report, 2016: <https://www.coag.gov.au/sites/default/files/reports/prison-to-work-report.pdf>

⁷⁴ Australian Bureau of Statistics, Aboriginal and Torres Strait Islander Prisoner Characteristics, 2018: [https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by percent20Subject/4517.0~2018~Main percent20Features~Aboriginal percent20and percent20Torres percent20Strait percent20Islander percent20prisoner percent20characteristics percent20~13](https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20percent20Subject/4517.0~2018~Main%20Features~Aboriginal%20and%20Torres%20Strait%20Islander%20prisoner%20characteristics%20~13)

⁷⁵ Productivity Commission, Report on Government Services 2019: <https://www.pc.gov.au/research/ongoing/report-on-government-services/2019/justice>

have previously been imprisoned.⁷⁶ The Productivity Commission estimated that the national average cost per day for a sentenced prisoner is \$302 or \$110,230 per annum.⁷⁷ Employment is a meaningful way to break the cycle of offending and reduce recidivism.

Through TWES, participants receive a comprehensive assessment of their employment barriers, assistance to develop a detailed transition plan and a facilitated transfer from their in-prison service provider to their post-release employment service provider. The Service is available to all sentenced, adult Indigenous Australian prisoners from around three months prior to their release. As at 31 December 2019, 2,264 Indigenous Australians have accessed TWES.⁷⁸

3.6.5 Employment Projects delivered through the Indigenous Land and Sea Corporation

The Indigenous Land and Sea Corporation (ILSC) assists Aboriginal and Torres Strait Islander people to realise economic, social, cultural and environmental benefits that the ownership and management of land, water and water-related rights can bring. The ILSC supports projects that deliver social and economic outcomes for Indigenous Australians. Priority is given to projects that provide sustainable employment and training that leads to employment.

3.6.5.1 Real Jobs Program

The ILSC, through the Real Jobs Program (RJP), is assisting Indigenous people throughout the Northern Territory to participate in training that leads to employment. The RJP targets employment in the land management, agricultural and tourism sectors through on-the-job and accredited training opportunities.

The RJP currently provides employment for over 127 Indigenous Australians through contracts between the ILSC and NT service providers.⁷⁹ Participants receive accredited training and undertake significant work directly related to the improved management of Indigenous-held land. The RJP also supports the development of Indigenous businesses with a view to creating sustainable employment. Through the RJP, the ILSC assists a number of Indigenous organisations to employ Indigenous workers.

3.6.5.2 Voyages Indigenous Tourism Australia Pty Ltd – Indigenous Land and Sea Corporation Wholly-Owned Subsidiary Company

ILSC tourism businesses offer employment and training opportunities to significant numbers of Indigenous Australians across Australia. These businesses are operated by Voyages Indigenous Tourism Australia Pty Ltd (Voyages) with projects focusing on the recruitment, accredited training, employment and retention of Indigenous Australians. Voyages operates the following tourism businesses:

- Ayers Rock Resort at Yulara in Central Australia;
- Home Valley Station, a pastoral-based resort in the Kimberley region of Western Australia;
- and;

⁷⁶ ABS, Prisoners in Australia Report, at 30 June 2019:

<https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4517.0~2019~Main%20Features~Aboriginal%20and%20Torres%20Strait%20Islander%20prisoner%20characteristics%20~13>

⁷⁷ Productivity Commission, Report on Government Services 2019: <https://www.pc.gov.au/research/ongoing/report-on-government-services/2019/justice/corrective-services>

⁷⁸ DESSFB and NIAA Administrative Data (2019)

⁷⁹ NIAA Administrative Data (2019)

- Mossman Gorge Centre in Queensland.

3.6.5.3 National Indigenous Training Academy

The National Indigenous Training Academy at Yulara in the Northern Territory works in partnership with Voyages Indigenous Tourism Australia to assist Indigenous Australians to achieve nationally-accredited qualifications in hospitality and tourism with a guaranteed job opportunity on successful completion of the training.

3.6.6 Employment Services in Yarrabah

DESSFB administers the Yarrabah Employment Services Pilot.⁸⁰ DESSFB established the Yarrabah Employment Services Pilot in Far North Queensland in July 2018 to deliver a place-based approach to employment services in Yarrabah. DESSFB worked with the Yarrabah Aboriginal Shire Council to co-design and build a model for the delivery of employment services in Yarrabah. The co-design process included face-to-face meetings with Yarrabah representatives, and working with the council to plan and implement the transfer of employment services to Yarrabah.

The outcome of this process was a tailored adaptation of jobactive that includes a flexible funding pool to build the capacity of the new provider to deliver employment services that meet the needs of the Yarrabah community. The new model aims to respond to the needs of the Yarrabah Indigenous community by building its capacity to deliver community-driven employment services that provide better outcomes for the community.

The new employment service provider, Wugu Nyambil Limited ('Holding onto work') opened its doors to Yarrabah job seekers on 2 July 2018. The staff of Wugu Nyambil are Yarrabah residents or have a close connection to Yarrabah, in response to community calls to have services delivered by local people who understand the challenges of local job seekers.

As at 31 December 2019, the Yarrabah Employment Services Pilot has supported more than 1,000 local Indigenous job seekers. DESSFB will continue to support and evaluate the success of the pilot as part of its support for improving Indigenous employment outcomes and continuing progress towards closing the gap.

3.7 Commonwealth public sector Indigenous employment strategies

The Commonwealth public sector contributes to the Australian Government's commitment to improving employment outcomes for Indigenous Australians through public sector employment. *The Commonwealth Aboriginal and Torres Strait Islander Employment Strategy 2015-2018* focused on four key action areas:⁸¹

- expand the range of Indigenous employment opportunities
- invest in developing the capability of Indigenous employees
- increase the representation of Indigenous employees in senior roles
- improve the awareness of Indigenous culture in the workplace.

⁸⁰ More information about the pilot is available at: <https://www.employment.gov.au/newsroom/indigenous-employment-service-being-trialled-yarrabah>

⁸¹ Australian Public Service Commission, *Commonwealth Aboriginal and Torres Strait Islander Employment Strategy, 2015*: <https://www.apsc.gov.au/commonwealth-aboriginal-and-torres-strait-islander-employment-strategy>

The new Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020-2024, which is expected to be launched in early 2020, will continue to help to address barriers to employment. The proposed Strategy includes three key focus areas: cultural integrity; career pathways; and career development and advancement. All Commonwealth agencies will continue to invest in the future by building a talent pipeline for Indigenous Australian employees through direct recruitment, professional development and decreasing their relative separation rates.

Opportunities for Indigenous Australians are practically supported by employment provisions such as the Affirmative Measure – Indigenous employment under Section 26 of the *Australian Public Service Commissioner’s Directions 2016*, which restricts eligibility for a position to Aboriginal and/or Torres Strait Islander applicants. ‘Identified Positions’ have also been used by Commonwealth agencies as a strategy/incentive to increase employment of Indigenous Australians. An ‘identified position’ is a vacancy with specific selection criteria/job requirements that signify that the role has a strong involvement in issues relating to Aboriginal and/or Torres Strait Islander people.

