



INQUIRY INTO OPPORTUNITIES FOR EMPLOYMENT AND ECONOMIC DEVELOPMENT FOR INDIGNEOUS AUSTRALIANS

Submission upon request

This response has been prepared on behalf of the Board of Directors of The Arnhem Land Progress Aboriginal Corporation and in consultation with ALPA's directors, staff, CDP participants and community & cultural leadership from the Yolŋu communities in which we deliver services.

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Who We Are

The Arnhem Land Progress Aboriginal Corporation was formed in 1972 as a collective of seven community controlled stores, ALPA's initial member communities were Ajurumu, Gapuwiyak, Galiwin'ku, Milingimbi, Minjilang, Ramingining and Yirrkala. ALPA borrowed almost \$1m to upgrade plant and equipment, and the early successful operation of the stores enabled the loan to be repaid within three years. Since that time ALPA has been financially independent, owned by our Yolŋu members and governed by a Yolŋu Board of Directors.

In the 1970s ALPA began to realise the importance of training and development for its staff, and with support from the Queensland Retail Training Institute began a program of in-house training. The Training School at Galiwin'ku was built to support this. During this period we also started our Benevolent Programs, using the modest surplus funds generated from store operations to benefit the community. Financial assistance for ceremonies, education, medical escorts and community events could be obtained through these programs which have now been expanded to involve capital investment in business partnerships and business support for independent social enterprise development.

ALPA became a Registered Training Organisation in 1992 and is committed to staff training. Over 1500 of our remote Indigenous staff have completed apprenticeships or qualifications through ALPA, this dedication to quality training outcomes saw ALPA recognised as the NT Large Employer of the Year at the NT Training Awards in both 2015 and 2016 and placing in the top three at the subsequent National Awards in the same category in both years.

Since 2002, the organisation has expanded through its Australian Retail Consultancy arm, running stores on behalf of, and in partnership with, other Indigenous community organisations. This model has given those communities access to ALPA's systems and processes, training, nutrition program and group purchasing. This partnership approach allows these communities to maintain ownership and control of their business but with the expertise and support of an experienced Indigenous partner.

In 2013 the Board of Directors made the decision that it was time for ALPA to diversify from retail and work with the Government and industry partners to increase the economic opportunities for our Yolŋu members. We commenced by taking on the RJCP region encompassing our member communities of Ramingining and Milingimbi. Our board quickly recognised the ability to support positive change in our communities through these programs and over the last five years our community services footprint has grown to four CDP regions, five RSAS teams, a self-funded Youth Development program, an Economic Development unit and becoming a registered NDIS provider.

By 2014 we had saturated the existing local labour markets so started working in partnership with local families and traditional land owners to develop new enterprises, create further employment pathways and to strengthen the economies of our communities. To date this has seen the creation of four new Indigenous owned businesses delivering services across a variety of sectors including construction, landscaping, furniture manufacturing, automotive repair, Homelands services, hospitality, tourism, agriculture and cleaning.

In 2020 ALPA operates in 29 communities across a 1.2 million square kilometre footprint, ALPA has over 1400 employees, 85% of whom are Indigenous and ALPA returns over \$20 million per year to our member communities in the form of Yolŋu wages, benevolent programs and community infrastructure.

Case Studies demonstrating success

The key objective of ALPA's Board of Directors is to eradicate welfare dependency from our region by creating sufficient employment opportunities, and pathways into them, to allow financial independence through sustainable jobs.

ALPA's strategic plan largely focusses on three key areas: Operating successful & responsible businesses, enhancing remote economic development and improving Yolŋu Quality of Life. This intergenerational strategic plan is essential to achieving operational success and in meeting the Corporation's commercial and benevolent aspirations for its Yolŋu members.

The success of ALPA is underpinned by the robust governance and guiding principles that are provided by our Board of Directors. Effective corporate governance practices are augmented with the application of traditional Yolngu structures in decision making which ensures that ALPA management remain focused on achieving sustainable growth whilst staying true to our mission and values. The Risk appetite set by the Board ensures our continued financial independence whilst still enabling us to seek new opportunities to diversify through the development of sustainable businesses across a range of industry sectors. Through this we not only create economic opportunity and grow employment for our members but through this diversification we will also lessen our financial reliance on our five Arnhem Land foundation member stores.

There are three case studies of success that our organisation would like to share with this committee as we believe they demonstrate the key elements required to successfully create and maintain sustainable jobs in remote Indigenous communities and to support community members to be successful in undertaking these roles.

