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The Parliament of the Commonwealth of Australia

# **Report on Indigenous Participation in Employment and Business**

House of Representatives  
Standing Committee on Indigenous Affairs

August 2021  
Canberra

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





# Contents

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

## REPORT

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

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

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

## APPENDICES

<b>Appendix A - Submissions .....</b>	<b>93</b>
<b>Appendix B – Public hearings .....</b>	<b>97</b>

## TABLE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I commend the report to the House.

**Julian Leaser MP**  
**Chair**





## **Membership of the Committee**

**Chair** Mr Julian Leeser MP

**Deputy Chair** Hon Warren Snowdon MP

**Members** Ms Sharon Claydon MP

Hon Warren Entsch MP

Ms Celia Hammond MP

Ms Anne Stanley MP

Mr Phillip Thompson OAM MP

Mr Terry Young MP

## **Committee Secretariat**

<b>Secretary</b>	Ms Jenny Adams
<b>Inquiry Secretary</b>	Dr Kilian Perrem
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<b>Research Officer</b>	Dr Michael Francis
<b>Research Officer</b>	Ms Savannah Pingol
<b>Office Manager</b>	Ms Sarah Brassier



## **Terms of reference**

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

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

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

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





## List of abbreviations

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

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



# List of recommendations

## Growing Aboriginal and Torres Strait Islander businesses

### Recommendation 1

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

### Recommendation 2

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

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

### Recommendation 3

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

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

**Recommendation 4**

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

**Recommendation 5**

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

**Recommendation 6**

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

**Recommendation 7**

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

**Recommendation 8**

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

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

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

**Recommendation 10**

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

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

**Recommendation 11**

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

**Recommendation 12**

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

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

**Recommendation 13**

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

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

**Recommendation 14**

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

**Recommendation 15**

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

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

**Recommendation 16**

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

**Recommendation 17**

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

## Introduction

### Background

- 1.1 On 23 October 2019, the Minister for Indigenous Australians, the Hon Ken Wyatt MP, asked the committee to inquire into and report on opportunities for employment and economic development for Indigenous Australians. The committee adopted the inquiry and its terms of reference on 24 October 2019.
- 1.2 These terms of reference are listed on page xiii of this report and include the following areas of inquiry:
  - Barriers to employment for Indigenous Australians, including access to employment and training;
  - Gaps and opportunities in the workforce that could result in employment and enterprise options for Indigenous Australians;
  - The involvement of Government departments and agencies in facilitating business opportunities for Indigenous Australians.

### Conduct of the inquiry

- 1.3 This inquiry was referred to the committee in October 2019. The inquiry proceeded from that time until the onset of the COVID-19 pandemic and was suspended by the committee on 26 March 2020. In the intervening period, the committee was asked to undertake a report on Food Pricing and Food Security in Remote Communities. The committee resumed its work on this inquiry from February 2021.

- 1.4 The inquiry received 85 submissions in total, which included 25 supplementary submissions. Of the total submissions, 20 were written responses to questions taken on notice at public hearings. All submissions are listed at Appendix A.
- 1.5 The committee consulted widely with key stakeholders during this inquiry and conducted 19 public hearings. These are listed at Appendix B. Most of these hearings were conducted by teleconference or videoconference.

### **Remote travel was not possible due to the pandemic**

- 1.6 Most interstate travel, including to remote communities, was not possible for this inquiry due to the continuing situation caused by the COVID-19 pandemic.
- 1.7 The committee had planned to conduct hearings in the Northern Territory and Queensland, including visits to a number of remote Aboriginal and Torres Strait Islander communities, as part of its evidence gathering and had developed itineraries for these trips. This travel had to be cancelled, however, due to border closures and quarantine restrictions.

### **Themes in the inquiry and report structure**

- 1.8 This inquiry was focused on Aboriginal and Torres Strait Islander business and employment policy.
- 1.9 Chapter 2 analyses the issues current facing Aboriginal and Torres Strait Islander businesses and Chapter 3 evaluates the current status of Aboriginal and Torres Strait Islander employment policy. The committee makes recommendations to Government in both chapters which it believes will enhance Aboriginal and Torres Strait Islander Peoples' participation in the Australian economy.