3.7.1 Whole of Government Indigenous Employment Pathway Programs

There are a number of Traineeship or Apprenticeship programs available across the Australian Public Service which provide Indigenous Australians with the necessary skills, knowledge and a pathway to a career. These pathways provide opportunities for school-leavers and others to undertake further education as part of their employment.

These programs include:

Program Name	Administering Agency
Indigenous Apprenticeships Program (IAP)	Services Australia
Indigenous Australian Government Development Program (IAGDP)	Department of Employment, Skills, Small and Family Business
The Evergreen program*	Australian Taxation Office

*Evergreen is an agency specific program, however, a merit list is made available after the ATO has met its recruitment needs.

In addition to agency specific programs, the APSC supports Indigenous employment across the sector through a number of employment programs. These programs provide opportunities for Indigenous Australians to enter and build careers in the Commonwealth public sector.

The Indigenous Graduate Pathway provides employment opportunities for Aboriginal and/or Torres Strait Islander graduates. Candidates are able to lodge one application which then connects them with a wide range of opportunities across the Australian Public Service and Commonwealth agencies: *One application—many opportunities.*

The APSC has also conducted a small scale pilot for Indigenous Australian university students to undertake paid work experience within an APS agency known as Indigenous Interns Pathway. The Intern Pathway represents both an opportunity to support the graduate pipeline into the Australian Government, and provides a rewarding experience for students studying for a broad range of disciplines. Successful candidates will apply the skills gained through their university studies, embed learning and increase their job readiness by engaging in a diverse range of real work; gaining real world on the job training; and commencing to build their professional networks.

The Indigenous Professionals Pathway was piloted in 2018 by the APSC in collaboration with APS agencies to provide employment opportunities at the middle and senior management levels—levels

at which Indigenous Australians continue to be under-represented. The Pilot involved a targeted, centrally coordinated, culturally safe, end-to-end recruitment process.

The experience from these pilots will help refine future recruitment Pathways and expand opportunities across the Australian Public Service and the broader Commonwealth public sector.

4. Pathways and Participation Opportunities for Indigenous Australians in Business

4.1 Data on business participation outcomes for Indigenous Australians

Indigenous businesses create wealth for Indigenous Australians. They are a source of pride and foster social and economic empowerment. A flourishing Indigenous business sector is also an unrealised source of economic growth for the broader Australian economy. Owning a business is a powerful way for Indigenous Australians to take control of the economic future of their families and communities.

The Indigenous business sector also provides important opportunities to improve employment outcomes for Indigenous Australians. Indigenous businesses tend to employ Indigenous Australians at a greater rate than non-Indigenous businesses. For example, Indigenous businesses registered with Supply Nation in 2018-19 who won Indigenous Procurement Policy contracts had an average Indigenous employment rate of 38 percent.

However, currently data on the Indigenous business sector – including its contribution to the broader economy – is limited. Estimates range from 12,000 to over 17,000 Indigenous businesses across Australia⁸², but issues exist around verification and there is currently no Indigenous business indicator in the Australian Business Register. Supply Nation provides robust verification, but there is no obligation for Indigenous businesses to register with Supply Nation⁸³. Improved data is needed to measure the progress and contribution of the sector to better target policy. Data is also important to enable the sector to make informed commercial and strategic decisions.

4.2 Barriers to and opportunities for business participation for Indigenous Australians

Indigenous Australians face some unique barriers to participation in the economy. Historic economic marginalisation, together with low intergenerational wealth transfer, and the ongoing impact of poor education, employment and health outcomes mean that some Indigenous Australians may require additional business support, access to information and access to capital to establish and grow their businesses.

Indigenous Australians continue to bear the burden of historical policies to restrict Indigenous wealth, home ownership, business ownership and economic growth opportunities, as well as higher rates of incarceration.⁸⁴ These issues are compounded in remote Australia. Businesses in remote and very remote communities have limited access to established economies, essential infrastructure,

⁸² Indigenous Business Sector Strategy: <https://www.niaa.gov.au/resource-centre/indigenous-affairs/indigenous-business-sector-strategy> and CAEPR 2018: <https://openresearch-repository.anu.edu.au/bitstream/1885/148675/1/CAEPR-WP-GROWTH-PUBLISH.pdf>

⁸³ Supply Nation: <https://supplynation.org.au/>

⁸⁴ Indigenous Business Sector Strategy: <https://www.niaa.gov.au/resource-centre/indigenous-affairs/indigenous-business-sector-strategy>

skilled labour, business networks and fit for purpose business advice. There are also more fundamental barriers such as lower levels of education, and limited access to business leaders to model and learn from.

That said, there are also significant opportunities for Indigenous participation in business and the broader economy. For example, Indigenous land rights and interests are formally recognised over 40 percent of Australia’s land mass, and this figure is expected to grow as more Native Title claims are finalised. Land holdings enable Indigenous Australians to negotiate from a strong position and to generate wealth through royalty arrangements in major industries such as mining, pastoral, agriculture, fishing and tourism. Land holdings also provide significant opportunities for Indigenous business, employment and community development.

In recognition of the unique circumstances faced by Indigenous Australians, including the environments within which some Indigenous businesses operate, a number of programs are funded that support Indigenous Australians to establish and grow their businesses (see sections 9 and 10).

4.3. Mainstream programs facilitating business opportunities for Indigenous Australians

4.3.1 New Enterprise Incentive Scheme

DESSFB administers the New Enterprise Incentive Scheme (NEIS), which provides accredited small business training, assistance in developing a business plan and 12 months of business mentoring and support.⁸⁵ Individuals participating in NEIS may also be eligible for NEIS Allowance for up to 39 weeks and NEIS Rental Assistance for up to 26 weeks. New Business Assistance with NEIS has helped over 780 Indigenous people start their own business in the current contract period (from 1 July 2015 to 30 November 2019).⁸⁶ This comprises 3 percent of all NEIS participants.

Selected NEIS providers also deliver ‘Exploring Being My Own Boss’ Workshops, which provide 1,000 participants per year with a taste of what is involved in running their own business. Since Exploring Being My Own Boss (EBMOB) workshops began in December 2016, 74 Indigenous participants have commenced in a workshop, representing 3 percent of all workshop commencements.⁸⁷

Indigenous Australians seeking to start their own business can also access services from Entrepreneurship Facilitators in 23 locations across Australia. Entrepreneurship Facilitators offer free mentoring and business support, increase community awareness of the opportunities available through self-employment, and refer individuals to other local services and programs such as New Business Assistance with NEIS.

