

# Policy snapshot: Indigenous training and employment



National Indigenous training and employment policy falls under the auspices of the Indigenous Advancement Strategy (IAS), an initiative which covers all facets of Indigenous social, economic, health and wellbeing across multiple Australian Government departments. Two of the main aims of the Jobs, Land and Economy component of the IAS are to increase the number of Aboriginal and Torres Strait Islander people in 'real jobs' and train more people for local jobs in their communities. Some of the initiatives which lie under the Job, Land and Economy banner include the:

- Community Development Program<sup>1</sup>
- Employment Parity Initiative<sup>2</sup>
- Vocational, Training and Employment Centres (VTEC)<sup>3</sup>
- Indigenous Cadetship Support Programme.<sup>4</sup>

Much of the current policy agenda has been adopted from the recent Forrest Review<sup>5</sup> recommendations. While it is too soon to critique the effectiveness of these initiatives in closing the gap in employment parity, this policy snapshot provides some insight into the recent trends in national Indigenous employment and training programs. It only focuses on national policy directions and programs. However, we acknowledge that the jurisdictions have their own policies and programs aimed at improving training and employment outcomes for Indigenous people, which contribute to the broader policy landscape.

## From focusing on the community to focusing on the individual

The longstanding Community Development Employment Projects (CDEP) program was introduced in 1977 and was a publicly funded employment program that addressed labour market disadvantage and the lack of local employment opportunities in rural and remote areas. For over 30 years, CDEP played a major role and at its peak accounted for two-thirds of Indigenous employment. Over the past decade or so, the policy focus has shifted away from Indigenous-specific employment programs based on community employment needs towards relying on mainstream employment programs to get individuals into mainstream employment. The CDEP was gradually wound back through successive government reforms until it ended in 2015. The Centre for Aboriginal Economic Participation Research<sup>6</sup> has undertaken a comprehensive discussion on CDEP and its closure.

The current program Community Development Program (CDP) was introduced in 2015 specifically for remote areas. The program operates similarly to the mainstream Job Services Australia program as a remote-area 'work for the dole scheme'. To continue receiving income support, recipients are required to meet 'work-like' activities, which can include a range of training options (including foundational skills training and formal qualifications) and work experience. This is predicated on individuals meeting their 'mutual obligation' requirements, rather than responding to the employment needs of communities. For recipients in remote areas, most of whom are Indigenous, meeting obligations can be a challenge, which can cause a higher number of program breaches to occur,<sup>7</sup> leading to higher income penalties.

Indigenous jobseekers not from remote areas are reliant upon mainstream job services, namely Job Services Australia<sup>8</sup> (JSA) but also other initiatives such as the Youth Jobs PaTH<sup>9</sup> internships program and the National Work Experience Programme<sup>10</sup>. The Forrest review is deeply critical about the ability of the JSA system to suitably support Indigenous job seekers and provide stability for employers. Instead, Forrest proposes the creation of a demand-driven approach to job services where training and support are only provided to get people into jobs that have been guaranteed by employers.

The overarching focus of national Indigenous training and employment policy is that training needs to be linked to 'real jobs', but there is little explanation about what 'real jobs' might look like in remote communities that have unique and limited labour markets and challenges associated with their remoteness. In these areas, training needs to be aligned with local needs and employment opportunities.

For more information regarding Indigenous training and employment research, please see these recently published reports:

Crawford, H & Biddle, N 2017, *Vocational education participation and attainment among Aboriginal and Torres Strait Islander Australians: trends 2002—15 and employment outcomes*, CAEPR working paper 114/2017, Centre for Aboriginal Economic Policy Research, Australian National University.

Guenther, J et al. forthcoming, *Enhancing training advantage for remote Aboriginal and Torres Strait Islander learners*, NCVER, Adelaide.

Windley, G 2017, *Indigenous VET participation, completion and outcomes: change over the past decade*, NCVER, Adelaide.

## Not just training for training's sake

Forrest is critical of 'training for training's sake', particularly when it comes to low-level 'irrelevant' VET certificates being accumulated by Indigenous people and is a 'waste' of public funding (2014, p.158–9). Recent research<sup>11</sup> shows that Indigenous students are more likely to be enrolled in certificate I & II level qualifications than non-Indigenous people, but the proportion of enrolment in these qualifications has been decreasing over the past decade, and Indigenous people are now more likely to be enrolled in higher level qualifications (certificate III and above), than lower level qualifications.