ALPA Retail Stores

As mentioned in the introduction ALPA was founded in 1972 as a network of retail stores, with such a strong history in the retail sector it comes as no surprise that this is ALPA's most mature business and greatest demonstration of success. Across the ALPA group 85% of all remote employees are local Indigenous residents of the community in which services are delivered, in our retail business however that number increases to over 92%.

There are a variety of contributing factors which have enabled this result:

Cultural safety in the workplace

The ALPA retail network has the strongest attraction and retention of Indigenous staff in our region with many employees being members of the store teams for decades. This is largely down to the cultural safety in our employment model that ensures that roles and expectations are flexible and have contingency for the many competing cultural and family priorities that often must, and should, take precedence over employment.

Many of our remote team members opt to take on permanent part-time roles, this creates an opportunity for flexible rostering and for team members to negotiate shift changes amongst themselves to ensure that there is always sufficient coverage for store operations and to maintain food security, but without team members needing to compromise on community and cultural participation.

Cultural participation in ceremonies and funerals are an essential component of Yolngu society and provision is made for extended leaves of absence when team members need to travel throughout the region. Team members know that engaging in traditional cultural practices will not have a negative impact on their career with ALPA and that there job will be there for them when they return.

Much work has been done over the past forty years to create a shared language and shared expectations around workplace practices and behaviours. A strength of ALPA is the recognition that the best outcomes are achieved when expertise from both the traditional Indigenous academy and the Western academy are harnessed and combined to create something stronger than either could be on their own. Examples of this include mapping the operation of a retail store to the coordination of a Yolngu, create a business structure comparable and appropriate within the traditional Yolngu cultural hierarchy with clear role delineation and authority for all parties that are easily understood by a new team member who has not been employed before. This creates practical understanding of concepts such as Duty of Care and Public Liability which are otherwise hard to contextualise and communicate.

Ongoing professional development

ALPA is a Registered Training Organisation and for a long time our sole focus was on delivering accredited retail training to our remote team members. Whilst today our scope has broadened significantly retail training remains a large part of our training workload as it is integral to our business model.

A team member joining an ALPA store in a remote community can enter the workforce with no qualification and low English literacy and over the course of their career access a training pathway that will take them all the way through to an advanced diploma. Now that ALPA has partnered with the Commonwealth Government to pilot Higher Education Hubs in our region we can even facilitate tertiary studies within the workplace.

When someone joins the ALPA team and expresses an interest in professional development our training team do some initial assessment with them, this usually consists of Q testing – a digital assessment which gives a snapshot of a student's learning style and learning capability – and Language, Literacy & Numeracy benchmarking so we can identify what types of supports are appropriate to maximise the students chances of being successful in their studies.

The training pathway commences with a Cert II in retail and moves forward through a Cert III, Cert IV, Diploma and Advanced Diploma. These courses are not undertaken as block study, but with each student working through them at their own pace in partnership with a local mentor and travelling retail trainers. All course materials have been contextualised to the workplace and technology and action learning are embedded at all stages of the professional development pathway to ensure exercises are relevant and engaging.

Local Indigenous team members are encouraged to undertake trainer and assessor skill sets so that they can support the ongoing training of their peers and provide mentorship and support throughout their training journey.

This model has led to high take up rates in professional development, consistent career progression for local team members and high job satisfaction leading to strong retention.

Retail Leadership Program

An expansion on the accredited training is the Retail Leadership Program, a non-accredited training initiative of the ALPA Board of Directors which has been designed specifically to help us move from 92% towards 100% local Indigenous employment in our retail network.

This program involves intensive mentoring, increased responsibility within the workplace, travel to participate in other parts of the retail business such as the support office in Darwin and supply chain elements such as suppliers of product and transport companies such as the barge. This gives program participants a whole of business understanding as well as greater visibility of the importance of roles and responsibilities within the store.

Also included in this program is mentoring of the participant's colleagues and family on the responsibilities and pressures that come with them taking on a more senior role within their community stores. This ensures that they have a strong support network both inside and outside of the workplace, with everyone working together to ensure their success.

The program is about to enter its third year and whilst it is yet to produce a Yolngu store manager it has successfully supported a number of remote team members to increase their responsibility within their store and take on roles as department managers or duty managers, running shifts and opening or closing the store independently.

Broader benefits

Outside successful community controlled store plays a key enabling role in supporting remote economies, as ALPA has grown it's retail network we have been able to leverage our buying power to reduce prices and bring mainstream brands such as Bunnings, BCF and Supercheap into our communities with prices comparable to their urban stores. This has seen populations remain stable when in many other regions urban drift is seeing many remote residents moving to major centres. The larger the population in a remote community the more viable services and business are, creating a more stable micro economy that can support jobs and ongoing economic development.