4.3.2 Australian Small Business Advisory Service– Digital Solutions

DESSFB administers the Australian Small Business Advisory Service Digital Solutions (ASBAS–DS), a digital advisory service program for small businesses which will run until 30 June 2021.⁸⁸ Three providers receive grants to deliver low cost, high quality digital advisory services in four capability

⁸⁵ More information about this program is available at: <https://www.employment.gov.au/self-employment-new-business-assistance-neis>

⁸⁶ DESSFB Administrative Data (2019)

⁸⁷ DESSFB Administrative Data (2019)

⁸⁸ More information about this program is available at: <https://www.employment.gov.au/asbas>

areas of websites and online selling, social media and digital marketing, using small business software and online security and data privacy. Over the first year of the program, over 18,000 advisory services have been provided to almost 5,400 individual businesses. One percent of all businesses using ASBAS identified as being Indigenous.⁸⁹

4.3.3 Small Business Digital Champions

DESSFB administers the Small Business Digital Champions Project, which aims to inspire small businesses across the country to engage with digital technology and unlock their potential.⁹⁰ The project will provide 100 Australian small businesses, including seven businesses owned by Indigenous Australians, with a comprehensive digital transformation for their business. They will receive up to \$18,500 in digital support, and additional products and services from Corporate Partners.

4.3.4 Relevant Department of Industry, Innovation and Science initiatives

The Department of Industry, Innovation and Science (DIIS) has developed an approach to support our engagement with Indigenous businesses that will be made available online in the first half of 2020. This will bring together the various Indigenous business-related work across the department to provide a cohesive approach to building Indigenous business capability, assisting the growth of a strong and vibrant Indigenous business sector.

Within DIIS, AusIndustry is the Australian Government's principal agency for delivering assistance, programs and services which support industry, research and innovation. While DIIS does not currently administer programs specific to Indigenous businesses, it administers a range of mainstream business support programs which Indigenous businesses can participate in.

DIIS is committed to developing and implementing policies and programs that positively impact Indigenous Australians, communities and businesses. Departmental officers consider Indigenous businesses during policy and program development, review and evaluation. To facilitate this, DIIS has developed Indigenous business guidance to help departmental officers consider the implications for Indigenous businesses when preparing new policy proposals or reviewing existing programs. In order to track progress, DIIS is in the process of embedding Indigenous identifier questions in grant, service and tax incentive applications.

4.3.4.1 Northern Australia and Major Projects

Within DIIS, the Northern Australia and Major Projects (NAMP) Division is implementing a range of Government activities and projects in close consultation with Aboriginal communities and Traditional Owners. This includes maintenance of the former British nuclear test site in Maralinga, rehabilitation of the former Rum Jungle mine in the NT, and establishing a radioactive waste storage facility. In its execution of these projects, DIIS seeks to maximise opportunities for Indigenous Australians to obtain new skills and business opportunities both in the delivery of projects and in the management of lands.

In addition, the NAMP Division is responsible for advice to government and implementation of the developing Northern Australia policy. This includes working with NIAA on supporting the ongoing work of the Northern Australia Indigenous Reference Group (IRG) which provides policy advice to

⁸⁹ DESSFB Administrative Data (2019)

⁹⁰ More information about this project is available at: <https://www.employment.gov.au/digital-champions>

the Ministerial Forum on Northern Development. The IRG has put its collective experience and that of public and private sector experts to identifying actions to develop the Indigenous business sector, grow the capability of Indigenous land owners to engage in development and to support Indigenous innovation in northern Australia. At the Ministerial Forum on Northern Development on 12 December 2019, ministers agreed to a Northern Australia Indigenous Development Accord, an intergovernmental agreement focused on progressing Indigenous economic development in northern Australia.

4.3.4.2 Pathways in the Resource Sector

The resources sector has provided benefits and economic opportunities for communities and indigenous Australians around the country. It is a leading employer of Aboriginal and Torres Strait Islander people across Australia and has the highest proportion of Aboriginal and Torres Strait Islander people working for it than any other industry.⁹¹ Effective and meaningful engagement between the resources sector and indigenous peoples is essential for the sector's long-term success and sustainability.

As part of the *National Resources Statement*, the Australian Government has committed to a number of actions that will improve community engagement and deliver sustained benefit for indigenous communities. DIIS has agreed to work closely with states and territories to conduct a comprehensive evaluation of current community engagement and benefit sharing to identify best-practice and information gaps.⁹² This evaluation is being informed by the Productivity Commission's current inquiry into Resources Sector Regulation. As part of its terms-of-reference, the Productivity Commission is examining effective community engagement and benefit-sharing practices, including with indigenous communities.⁹³

The Australian Government is also trialling regional deals to improve the productivity and liveability of regional areas, and DIIS is playing a key role. Regional deals aim to do this by stimulating economic growth and improving social outcomes.⁹⁴ The Barkly Regional Deal is the first regional deal in Australia and features the Barkly Mining and Energy Services Hub. The hub will assist local Barkly businesses understand the opportunities that mining and energy development present. The hub will also work with local government to provide the infrastructure necessary to attract new investors into the mining and energy industries.⁹⁵ As 64.9 per cent of the Barkly Region's population are Indigenous Australians, this deal offers significant opportunities for indigenous Australians.⁹⁶

4.4. Indigenous-specific programs facilitating business opportunities

Government policies can strengthen the Indigenous business sector by building supply and driving demand. Demand policies include the Indigenous Procurement Policy (IPP), and Indigenous

⁹¹ National Resources Statement (2019): <https://www.industry.gov.au/data-and-publications/australias-national-resources-statement>

⁹² National Resources Statement (2019) <https://www.industry.gov.au/data-and-publications/australias-national-resources-statement>

⁹³ More information is available at: <https://www.pc.gov.au/inquiries/current/resources/terms-of-reference>

⁹⁴ More information is available at: <https://www.regional.gov.au/regional/deals/Barkly.aspx>

⁹⁵ More information is available at:

https://www.regional.gov.au/regional/deals/files/Barkly_Regional_Deal_20190413.pdf

⁹⁶ Australian Bureau of Statistics, Aboriginal and Torres Strait Island Population, 2016:

[https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by percent20Subject/2071.0~2016~Main percent20Features~Aboriginal percent20and percent20Torres percent20Strait percent20Islander percent20Population percent20Article~12](https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20percent20Subject/2071.0~2016~Main%20percent20Features~Aboriginal%20and%20Torres%20Strait%20Islander%20Population%20Article~12)

Participation targets for Cities deals and infrastructure investment, while the Indigenous Business Sector Strategy (IBSS) and associated initiatives, and Indigenous Business Australia's associated programs support supply through business support, improved access to finance, quality data and stronger networks.

Preferential procurement policies that have been introduced in the last five years represent a significant change to how government procures goods and services. They challenge procurement officers to step outside often deeply ingrained, and in some cases rigid, procurement processes to see how they could preference their procurement activities to benefit Aboriginal and Torres Strait Islander people while still achieving value for money.