### **Aboriginal and Torres Strait Islander businesses**

- 1.10 There are indicators to suggest that there has been significant growth in the Aboriginal and Torres Strait Islander business sector in recent years. Although the data are limited at present, the Centre for Aboriginal Economic Policy Research at the Australian National University has conservatively estimated in a 2018 study that the number of Aboriginal

and Torres Strait Islander business owner-managers grew by 30% between 2011 and 2016, from 13 700 to 17 900.<sup>1</sup>

- 1.11 The Federal Government's Indigenous Procurement Policy (IPP) has been a real success and a source of growth. The number and value of the contracts awarded under the IPP by many government departments have consistently exceeded the targets. The total value of IPP contracts across all government portfolios increased from \$335 million in 2015-16 to \$910 million in 2019-20.<sup>2</sup>
- 1.12 Now that the IPP is maturing, some further improvements can be made so that consideration is given to both the number and value of the contracts but also employment outcomes and skills transfers for Aboriginal and Torres Strait Islander peoples.
- 1.13 The committee noted the positive role that business hubs, and Indigenous Business Australia (IBA) are playing and the committee wants to see the remit of both the hubs and IBA expanded. The hubs help with tendering and business networking while IBA helps finance Aboriginal and Torres Strait Islander housing and business loans. The committee also saw opportunities in international trade and investment for the expansion of the Aboriginal and Torres Strait Islander business sector.

## **Aboriginal and Torres Strait Islander employment**

- 1.14 The other central theme of this inquiry was the ongoing barriers to sustainable employment pathways for Aboriginal and Torres Strait Islander Peoples. The committee learned from the inquiry that while some industries have pioneered excellent initiatives to enable greater levels of such employment, there continue to be barriers for many Aboriginal and Torres Strait Islander Peoples including a lack of access to high-quality and relevant training, limited access to supportive workplaces, inconsistent mentoring for young Aboriginal and Torres Strait Islander job seekers and few long-term job opportunities. In addition to these workplace obstacles, more frequent interactions with the justice system can create additional barriers with factors like having a police record limiting employability.

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1 Siddharth Shirodkar, Boyd Hunter and Dennis Foley, Centre for Aboriginal Economic Policy Research (CAEPR), *Ongoing growth in the number of Indigenous Australians in business*, Australian National University, 2018, p. 4.

2 National Indigenous Australians Agency (NIAA), *Supplementary Submission 8.9*, p. 11.

- 1.15 Remote areas are particularly problematic in this regard and present additional barriers to employment including poor access to transport for employment opportunities.
- 1.16 Current Federal Government employment programs that are designed to engage and place Aboriginal and Torres Strait Islander job seekers into work are discussed in detail in chapter 3 and include Jobactive, Vocational Training and Employment Centres (VTECs), and the Community Development Program (CDP). The committee notes that all these areas are under review by the Government and has made some observations and recommendations to be considered as part of those reviews.
- 1.17 The evidence presented to the inquiry indicated a significant data shortfall to help assess the successful transition of Aboriginal and Torres Strait Islander job seekers into education, training and permanent employment. Better systems and data are needed to design and assess future Aboriginal and Torres Strait Islander employment programs.

## **Growing Aboriginal and Torres Strait Islander businesses**

### **Overview**

- 2.1 There has been significant growth in Aboriginal and Torres Strait Islander businesses over the past few years. This has been fuelled in part by the Federal Government's Indigenous Procurement Policy (IPP) and by similar policies that have been implemented in State and Territory jurisdictions. A more supportive environment for Aboriginal and Torres Strait Islander businesses has developed in recent years. This has been enabled partly by the advent of institutions such as Indigenous Business Australia (IBA) and Supply Nation, and a variety of new Indigenous business chambers of commerce, networks, and government supported hubs.
- 2.2 The IPP has been very successful. Federal Government agencies have significantly exceeded their targets. Now that the IPP is an established policy for supporting Aboriginal and Torres Strait Islander businesses, it is an appropriate time to review whether the IPP is bolstering broader Aboriginal and Torres Strait Islander participation in the economy so that the benefits of the IPP are broadly spread.
- 2.3 The committee believes that there are aspects of the IPP that could be improved to further promote Indigenous participation in the economy. The committee also believes that improvements can be made to the current operating environment for Aboriginal and Torres Strait Islander enterprises. These issues are discussed in more detail below.