Forrest's recommendation for improving vocational training for Indigenous Australians is a demand-driven voucher system, where funding for training (qualifications and skill sets) is tied to the individual based on need. But employers control the voucher for training a worker (or potential worker), which is tied to training outcome payments and can only be redeemed by the training provider once the employer has referred the job seeker to them to ensure training is directly related to real jobs. In this regard, training is solely determined by the needs of the employer, not the needs of the individual job seeker.

This proposed model is based on the Generation One's Vocational Training Employment Centres (VTEC) model,<sup>12</sup> which is a demand-driven approach to funding training. Under this model employers identify the training needs, employers choose the provider, and providers deliver training which is funded based on completion and outcomes.

The government has committed \$45 million to fund VTECs, of which there are approximately 30 training providers across Australia. There has yet to be any evaluation of this program, but access to transparent training data is vital to determine and assess the training activity being undertaken by VTEC providers. This is important for ensuring training is not contributing to low-level certificate churn, but instead leading to high level qualifications, improved completions and employment.

## A greater role for employers

One of the significant trends in Indigenous employment and training policy has been a greater role for employers. This has been largely driven by Australian Employment Covenant (AEC) and Generation One initiatives since 2008. Generation One, and its predecessor the AEC, are a national industry-led initiative aimed providing over 60 000 jobs for Indigenous Australians. The employment opportunities are 'commitments' from employments, and as at early 2017, 19 000 jobs have been filled.<sup>13</sup> However, there is yet little information available about these jobs, whether or not they are full-time or part-time positions, apprenticeships or traineeships, ongoing or temporary positions, what occupations and skill levels these jobs are at, and the training requirements of these jobs. Once again, transparency about outcomes is important if we are to assess the success of initiatives like Generation One's VTEC model and the Employment Parity Initiative, which is a government initiative aimed at increasing engagement with large companies.

Individual and groups of employers taking on more responsibility to provide Indigenous employment and training opportunities is an important part of reaching employment parity, but it has to be more than a commitment. Employer-driven and employment-based training makes a significant contribution to the education and training for Indigenous people. Indeed, recent analysis<sup>14</sup> shows that Indigenous people who have undertaken a trade apprenticeship are more likely to be employed after training than their non-Indigenous peers. There are a range of national, state and territory initiatives<sup>15</sup> to support employers to provide apprenticeships and traineeships to Indigenous people.

As Forrest argues, governments need to provide a stable policy environment and support to encourage employers to provide secure and worthwhile jobs and training for Indigenous people. But it is also important for employer-driven education and training to benefit the individual and their future employment and career prospects, not just respond to employer's short term skill needs.

Given employment rates are stronger for Indigenous people with higher-level VET qualifications<sup>16</sup>, (certificate III and above) compared with lower levels of VET and no qualifications at all; it is vital for training policy and programs to concentrate on educating and skilling Indigenous Australians to high level and helping people move from lower level training into higher level qualifications.

- 1 <https://www.dpmc.gov.au/indigenous-affairs/employment/community-development-programme-cdp>
- 2 <https://www.dpmc.gov.au/indigenous-affairs/employment/employment-parity-initiative>
- 3 <https://www.dpmc.gov.au/indigenous-affairs/employment/vocational-training-and-employment-centres-vtecs>
- 4 <https://www.dpmc.gov.au/indigenous-affairs/employment/indigenous-cadetship-support>
- 5 <http://www.dpmc.gov.au/indigenous-affairs/employment/indigenous-jobs-and-training-review>
- 6 <http://caepn.anu.edu.au/Publications/mono/2016RM36.php>
- 7 <http://caepn.anu.edu.au/Publications/mono/2016RM36.php>
- 8 <https://www.employment.gov.au/news/job-services-australia-support-job-seekers-and-employers>

- 9 <https://www.employment.gov.au/youth-jobs-path>
- 10 <https://jobsearch.gov.au/jobseekerinfo/nationalworkexperienceprogramme.aspx>
- 11 <https://www.ncver.edu.au/publications/publications/all-publications/indigenous-vet-participation,-completion-and-outcomes-change-over-the-past-decade>
- 12 <http://generationone.org.au/vtec>
- 13 <http://generationone.org.au/about>
- 14 <https://www.ncver.edu.au/publications/publications/all-publications/indigenous-vet-participation,-completion-and-outcomes-change-over-the-past-decade>
- 15 <http://www.aatinfo.com.au/Government-Initiatives/Indigenous-Initiatives/National>
- 16 <http://caepn.anu.edu.au/Publications/WP/2017WP114.php>



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