The policies push up against the perceptions and unconscious bias of many stakeholders, built over decades of deficit messages so often associated with Indigenous Affairs. Effective implementation relies on recognising the capabilities of Aboriginal and Torres Strait Islander job seeker and businesses that exist in all industry sectors throughout Australia.

While there have been huge strides made in just five years, implementation of such a significant shift will take time to bed down.

4.4.1 Indigenous Procurement Policy

NIAA administers the Indigenous Procurement Policy.⁹⁷ The IPP drives demand by setting a target for the number and value of contracts to be awarded by portfolios and requiring officers to approach an Indigenous business first, for certain types of contracts. The IPP drives demand across the private sector by mandating Indigenous procurement and workforce targets in high value contracts awarded in certain industries.

The change to include a value based target from 1 July 2019 is being phased in to ensure demand is increased in a steady and sustainable manner that takes into account available and expected supply. In addition to the existing 3 percent by volume target, from 1 July 2019, the Australian Government has introduced a 1 percent value target, rising annually by 0.25 percent per annum until reaches 3 percent in 2027.

In addition, from 1 July 2020 Indigenous participation targets will be mandatory in high value contracts across more specified industries. Currently the Minimum Mandatory Indigenous Participation Requirements (MMR) for employment and supplier use targets in contracts above \$7.5 million apply across eight industry sectors. This will expand to nineteen industry sectors from 1 July 2020, including to environmental and health care services. This will help to diversify the Indigenous Business sector. NIAA will be working with Industry, Commonwealth entities and Indigenous businesses to develop tailored guidance to explain the policy and ensure compliance by Commonwealth entities.

NIAA receives daily updates on contracts being awarded to Indigenous businesses by government and contractors subject to IPP targets. This is data matched against Supply Nation and the Office of the Registrar of Indigenous Corporations (ORIC).

⁹⁷ More information about this policy is available at: <https://www.niaa.gov.au/indigenous-affairs/economic-development/indigenous-procurement-policy-ipp>

IPP results:

- In 2018-19, 888 Indigenous businesses were awarded 6,309 contracts with the Australian Government generating \$787.9 million in economic activity.⁹⁸
- From 1 July 2015, the IPP has generated over \$2.62 billion in economic activity for the Indigenous business sector; this includes a total of 16,811 contracts to and purchases from over 1,779 Indigenous businesses by Australian government entities and their major suppliers.⁹⁹

NIAA's ongoing engagement with the Indigenous business sector is vital to ensuring we are alerted to and can monitor unintended consequences such as disingenuous business arrangements, colloquially known as "black cladding".

NIAA funds Supply Nation to maintain a free on-line directory of Indigenous businesses called Indigenous Business Direct (IBD) to support government and private sector buyers connect with Indigenous businesses.¹⁰⁰ Supply Nation verifies that Aboriginal and/or Torres Strait Islander people own at least 50 percent of the business by checking the provided confirmation of Aboriginality documents against share structures registered with the Australian Securities and Investments Commission (ASIC) and/or other documents such as partnership documents and trust deeds. In addition to annual audits and spot checks, Supply Nation receives daily updates regarding changes to the business ownership of ASIC registered business listed on the IBD which allows for real time audits.

From 1 January 2019, incorporated Indigenous joint ventures must register with Supply Nation, be at least 50 percent Indigenous owned and demonstrate equal Indigenous representation and involvement in the management of the joint venture for contracts to be recognised under the IPP. As part of this registration, an incorporated Indigenous joint venture must have in place an Indigenous workforce strategy and a strategy to build the skills and capability of the Indigenous business partner.

Data provided by Supply Nation shows businesses listed in the Supply Nation's Indigenous Business Direct are being regularly reviewed and removed as necessary, complaints are being investigated and applications are being appropriately accepted or rejected.

To further support Indigenous businesses connect with government and private sector buyers, NIAA funds Supply Nation to host a series of Indigenous business trade fairs. The trade fairs have so far showcased more than 795 Indigenous businesses and been attended by more than 2,785 purchasers from across the public and private sectors. Evaluations for 2017-18 showed that on average, 85 percent of Indigenous business owner respondents believed that the trade fairs generated procurement leads with appropriate buyers.¹⁰¹

4.4.2 Infrastructure – Indigenous Participation Targets

The Australian Government is setting targets for major infrastructure programs and city and regional deals to build demand for Indigenous employees and business. The National Partnership Agreement

⁹⁸ NIAA Administrative Data (2019) – reported every six months at: <https://www.niaa.gov.au/indigenous-affairs/economic-development/indigenous-procurement-policy-ipp>

⁹⁹ NIAA Administrative Data (2019) – reported every six months at: <https://www.niaa.gov.au/indigenous-affairs/economic-development/indigenous-procurement-policy-ipp>

¹⁰⁰ Supply Nation: www.supplynation.org.au

¹⁰¹ Third Year Evaluation of the Indigenous Procurement Policy: <https://www.niaa.gov.au/sites/default/files/publications/third-year-evaluation-indigenous-procurement-policy.pdf>

on Land Transport Infrastructure Projects (2019-2024) commenced on 1 July 2019. This requires road and rail projects with a Commonwealth contribution of more than \$7.5 million to include Indigenous employment and supplier use targets, linked to the local working age population. These targets can be adjusted down (or up) based on local conditions, including supply side constraints. Targets are expected to be applied to around 60 projects a year.

City Deals (currently Western Sydney, Darwin and Townsville) with significant infrastructure funding have or will include targets. The employment target in city deals is based on the working age population of the city. The procurement target matches the Commonwealth’s own IPP target of 3 percent. Additionally, Government Business Enterprises, including the Western Sydney Airport and Inland Rail are strongly encouraged to include similar targets in agreements. A similar framework to the one that applies to the Government’s infrastructure program is being developed for future city and regional deals.

4.4.3 Indigenous Business Sector Strategy

NIAA administers the Indigenous Business Sector Strategy (IBSS).¹⁰² The IBSS was a 2016 election commitment, and is the Australian Government’s key policy for supporting Indigenous business growth. The Australian Government undertook detailed consultation and co-design with Indigenous businesses and key stakeholders over an 18 month period in developing the strategy. It is a 10-year plan from 2018-2028 that will ensure Indigenous businesses have access to the capital and business support needed to take up commercial opportunities. As mentioned earlier the Government’s policies aimed at driving demand represent a significant shift. The first three years of the IBSS represent a period of laying the foundations to help the sector grow to meet the increased demand (see Diagram 2 below).

The IBSS has initiatives worth over \$200 million and provides support around four key ‘pillars’ that Indigenous businesses identified as being critical to growth: Better business support; Improved access to capital; Stronger connections and relationships, and; Harnessing knowledge.