## Aboriginal and Torres Strait Islander business successes

2.4 Current estimates on the number of Aboriginal and Torres Strait Islander businesses range from 12,000 to over 17,000 enterprises across the country.<sup>1</sup> The sector is incredibly diverse, ranging from administration and support services, to education and health, to construction and ICT.

2.5 Although the data is limited at present, the Centre for Aboriginal Economic Policy Research at the Australian National University has conservatively estimated in a 2018 study that the number of Aboriginal and Torres Strait Islander business owner-managers grew by 30% between 2011 and 2016, from 13 700 to 17 900.<sup>2</sup>

2.6 The National Indigenous Australians Agency (NIAA) comments in its joint submission:

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.<sup>3</sup>

2.7 Mr Murray Saylor, Managing Director, Tagai Management Consultants Pty Ltd, an Indigenous-owned business, commented at the public hearing on 11 February 2020 on the importance of Aboriginal and Torres Strait Islander businesses for the future of Aboriginal and Torres Strait Islander people:

It's a tough journey, obviously. It's a very, very tough thing to do... But, with our journey, our responsibility as brothers and sisters, whether we are here on the mainland or in our communities on the islands, is our duty of care that's not about today; it's about the future generation that we're trying to empower tomorrow.<sup>4</sup>

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1 National Indigenous Australians Agency (NIAA), Department of Employment, Skills, Small and Family Business (DESSFB), Department of Social Services (DSS), and the Australian Public Service Commission (APSC), *Submission 8*, p. 20.

2 Siddharth Shirodkar, Boyd Hunter and Dennis Foley, Centre for Aboriginal Economic Policy Research (CAEPR), *Ongoing growth in the number of Indigenous Australians in business*, Australian National University, 2018, p. 4.

3 NIAA, DESSFB, DSS, and APSC, *Submission 8*, p. 20.

4 Mr Murray Saylor, Managing Director, Tagai Management Consultants Pty Ltd, *Committee Hansard*, 11 February 2020, Canberra, p. 7.

- 2.8 Mr Kim Collard, Chief Executive Officer of Kulbardi, an Indigenous-owned workplace and office supplier, also stressed the importance of the legacy that Aboriginal and Torres Strait Islander businesses will create for future generations:

It's not being seen to be about 'take, take, take'; it's also about giving back to community. I talk about, as Aboriginal businesses, the freedom, the autonomy, the independence to do the things we want to do. It gives me a great deal of pride to see a new and emerging black entrepreneurship population coming through, and we're going to leave a fantastic legacy for our children and, indeed, our grandchildren.<sup>5</sup>

- 2.9 Arnhem Land Progress Aboriginal Corporation (ALPA), which was formed in 1972 as a collective of seven Aboriginal and Torres Strait Islander community controlled stores, has indicated in its submission that its key objective 'is to eradicate welfare dependency from our region by creating sufficient employment opportunities, and pathways into them, to allow financial independence through sustainable jobs.'<sup>6</sup>
- 2.10 The Committee heard from many successful Aboriginal and Torres Strait Islander businesses throughout the course of the inquiry. A number of these are highlighted below.

## Kulbardi

- 2.11 Kulbardi is an Indigenous-owned and operated holistic workplace supplier, specialising in office supplies and equipment including office furniture, IT peripherals, and stationery, among others. Kulbardi carries over 15,000 products lines and manages warehouses in Sydney, Melbourne, and Perth.<sup>7</sup>
- 2.12 The company is Supply Nation certified (this process is outlined later in this chapter) and commented at the public hearing on 11 February 2020 that this had 'been a great vehicle to allow us to grow our business nationally.' Mr Kim Collard, Chief Executive Officer, further remarked that 'it gives me a great deal of pride to see a new and emerging black

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5 Mr Kim Collard, Chief Executive Officer, Kulbardi, *Committee Hansard*, 11 February 2020, Canberra, p. 9.