Manapan Furniture

Manapan Furniture is a 100% Indigenous owned ALPA subsidiary which produces high end furniture on Milingimbi Island in East Arnhem land and exports it throughout Australia and overseas. One of the motivations for founding Manapan was to demonstrate what is possible in remote communities when there is a sustainable model and the correct supports are put in place.

The focus of Manapan is to create sustainable jobs on Milingimbi Island through the factory and to create a training and employment pathway through Manapan Academy that helps people transition into roles not only within Manapan but also other employers within the Milingimbi Community.

Manapan now has an established range of products and deliver a variety of bespoke major projects for clients such as Melbourne Airport, ANZ bank and Austrade. Examples of Manapans work can be experienced via: <https://www.manapanfurniture.com.au/>

Manapan currently provides sustainable employment to 5 Yolngu craftsman and has another ten commencing in the next 20 week program run through Manapan Academy. Manapan Academy is a partnership with ALPA's CDP program which provides English Literacy and financial life skills training whilst also developing practical carpentry skills through community projects such as building public picnic tables and beds for elderly community members.

There have been some key learnings from Manapan and whilst it is now becoming a sustainable business in its own right there has needed to be significant investment from ALPA which we recognise would not be a realistic expectation from smaller Indigenous businesses which do not have the benefit of our size and scale.

The first key challenge was attempting to compete in a premium market with high end furniture when our craftsmen has a skill level equivalent to first year apprentices. In the development of the Manapan business model it became clear to us that if this business was to be successful in overcoming the high costs of freight and materials in our remote community we would need to be in a high value market. Creating premium products with inexperienced tradesman meant a long period of selling products at a loss due to the high labour costs.

Over the three years that Manapan has been operating the labour time required to reduce some of our larger pieces has reduced by a factor of three, this means that these pieces are now profitable and that the jobs crafting them are sustainable. To get to that point significant subsidisation was required by ALPA. In many remote communities jobs such as those at Manapan can be created, however there needs to be a significant upfront investment in training and development. In the case of Manapan the ALPA board had the means and a willingness to support this, many other remote communities are not in a position to do so and Government support would be required.

A mechanism to address this would be a relaunch and expansion of the stalled jobs program brought forward by previous Minister for Indigenous Affairs Nigel Scullion. This initiative saw a two year subsidy of direct wage costs up to the minimum wage by the Government with employers paying wage costs between the minimum wage and the award wage as well as superannuation and other employment expenses. This two year subsidy would offset reduced productivity and training costs whilst employee capability is built to a point that they can operate successfully at the level required for new businesses and sectors to be commercially viable in remote settings.

A further support would be a further commitment to the Indigenous Procurement Policy and streamlined procurement guidelines for the Government departments attempting to meet the targets set within it. Manapan is now fortunate to have a variety of large projects however the majority of these have come from corporate Australia. Whilst we have been supported by a couple of Australian Embassies many departments have expressed an intent to purchase Manapan pieces they have struggled to manoeuvre the internal bureaucracy of often complicated and fragmented procurement policies. The ALPA Board of Directors are strong believers in the business expertise and entrepreneurial spirit of indigenous Australia and agree with the statement that ‘a hand up is more helpful than a handout’. The best support the Australian Government can provide to Indigenous businesses is to support them through procurement.

Bukmak Construction

Bukmak Constructions is another 100% Indigenous owned subsidiary of ALPA, it was created by the Board of Directors to try and recreate the local housing industry present in their community decades ago and in direct response to the fly in fly out culture currently demonstrated in the remote construction industry.

Bukmak has been successful in employing local Indigenous people and providing real training and skills development over the course of it's major projects. One such project was the yard works contract in Galiwinku - providing fencing, carports and landscaping to eights houses being rebuilt in the aftermath of the Category 4 cyclone that struck our region in 2015. This project ran over multiple years and employed consistent employment to a large cohort of Yolngu tradesman. Throughout the project they undertook a Cert III in Remote Building Repairs & Maintenance and increased their skill level to the point that 80% of

the workforce were local Indigenous tradesman from Galiwin'ku, far exceeding the 30% required by most Government tender processes. This demonstrates the employment outcomes and the change that can be achieved by longer projects funded to Indigenous employers who will invest in training and mentoring.

Many of these tradesman went on to be a part of the team Bukmak utilised to deliver 9 new build houses, also in Galiwin'ku. This project gave some good example of how good intentions from Government are not enough to deliver real outcomes. Supporting a local Indigenous business to undertake work of this nature is always a good thing, however short timelines, a focus on price and no allowance for training meant that we were only able to achieve a local Indigenous employment outcome of just over 40%. This was due to a need to rely on highly skilled non-Indigenous labour to achieve the timelines and budget dictated through procurement negotiations.