Diagram 1: IBSS Key Pillars

¹⁰² Indigenous Business Sector Strategy: <https://www.niaa.gov.au/resource-centre/indigenous-affairs/indigenous-business-sector-strategy>

The first three years of the IBSS focusses on laying the foundations for better support and services for Indigenous businesses and entrepreneurs.

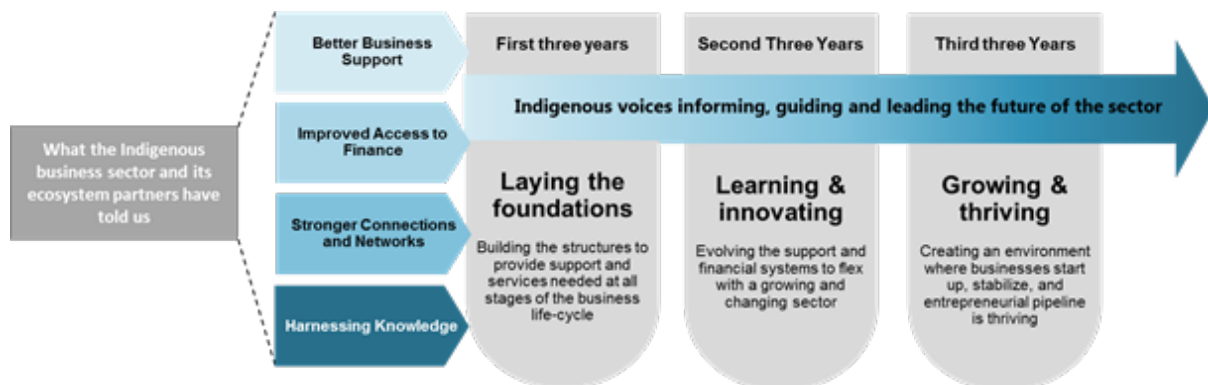


Diagram 2: Stages of IBSS implementation

4.4.4 Indigenous Business and Employment Hubs

NIAA administers the Indigenous Business and Employment Hubs.¹⁰³ The IBSS included the roll out of Indigenous Business and Employment Hubs, starting in three locations. The Hubs will be a one-stop-shop to access mainstream and Indigenous specific business and employment support and advice, provide short-term office space, and facilitate connections with corporates. The NSW Hub in Western Sydney is operational, with the WA Hub in Perth expected to be launched in early 2020.

4.4.5 Expansion of the microenterprise support and finance program

NIAA administers the microenterprise support and finance program.¹⁰⁴ The Australian Government, in partnership with Many Rivers, is providing microenterprise and community support to regional and remote Indigenous Australians to develop and pursue economic development opportunities. Many Rivers provides this support through their Microenterprise Development (MED) and Community Economic Development (CED) programs.

The MED program is aimed at new and established Indigenous microbusinesses to support clients to develop their business skills and provide access to microfinance. The program is focused on the most disadvantaged clients, including those who have restricted or no access to financial institutions. Through the CED program, assistance is provided to regional and remote Indigenous communities and organisations to identify opportunities to strengthen planning, leadership and organisation skills, to enable the community to independently govern and manage its chosen activities, including pursuing economic development.

Many Rivers was selected to deliver the expanded microfinance services based on its demonstrated capability to deliver Indigenous business support, its established footprint of advisors and networks in remote areas. 566 Indigenous clients were supported by Many Rivers in FY2019, which provided for the creation of 829 jobs for Indigenous Australians (full-time, part-time or casual).¹⁰⁵

¹⁰³ More information about the Hubs is available in the IBSS at: <https://www.niaa.gov.au/resource-centre/indigenous-affairs/indigenous-business-sector-strategy>

¹⁰⁴ More information about this program is available in the IBSS at: <https://www.niaa.gov.au/resource-centre/indigenous-affairs/indigenous-business-sector-strategy>

¹⁰⁵ Many Rivers 7th Annual Monitoring and Evaluation Report: https://s3-ap-southeast-2.amazonaws.com/prod-manyrivers/wp-content/uploads/20191029174513/DAE-MR_7th-Annual-Monitoring-Evaluation-Report.pdf

4.4.6 Remote Indigenous Business Incubator pilots

NIAA administers the Remote Indigenous Business Incubator pilot, which works with Indigenous Australians living in remote Australia to build financial literacy, business skills and get small business started.¹⁰⁶

Twelve (12) incubators are being established as part of the pilot. The incubators are being delivered by Community Development Program Providers. Each incubator is unique, reflecting the settings and circumstances of their clients and communities, including the local business eco-system in which the incubator operates.

4.4.7 The Indigenous Entrepreneurs Capital Scheme

NIAA administers the Indigenous Entrepreneurs Capital Scheme (IECS), which is designed to improve access to bank finance for Indigenous businesses who would meet normal banking credit criteria, but for a lack of collateral, are unable to access mainstream finance.¹⁰⁷ This Scheme will fill a significant market gap and complements other financial products on offer. Increased access to capital will allow Indigenous businesses to purchase products needed to win larger contracts, and establish relationships with commercial banks. Export Finance Australia (EFA) (previously known as Efic) will provide advice on commercial financial arrangements during the design and implementation phases. NIAA is in the process of establishing the first pilot of the IECS and will review options for a second pilot in 2020-21.

4.4.8 Indigenous Business Australia

NIAA is committed to business support for Indigenous businesses through re-focusing Indigenous Business Australia (IBA) to deliver the below programs.¹⁰⁸

The Business Support Program (BSP) provides finance products and business support with a focus on early stage entrepreneurs and businesses unable to access commercial finance.¹⁰⁹ Outcomes reported by IBA during the FY2018-19 included over \$22.5 million in business capital provided to 146 Indigenous businesses, with 603 customers receiving business support.¹¹⁰

The NT Start-up Package delivers business support and financial products up to a value of \$100,000 (in the form of loans, leases and / or grants or a mix of these projects) for the purchase of assets.¹¹¹ This package is for Indigenous start-ups businesses specifically in remote native title areas, Aboriginal Land Rights Act areas and Community Living Areas in the Northern Territory. In 2018-19 outcomes included 20 customers received ongoing business support and a total of over \$1 million in financing (through a mix of grants, loans and leasing).¹¹²

¹⁰⁶ More information about the pilot is available at: <https://www.niaa.gov.au/indigenous-affairs/employment/cdp>

¹⁰⁷ More information about the scheme is available at:
https://www.niaa.gov.au/sites/default/files/publications/ibss_iecs_summary.pdf

¹⁰⁸ More information about IBA is available at: <https://www.iba.gov.au/>

¹⁰⁹ More information about this program is available at: <https://www.iba.gov.au/business/support/>

¹¹⁰ IBA Annual Report 2018-19: https://www.iba.gov.au/wp-content/uploads/201819-IBA-AR_webcopy-2.pdf

¹¹¹ More information about this package is available at: <https://www.iba.gov.au/business/finance/start-finance-package/>

