

**Submission on behalf of The Australian Petroleum Production & Exploration Association (APPEA) to the Senate Select Committee *Inquiry into Regional and Remote Indigenous Communities***

**Term of Reference (d) - The Employment and Enterprise Opportunities in Regional and Remote Indigenous Communities**

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APPEA welcomes the opportunity to provide a submission to the Inquiry.

The Australian Petroleum Production & Exploration Association (APPEA) is the peak national body representing the Australian oil and gas exploration and production industry.

APPEA, its key oil and gas member operating companies and the network of contracting companies servicing the upstream oil and gas industry, are committed to the expansion of sustainable employment opportunities for Indigenous Australians in the oil and gas sector. As most of the companies operate in remote areas, they are well placed to assist in the creation of sustainable, permanent positions for that target group.

As a result of the work done under the joint industry/government initiative the , Upstream Oil and Gas Industry Strategy 'Platform for Prosperity', APPEA has been supported by the Department of Education, Employment and Workplace Relations (DEEWR) in the delivery of a National Skills Shortage Strategy (NSSS) program in 2008. The primary aim of this program was to improve the employment participation of under-represented groups in the upstream oil and gas industry (and those sectors providing contracted services to that industry) with a particular focus on the development of an Indigenous engagement and workforce participation strategy.

APPEA is currently in the final stages of negotiation with DEEWR on a new and innovative approach to employment practices (Indigenous Workforce Partnerships (IWP) model) within the oil and gas industry which has the capacity to significantly enhance the participation levels of Indigenous Australians.

The impetus for this expansion of the initiatives commenced in 2008 came primarily from the outcomes generated at a successful DEEWR/APPEA inaugural Indigenous Engagement Forum held in Darwin on the 16<sup>th</sup> July 2008.

The forum covered a broad range of employment, skills development, career pathways and vocational training issues. At the conclusion of the forum, the participants agreed on a number of initiatives designed to enhance the oil and gas sector's efforts in relation to Aboriginal employment.

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The forum participants made a number of recommendations outlined below:

1. Preparation for employment programs for Indigenous Australians in the upstream oil and gas industry should include:
  - literacy and numeracy content and support
  - a 'life-skills' component and support to highlight the importance of punctuality, attendance, personal appearance and other general issues
  - a relevant mentoring component
  - additional support as required such as access to transport, provision of meals and other areas.
2. Funding for preparation for employment programs for Indigenous Australians in the upstream oil and gas industry should cover the requirements for this broader content and the additional support services
3. the acknowledgement the employment-based training options provide the most appropriate pathway for securing sustainable employment for Indigenous Australians in the upstream oil and gas industry and that preparation for employment programs should provide the foundation for employment-based pathways such as apprenticeships, traineeships and cadetships and for other identified jobs in the industry.
4. Programs to prepare Indigenous Australians for employment in the upstream oil and gas industry should teach skills that are sustainable and transferable to other industries and occupational areas.
5. APPEA, via its Skills, Education and Training Committee should;
  - establish a process to engage contractors in a shared human resources model for potential Indigenous Australian employees
  - discuss with DEEWR the requirements for the support and funding of a project to develop the shared human resources model
  - progress with DEEWR the establishment of a Stage 2 component for the current National Skills Shortage Strategy (NSSS) project; and
  - continue to provide advice to government on the need for flexible engagement, training and employment strategies for Indigenous Australians.
6. An integrated and coordinated approach to the engagement and employment of Indigenous Australians in the upstream oil and gas industry should be pursued and that APPEA is best placed to lead this.
7. APPEA should initiate a cross-industry discussion with other industry associations and employer organisations with the aim of producing sustainable employment outcomes for Indigenous Australians in regional and remote areas of Australia.
8. An Indigenous Australian engagement strategy for the upstream oil and gas industry should recognise and promote existing successful programs and ensure duplication is avoided.

As a direct consequence of the forum outcomes and under instructions from its member companies, APPEA has been working with DEEWR to develop an appropriate model that will deliver long term employment outcomes for Indigenous Australians in the upstream oil and gas industry. This work has focused on the notion of a 'shared human resources' model that provides an

integrated operating company/contractor process that makes use of all the employment opportunities available in the broader upstream oil and gas labour market.

The activities being undertaken by the upstream oil and gas industry in the planned IWP project model, and the previous NSSS project, align closely with the objectives of the Australian Employment Covenant.

While APPEA member companies will be encouraged to support this entry-level innovative concept, APPEA's approach in its IWP model will ensure that Indigenous Australians from regional and remote communities in the long term will be able to secure sustainable employment through the delivery of programs ranging from pre-employment to high level training.

APPEA's IWP project, with its strong focus on formal structured mentoring support systems, work readiness programs that reinforce the need for literacy and numeracy skills and pre-employment courses will seek to produce a permanent shift in current oil and gas industry Indigenous employment practices. It is anticipated that over time the project will lead to many more Indigenous employees from regional and remote Indigenous communities entering and remaining in the industry.

In the Northern Territory, APPEA has worked with the Northern Territory Department of Employment and Training (DET) and a highly regarded local private Registered Training Organisation (RTO) in the development and delivery of Indigenous Employment Preparation programs.

In Western Australia, APPEA is also active in the delivery of Aboriginal School Based Traineeships, a model that enables young Indigenous Australians from regional and remote communities to undertake combined formal education, vocational training and employment placements designed to provide an introduction to the oil and gas sector and to assist in securing traineeship and apprenticeship places.

APPEA fully appreciates the magnitude of the challenge in achieving sustainable employment in regional and remote Indigenous communities. The key element of the IWP model is the direct engagement between operating oil and gas companies, the contractors that provide support services to these operating companies and local Indigenous people. In striving for sustainable employment outcomes, the operating companies and contractors will work in partnership with local Indigenous communities to identify, prepare, train and support local people as they make the transition to fulltime employment in the upstream oil and gas sector.

APPEA welcomes further interest from the Senate Select Committee in respect to the above submission.



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