A further issue is that now that this project is completed there is no ongoing work for these burgeoning tradesman. Despite a high need for further housing investment in the region, scheduled works and budget allocated no tenders have been released. This means that Bukmak will need to disband this workforce, many of whom will have to return to Centrelink and the Community Development Program. We have witnessed this cycle time and time again in our communities, it leads to high disengagement and the likelihood of these employees returning is low as they feel that no matter how hard they work they will end up back on Centrelink, unable to gain their financial independence.

ALPA has brought forward some of its own capital works to keep this team engaged in the hope that tenders will soon be released. It is essential that Government departments, across all jurisdictions, get better at scheduling their works in a sustainable pipeline instead of the cycle of feast and famine currently represented. A sensible approach would be to work with Indigenous businesses to develop long term contracts that will allow for consistent workforce participation and a larger investment in training.

It is currently impossible for employers or employees to give meaningful consideration to apprenticeships because of the long term commitment required by both parties. The intermittent nature of work means that these skills can not be developed locally, entrenching a reliance on skilled and accredited professionals from outside of the region who are expensive to fly in and out, accommodate and take the place of local Indigenous workers. Without a strong commitment up front from Government, long term thinking and investment in accredited training this cycle will not be broken. Contracting local Indigenous organisations to do this work without changing the policies needed to enable success is not enough to drive meaningful and sustainable long term change.

The Community Development Program

The Community Development Program (CDP) is the Commonwealth Governments largest investment in pathways to employment for people living in remote communities throughout Australia, the majority of whom are Indigenous Australians.

As mentioned previously ALPA is a large provider of CDP in our region, with a caseload of approximately 2500 participants across four regions. Whilst the CDP can have a transformational impact on the lives of individuals through the provision of quality caseload management, training and pre & post-employment support it is not well equipped to deliver transformational change on a large scale.

CDP appears to have been developed on the sole premise of helping participants take up existing jobs within their communities, no real consideration is given to how the program can be leveraged to create new jobs and support businesses to expand. This is mistake and must be rectified, in our regions all offered

jobs are readily taken up with participants desperate for more opportunities to gain employment to be made available to them.

The previous RJCP program which served a similar function was better equipped to support local businesses to create new jobs and increase labour market opportunities in remote Australia.

Recent changes to CDP have further reduced the ability of employers to ‘host’ CDP participants within their workplace, this was a great opportunity for participants to experience workplace conditions, understand the expectations of a workplace and to demonstrate their employability. The importance of this opportunity should not be underestimated in the context of someone who has never had employment previously, it serves as an important stepping stone, building confidence and belief in the ability to succeed and increasing the likelihood of successfully transitioning to employment. Whilst we recognise that some organisations may have exploited this policy to game the system and use CDP participants as free labour a better response would have been to increase accountability for providers and to create consequences for employers guilty of this exploitation, rather than making a detrimental change to the program.

Another change in the transition from RJCP to CDP was the transition from wage subsidies to incentive payment from employers. The intent of this change was to reduce administration, and it has been successful in doing so, however this change was made without sufficient consultation with the sector and more importantly with employers. Whilst both RJCP and CDP are unnecessarily administratively focussed the wage subsidies were not a large component of this, and the removal of these has been detrimental.

Previously employers were provided a subsidy for the first six months of engaging an employee, the subsidy was high for the first three months and then tapered in the second three months. The employer provided pay advice to the provider and the subsidy was paid out based on actual hours worked. This system meant that employers were guaranteed the subsidy to offset their investment in induction and training for all hours work regardless of how long the employee stayed in the role. The new employer incentives are only paid if the employee works the required hours for the entirety of the three and six month periods. This means that if the employer provides periods of absence for cultural leave or an employee had an extended period of illness they are at risk of receiving no financial incentive, regardless of whether they successfully maintain the employ or not. It also provides no incentive to employers taking on employees on short term contracts who often have the same expenses regarding training and induction.

Workplace Literacy Training

One of the key challenges in our region is the low level of English literacy, particularly written English literacy, with the vast majority of our participants speaking English not as a first language but as a fourth or fifth.

Currently the literacy programs available in remote Australia are limited to pre-employment and delivered through either the SEE or CDP programs. The challenge with this is that there is no ongoing support for literacy training once someone transitions into employment.

With English literacy a key skill to maintaining employment, and more importantly to career progression, it is essential that further investment is made in this area. The risk of not doing so is that professional jobs and jobs that require mandatory qualifications remain out of reach for many Indigenous Australians living in remote communities.