¹¹² IBA Annual Report 2018-19: https://www.iba.gov.au/wp-content/uploads/201819-IBA-AR_webcopy-2.pdf

The Performance Bond Agreement is a \$10 million commitment (with IBA contributing a further \$10 million) over five years (24 November 2017 to 31 December 2022) to deliver a bond product for Indigenous businesses looking to secure larger contracts, particularly in construction and infrastructure.¹¹³ To date over \$100 million in contracts have been supported by the bonds. In 2018-19 outcomes included nine businesses supported with 86 bonds for a total value of over \$4.42 million.¹¹⁴

The CDP Asset Leasing Agreement is a commitment of \$19.5 million over 4.5 years (3 June 2015 to 31 December 2019) for the purchase, lease or management of assets to Community Development Programme contracted service providers. At 31 March 2019 the project had supported 292 assets valued at nearly \$20 million, and currently 241 assets are being leased by 15 providers, valued at approximately \$16 million.¹¹⁵

5. Gaps and opportunities that could result in employment and business participation options for Indigenous Australians

The Closing the Gap refresh (the Closing the Gap Refresh is detailed in section 2 of the submission) is adopting a whole of life cycle approach, which acknowledges investment in early years and key protective factors is essential to improved outcomes for adults including employment.

Additionally, the Joint Council on Closing the Gap endorsed in principle three new reform priorities for collective action to be built into the new National Agreement on Closing the Gap. These reforms are designed to accelerate improvements in life outcomes by changing the way governments and Aboriginal and Torres Strait Islander peoples work together. These reforms cover building Indigenous community controlled sectors, shared decision making, reforming the way mainstream institutions develop policies and deliver services and a proposed fourth reform to support Indigenous led data. Reforms to build Indigenous sectors will also result in direct improvements to business and employment outcomes.

In addition to the opportunities presented by the Closing the Gap refresh, the rollout of a New Employment Services Model, projected growth in certain industries, and increasing Indigenous land ownership may also result in improved employment and business participation outcomes for Indigenous Australians.

5.1 The New Employment Services Model

The mainstream employment services sector, which supports the majority of Indigenous Australian job seekers, is undergoing transformative change with the development of the New Employment Services Model (NESM). This is a significant opportunity to improve the service offering for Indigenous Australian job seekers and to better support them to achieve their employment aspirations. DESSFB will administer the NESM.¹¹⁶

In March 2019, the Australian Government announced a NESM would be introduced from July 2022 to deliver better outcomes for job seekers and employers as part of the Australian Government's plan for a stronger economy. Key elements of the model include new online tools to help better connect employers and job seekers, digital servicing for job-ready job seekers and a more intensive,

¹¹³ More information about this agreement is available at: <https://www.iba.gov.au/business/finance/performance-bonds/>

¹¹⁴ IBA Annual Report 2018-19: https://www.iba.gov.au/wp-content/uploads/201819-IBA-AR_webcopy-2.pdf

¹¹⁵ NIAA Administrative Data (2019)

¹¹⁶ More information available at: <https://www.employment.gov.au/new-employment-services-model>

targeted and tailored service for those job seekers who need more help, including Indigenous Australian job seekers.

The development of the NESM involved extensive consultation with more than 1,400 stakeholders including job seekers, employment services providers, industry representatives, employers and peak bodies, and independent advice delivered by the Employment Services Expert Advisory Panel.¹¹⁷ The consultation included Indigenous Australian job seekers, key Indigenous stakeholders, and Indigenous representation on the Employment Services Expert Advisory Panel (Walter Tallis, Deputy CEO, Indigenous Business Australia). Following the 2019–20 Budget a reference group was established to oversee the development of the NESM. The reference group includes Indigenous Australian representation (Harry Hodge, Indigenous Engagement Recruitment Coordinator).

The Australian Government is developing a licensing approach for the new model with the objectives of lowering barriers for providers to enter and exit the market, to drive quality outcomes and to reduce red tape. Specialist licences will be available for providers to focus on particular cohorts, such as Indigenous Australian job seekers, or industries in some locations. Targeted consultation will be undertaken in 2020 with stakeholders, including on the key principles for licences and how specialists should operate under the new model.

Given the scale of reform, the new model is being trialled in two regions - Adelaide South and the Mid North Coast of New South Wales - before national roll-out from July 2022.¹¹⁸ The Trial commenced on 1 July 2019 and will involve approximately 95,000 job seekers over three years. Trial implementation will be phased with new features progressively added and enhancements made through an ongoing collaborative process with providers, peak organisations, and job seekers.

5.2 Projected growth industries

DESSFB projects that total employment will increase by 1,075,000 (or 8.3 percent) over the five years to May 2024, with employment expected to increase in 16 of the 19 broad industries over these years.¹¹⁹ While declines in employment are predicted for Agriculture, Forestry and Fishing; Manufacturing; and Information Media and Telecommunications, there are significant opportunities for employment in the remaining 16 industries.

Health Care and Social Assistance is projected to make the largest contribution to employment growth (up by 250,300), driven by the continued rollout of the National Disability Insurance Scheme, Australia's ageing population and increasing demand for home-based care services. Professional, Scientific and Technical Services (up by 172,400), Education and Training (129,300) and Construction (113,700) are also projected to make large contributions to employment growth over this period. Together, these four industries are expected to provide over three-fifths (or 62.1 percent) of total employment growth over the five years to May 2024.¹²⁰

There may be opportunities for employment and business support programs to more effectively target employment and business participation in identified growth industries across mainstream, complementary, and Indigenous-specific programs.

¹¹⁷ More information about the consultation process is available at: <https://www.employment.gov.au/consultation-inform-new-employment-services>

¹¹⁸ More information about the trials is available at: <https://www.employment.gov.au/NEST>

¹¹⁹ 2019 Employment Projections: <http://lmip.gov.au/default.aspx?LMIP/EmploymentProjections>

¹²⁰ 2019 Employment Projections: <http://lmip.gov.au/default.aspx?LMIP/EmploymentProjections>

Case study: support for employment and business participation in the Health Care and Social Assistance industry

There are significant opportunities in Health Care and Social Assistance industry, and the Australian Government is looking at ways that they can take advantage of those opportunities to improve employment and business participation outcomes for Indigenous Australians. This includes targeted funding at the local level as well as strategic change across sectors.