6 Arnhem Land Progress Aboriginal Corporation (ALPA), *Submission 7*, p. 2.

7 Kulbardi, *About Us*, <<https://www.kulbardi.com.au/about.aspx>>, accessed 17 August 2021.

entrepreneurship population coming through, and we're going to leave a fantastic legacy for our children, and indeed, our grandchildren.<sup>8</sup>

- 2.13 Kulbardi noted some of the significant challenges that it had faced, particularly in overcoming perceptions about its ability as an Aboriginal and Torres Strait Islander business to deliver and be competitive. Mr Collard stressed that it was important that Aboriginal and Torres Strait Islander businesses be given an opportunity to put themselves forward and demonstrate their capabilities:

Rio Tinto is my largest client. Rio Tinto six years ago gave me three floors of their vendor refill in Central Park [Perth], and it wasn't so much about the size of the opportunity; it was more about a global brand the size of Rio giving a small, black business like Kulbardi an opportunity. Six years later I now deliver office supplies to all of Rio Tinto's operations nationally. What's that about? It's about leadership shown by the supply chain and the client. They broke a global agreement and instructed their procurement teams to work with Kulbardi. I think it goes back to that ability to deliver.<sup>9</sup>

- 2.14 Mr Collard also commented that it was important for his business to demonstrate corporate social responsibility, noting that he had established the Bibbulmun Fund, ensuring that part of the profits generated from his business were channelled back into community investment projects.<sup>10</sup>

## **Voyages Indigenous Tourism Australia**

- 2.15 Voyages Indigenous Tourism Australia (Voyages) specialises in cultural tourism and hospitality and is a wholly owned subsidiary of the Indigenous Land and Sea Corporation (ILSC), a corporate Commonwealth entity, established in 1995. The ILSC's stated purpose is to assist Aboriginal and Torres Strait Islander people to acquire and manage land to achieve economic, environmental, social, and cultural benefits. ILSC acquired Voyages in 2011 as part of its purchase of the Ayers Rock Resort in Central Australia. All profits from this business are used to support Aboriginal and Torres Strait Islander training and employment.<sup>11</sup>

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8 Mr Collard, CEO, Kulbardi, *Committee Hansard*, 11 February 2020, Canberra, pp. 8-9.

9 Mr Collard, CEO, Kulbardi, *Committee Hansard*, 11 February 2020, Canberra, p. 8.

10 Mr Collard, CEO, Kulbardi, *Committee Hansard*, 11 February 2020, Canberra, p. 9.

11 Voyages Indigenous Tourism Australia, *The Voyages Story*, <<https://www.voyages.com.au/vision/voyages-story>>, accessed 17 August 2021.

- 2.16 Mr Matthew Cameron-Smith, Chief Executive Officer of Voyages, noted at the public hearing on 22 July 2021 that Ayers Rock Resort, one of Voyages' primary assets, had only 11 Aboriginal and Torres Strait Islander employees when the ILSC purchased it, but that this had risen to 400 out of a total of 1100 Voyages employees by 2020. Mr Smith further stated that Voyages was the largest employer of Aboriginal and Torres Strait Islander people in Central Australia, and in the tourism sector in the Northern Territory.<sup>12</sup>
- 2.17 Voyages further informed the committee that roughly 24 per cent of its Aboriginal and Torres Strait Islander staff were at supervisor level or above and it had three Indigenous general managers.<sup>13</sup>
- 2.18 Voyages facilitates the National Indigenous Training Academy (NITA) in partnership with the William Angliss Institute and Charles Darwin University and stated that NITA offers three streams focused on the cultural tourism industry: retail, horticulture, and hospitality. Graduates achieve a certificate III or IV in one of those disciplines and are guaranteed an ongoing job with Voyages. Voyages informed the committee that as at July 2021 that there had been 539 NITA graduates, and that graduations in August were expected to tip this number over the 600 mark. Moreover, Voyages reported that its retention rate among those cohorts was 78.7 per cent.<sup>14</sup>

## Manapan Furniture

- 2.19 Manapan is a 100 per cent Indigenous-owned subsidiary of ALPA and was established in 2015 to produce high-end furniture on Milingimbi Island in East Arnhem Land. This furniture is sold in both domestic and international markets. ALPA notes in its submission that the establishment of Manapan was motivated by a desire to demonstrate what can be achieved in remote communities when there is a sustainable model in place with the correct support.<sup>15</sup>
- 2.20 Mr Alastair King, Chief Executive Officer of ALPA, explained at the public hearing on 7 July 2021 that Manapan was initially conceived to produce cost-effective furniture for remote communities. However, it was quickly

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12 Mr Matthew Cameron-Smith, Chief Executive Officer, Voyages Indigenous Tourism Australia, *Committee Hansard*, 22 July 2021, Conference Call, p. 23.