- Group Training Australia Limited is a TAEG provider in Sydney, funded to train and place into employment 350 participants in Early Childhood Education and Care, or Individual Support (Disability and Aged Care) with Certificate III, IV or Diploma. As at 30 November 2019, the project has achieved 107 employment commencements, 66 13-week employment outcomes and 49-26 week employment outcomes.¹²¹ TAEG funding could be used to support similar projects elsewhere.
- DSS administers the Boosting the Local Workforce Program (BLCW) which includes encouraging Aboriginal and Torres Strait Islander service providers to enter the NDIS.¹²² The BLCW aims to develop the capacity of disability and aged care service providers to operate effectively and expand their workforce.
- DSS is also working with Indigenous communities to support the development of a market delivering culturally safe services and a local Indigenous workforce, through:
 - working with the National Aboriginal Community Controlled Health Organisation and the National Disability Insurance Agency to assist Indigenous controlled organisations to become NDIS providers and grow the Indigenous NDIS workforce;
 - developing an NDIS Capability Framework, which will address the need for awareness of and sensitivity to the cultural needs and expectations of Aboriginal and Torres Strait Islander peoples in the NDIS, which will in turn promote Indigenous NDIS workforce and care sector participation more broadly; and
 - running Future Jobs and Market Fund rounds will prioritise the development of thin NDIS markets, including rural and remote areas and Aboriginal and Torres Strait Islander service providers to build capacity and foster employment opportunities in the NDIS.

There is work underway across the Commonwealth Government looking at how the Government can better support the care workforce, and some agencies are already taking advantage of particular opportunities for Indigenous Australians within specific sectors, for example the healthcare workforce.

- In August 2018, the Council of Australian Governments (COAG) Health Council committed to work with Aboriginal and Torres Strait Islander leaders to develop a National Aboriginal and Torres Strait Islander Health Workforce Plan (Workforce Plan).¹²³ The Workforce Plan will focus on attracting, training and retaining the Aboriginal and Torres Strait Islander health workforce across Australia.
- The Indigenous Allied Health Australia Health Academy program¹²⁴ is an education and training program aimed at providing information, support and opportunities for Aboriginal and Torres Strait Islander high school students to consider, explore and pursue a career in

¹²¹ NIAA Administrative Data (2019)

¹²² More information about this program is available at: <https://blcw.dss.gov.au/About>.

¹²³ More information is available at:

https://www.coaghealthcouncil.gov.au/Portals/0/CHC%20Indigenous%20Roundtable%20Communique_010818.pdf

¹²⁴ More information about the program is available at: <https://iaha.com.au/national-aboriginal-and-torres-strait-islander-health-academy-model-to-expand-under-new-funding/>

health. Through the Academy, participants enter a school-based traineeship pathway. They complete a year 12 qualification, gain work experience and a Certificate III qualification in allied health assistance.

5.3 Economic opportunities on Indigenous land

Across Australia, 49.4 percent of all land is owned, controlled, or has some form of right or interest recognised for Aboriginal and Torres Strait Islander people (National Native Title Tribunal, as at November 2019). This provides Indigenous land holders the opportunity to engage in a wide range of enterprise including pastoralism, mining and tourism.

The focus of the Indigenous land sector is moving from making claims and securing determinations over land to the use and development of Indigenous land for economic and social benefits. The Australian Government recognises this shift in emphasis and is working with Indigenous communities to support greater economic development of the Indigenous estate.

Prescribed Bodies Corporate (PBCs) are Aboriginal and Torres Strait Islander Corporations established to hold native title rights and interests on behalf of the traditional owners. PBCs have the potential to act as vehicles for traditional owner-led economic development. PBCs need resources to enable them to take up the many opportunities for economic development on native title land. Tourism, agriculture, mining, fishing, cultural heritage, land management, and service delivery are all potential areas of economic enterprise. The Commonwealth Government provides funding to enable traditional owners to make decisions about their land, including economic opportunities.

PBCs are the key interface for negotiations between parties wanting to develop native title land and traditional owners. Economic and employment opportunities arise from the power of traditional owners to make agreements with parties for the use of native title lands under the *Native Title Act 1993* (Cth).

Indigenous Land Use Agreements (ILUA) can provide Indigenous communities with a range of significant economic, social and cultural benefits, including direct financial contributions, employment and training opportunities, and support for heritage protection and management as compensation for development. The Commonwealth is working with PBCs and Native Title Representative Bodies and Service Providers about streamlining decision-making about native title land, particularly for small and medium enterprises.

Aboriginal land in the Northern Territory, granted under the *Aboriginal Land Rights (Northern Territory) Act 1976* (Land Rights Act) also offers significant benefits to traditional owners through leasing and agreement making. Traditional owners are able to grant a right or interest in land to private businesses, governments, community members and other land users. This enables traditional owners and third party investors to engage in economic activity on Aboriginal land.

Lease or license agreements commonly include provisions to promote local Indigenous training, employment and enterprise opportunities, and for the protection of sacred sites. Many groups have chosen to reinvest this income in their communities. Agreements allow for a wide range of economic activity including third party tourism, pastoralism and fisheries operations. There are many examples of Aboriginal corporations and joint ventures undertaking business on Aboriginal land.

The Land Rights Act also provides for mining-related payments privately negotiated between mining companies, traditional owners and the relevant Land Council. Some traditional Aboriginal owners have leveraged their land interests under the Land Rights Act to undertake exploration and mining on their traditional estates

Case Study: Jabalbina Yalanji Aboriginal Corporation

In 2007, the Federal Court determined native title over approximately 144,000 hectares of Eastern Kuku Yalanji land in Far North Queensland. The Jabalbina Yalanji Aboriginal Corporation is the PBC which holds and manages the native title on behalf of the native title holders, the Eastern Kuku Yalanji people.

In 2017-18, Jabalbina received \$258,938 in PBC Capacity Building funding from the Commonwealth Government to pursue economic and employment opportunities for Eastern Kuku Yalanji people on their native title land. This funding has supported the PBC in establishing camp grounds and cultural trails, tours and other tourism ventures. In carrying out these projects, Jabalbina has engaged with key stakeholders including native title holders, neighbouring PBCs, Indigenous businesses, local councils and state government. Tourism and business contracts have created new economic opportunities in the region which have generated almost 100 percent Indigenous employment.

5.4 Strengthening the evidence base

There is an ongoing need to build the evidence base and address gaps in better understanding the most effective approaches to supporting Aboriginal and Torres Strait Islander people into employment and in business. Strengthening the evidence base will also assist in ensuring a coherent service offering to Indigenous Australians across the range of employment and business support programs available. Learnings from evaluations and trials detailed in this submission, including evaluations of all NIAA-funded Indigenous-specific employment programs (VTEC, TAEG, EPI and TWES) which are currently underway and insights from the New Employment Services Trial, will contribute to a stronger evidence base for investment in improved employment outcomes for Indigenous Australians. Learnings from the Yarrabah Employment Services Pilot will also provide useful insights on the potential for increased community-led employment services delivery. Additional examples of emerging data and insights include learnings from the *Footprints in Time* longitudinal study and the Try, Test and Learn Fund, both administered by DSS.

Footprints in Time

Footprints in Time: the Longitudinal Study of Indigenous Children (LSIC) has been collecting information from parents and children studying annually for the last 12 years, from more than 1,200 Indigenous children who are now aged between 12 and 17. Information is currently available about primary carers' employment and unemployment from 2008 to 2017. The next few years of data collection will focus on studying children's experiences in moving from school to post-secondary education and/or into work. Exploration of the experiences in the years prior to successful transition to employment, and barriers to employment, can be thoroughly explored with this data; including aspects of social and emotional wellbeing, housing circumstances, income, and major life events. This is data that is not available about Indigenous children in a single collection, over time, in any other source. Research using LSIC and other longitudinal data will contribute to a stronger evidence

base for investment in improved employment outcomes for Aboriginal and Torres Strait Islander Australians.

Try, Test and Learn

The Australian Government's \$96.1 million Try, Test and Learn Fund is trialing more than 50 new or innovative approaches to assisting some of the most vulnerable in society onto a path towards stable, sustainable independence. Evidence from the trials will be used to inform government policy. At least eight of these trials are primarily assisting and/or are being delivered by Aboriginal and Torres Strait Islander Australians.

In December 2018 COAG committed to publishing jurisdiction specific procurement policies, and Aboriginal and Torres Strait Islander employment and business outcomes annually, in recognition of the contribution of business participation to economic and social outcomes for families and communities.¹²⁵ Additional reporting across all levels of government will contribute to better understanding the gaps and opportunities for employment and business participation, and support more targeted investment.

¹²⁵ COAG Statement on the Closing the Gap Refresh, 12 December 2018:

<https://www.coag.gov.au/sites/default/files/communique/coag-statement-closing-the-gap-refresh.pdf>

APPENDIX 1 - Table of Employment Programs that place individuals in jobs

Program	Indigenous caseload on 30 June 2019	Percent of caseload Indigenous on 30 June 2019	Average conversion rate for Indigenous participants placed in employment from program commencement to 31 December 2019
VTEC	547	100 percent	60 percent
TAEG - Employment	867	100 percent	67 percent
EPI	665	100 percent	68 percent
Jobactive	71,873	11.7 percent	32.48 percent
DES	15,482	6.5 percent	NA*
TTW	5,431	30.5 percent	43.1 percent
CDP	25,248	84.2 percent	31.3 percent

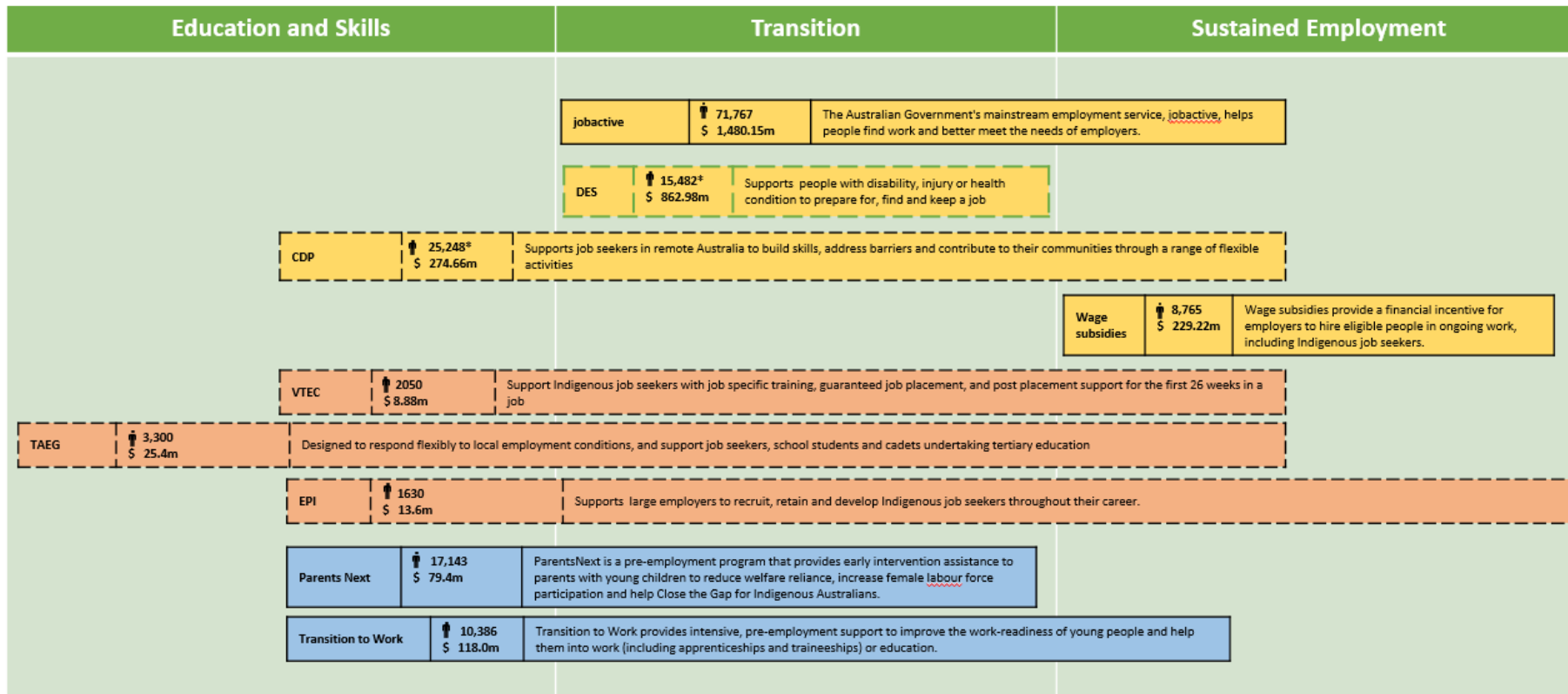
Caseload - describes participants whose placements are not closed and who are yet to reach their final milestone date.

Conversion rate - describes percentage of participants who were placed in employment and reach a 26 week employment outcome, from the commencement of the program to 31 December 2019.

* DSS does not collect data on DES participants in this way. For the 12 months to 31 December 2018, 23.9 percent of Indigenous Australian DES participants were in employment three months after leaving DES.

APPENDIX 2 - Overview of Employment Programs

Visual Overview of Employment Programs



Department of Employment, Skills, Small and Family Business
National Indigenous Australians Agency
Department of Social Services

Mainstream
 Complementary
 Indigenous specific

Total number of Indigenous participants supported during 2018-19

Funding expended in 2018-19 (GST exclusive)

**The participants' figure for CDP and DES reflects the caseload as at 30 June 2019. These programs do not collect data on the number of participants over a financial year.*

- This graphic is not an exhaustive representation of all relevant Commonwealth investment in this space.
- Individuals for 2018-19 reflects number of individuals receiving support in a program from 1 July 2018 to 30 June 2019. More specific detail on outcomes for individual programs is contained within the submission.
- Funding expended does not reflect committed funding, as for a number of employment programs, providers may not claim the maximum number of contracted placements and associated outcome payments, as it is a demand-driven activity, paid in arrears on achievement of employment outcomes. Funding does not include allocations to Departments/Agencies to administer the programs.