13 Mr Cameron-Smith, CEO, Voyages Indigenous Tourism Australia, *Committee Hansard*, 22 July 2021, Conference Call, p. 23.

14 Mr Cameron-Smith, CEO, Voyages Indigenous Tourism Australia, *Committee Hansard*, 22 July 2021, Conference Call, pp. 23-25.

15 ALPA, *Submission 7*, pp. 4-5.

realised that the company could not compete with cheap manufactured products imported from overseas:

So, we decided to go with more high-level, home-style furniture for people who could afford it – bespoke furniture – but also to make coffins for local funerals. We also make corporate gifts, which are very popular. But the really big part of the Manapan business – up until COVID-19 anyway – was those corporate, customised pieces that were quite spectacular that we built for some very large companies. For one client we built a table, which was worth \$70,000 with beautiful customised carving inspired by Yolngu culture.<sup>16</sup>

2.21 ALPA informed the committee that Manapan employs four permanent craftsmen and two trade mentors.<sup>17</sup>

2.22 A training and employment pipeline has also been created through the Manapan Academy, where Yolngu people can receive training in carpentry and joinery before graduating to the main workshop. The Academy works in partnership with ALPA providing English and financial literacy training, while also developing practical trade skills through community projects such as building public picnic tables and beds for the elderly. Manapan also facilitates work experience opportunities with the local school.<sup>18</sup>

## The Eather Group

2.23 The Eather Group Pty Ltd is an Indigenous-owned and operated, family business, which specialises in transport, plant hire, bulk material, and waste to resource solutions for major construction projects across New South Wales. The company was established in 2010 with a single driver and vehicle. Since then, the business has grown steadily and now has over 30 trucks and heavy machines, as well 35 employees.<sup>19</sup>

2.24 Eather Group registered with Supply Nation in 2018 and attained certified status in 2019. It commented to the committee at the public hearing on 29

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16 Mr Alastair King, Chief Executive Officer, ALPA, *Committee Hansard*, 7 July 2021, Conference Call, p. 38.

17 Mr Steven Roberts, General Manager, Enterprise and Economic Development, ALPA, *Committee Hansard*, 7 July 2021, Conference Call, p. 38.

18 ALPA, *Submission 7*, p. 4; Manapan, *Our Story*, <<https://manapan.com.au/our-story>>, accessed 17 August 2021.

19 Eather Group Pty Ltd, *Our History*, <<https://www.eathergroup.com.au/our-history>>, accessed 18 August 2021.

April 2021 that diversity was embedded in its business model and fundamental to its success. It noted further that roughly 25 per cent of its employees are Aboriginal and Torres Strait Islander, and 30 per cent of its workforce are women.<sup>20</sup>

- 2.25 Eather Group is also member of the Yarpa NSW Indigenous Business and Employment Hub, which is discussed later in this chapter. Mrs Sally-ann Eather, Manager at the Eather Group, commented that:

Eather Group was born before the IPP and before the invention of Supply Nation. We thoroughly support the spirit of these initiatives. We have a long history of incubating entrepreneurs, both Indigenous and non-Indigenous, and creating employment opportunities where possible. We take our role in this very seriously.<sup>21</sup>

- 2.26 The company further noted in its testimony on 29 April 2021 that it operates both in the Aboriginal and Torres Strait Islander and the mainstream space and stated that it prides itself on being able to service the capabilities that it is offering and that being an Aboriginal and Torres Strait Islander business was just a bonus.<sup>22</sup> Mr Peter Eather, Managing Director, further commented:

We're delivering on jobs as we speak. There are seven businesses that work for us. Two of them are 100 per cent owned transport companies, Indigenous businesses, and one of them started off with us. We're pretty proud that we can take on any project and deal with mainstream contracts. – and we've been doing that for years, just doing our business.<sup>23</sup>

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20 Ms Divinia Eather, Marketing Manager, Eather Group Pty Ltd, *Committee Hansard*, 29 April 2021, Liverpool, p. 32.

21 Mrs Sally-ann Eather, Manager, Eather Group Pty Ltd, *Committee Hansard*, 29 April 2021, Liverpool, p. 30.

22 Mrs Eather, Manager, Eather Group Pty Ltd, *Committee Hansard*, 29 April 2021, Liverpool, p. 32.

23 Mr Peter Eather, Managing Director, Eather Group Pty Ltd, *Committee Hansard*, 29 April 2021, Liverpool, p. 33.

## The Indigenous Procurement Policy

### Background and operation

- 2.27 The IPP was introduced in 2015 by the Federal Government to stimulate Aboriginal and Torres Strait Islander entrepreneurship, business, and economic development and is administered by the National Indigenous Australians Agency (NIAA). This policy sets targets for the number and value of Commonwealth contracts to be awarded to Aboriginal and Torres Strait Islander enterprises, as well as the Mandatory Set Aside (MSA) and minimum requirements for low- and high-value contracts.<sup>24</sup>
- 2.28 The IPP stipulates that Aboriginal and Torres Strait Islander enterprises must account for at least 3 per cent by volume and 1 per cent by value of all Commonwealth procurement. The MSA also requires that Aboriginal and Torres Strait Islander businesses be given an opportunity to demonstrate value for money before a general approach to market. This applies to all procurements intended for delivery in remote Australia, and for all other procurements valued between \$80 000 and \$200 000 delivered wholly in Australia.
- 2.29 The Minister for Indigenous Affairs in 2015, Senator The Hon Nigel Scullion, emphasised upon the introduction of the IPP that it was one of the significant reforms 'which form part of the Government's response to the Forrest Review – *Creating Parity*, and will, over the long-term, lead to significant growth in Indigenous employment.'<sup>25</sup>
- 2.30 The Minister further remarked that in supporting this procurement push, the Australian Government would be looking to work with Supply Nation to expand and strengthen its current register of Aboriginal and Torres Strait Islander businesses and that this would 'make it easier for Government departments to identify procurement and partnership opportunities with Indigenous businesses.' The Minister also noted that government procurement had been very successful in other countries in driving the growth of Indigenous businesses:

As Mr Forrest's report pointed out, other countries such as Canada have successfully used procurement to significantly drive economic development for First Nations people. In Canada,

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24 Supply Nation, *Submission 43*, p. 10.

25 Joint Media Release, *Commonwealth taking steps to increase Indigenous jobs*, <<https://www.financeminister.gov.au/media-release/2015/03/17/commonwealth-taking-steps-increase-indigenous-jobs>>, viewed 17 August 2021.

Aboriginal businesses are growing at five times the rate of other businesses specifically due to government procurement policies.<sup>26</sup>

- 2.31 Contracts valued at \$7.5 million or more across 19 discrete industries are subject to the Mandatory Minimum Indigenous Participation Requirements (MMR), which impose Aboriginal and Torres Strait Islander employment and business participation targets.<sup>27</sup>
- 2.32 To help facilitate connections between government buyers and Aboriginal and Torres Strait Islander suppliers, the NIAA funds Supply Nation to maintain a free online directory of Indigenous enterprises called Indigenous Business Direct (IBD). This directory is also utilised by the corporate and not-for-profit sectors to meet their own Indigenous procurement goals, creating further opportunities for Aboriginal and Torres Strait Islander economic advancement.
- 2.33 In addition to the funding received from the NIAA, Supply Nation is also supported financially by subscription fees from ‘member organisations’ that consist of non-Indigenous entities in the corporate, government, and not-for-profit sectors.
- 2.34 Supply Nation noted in relation to its funding model that:
- There is no cost for an Indigenous business to be registered or certified by Supply Nation. It is free for an Indigenous business to attend any Supply Nation training program. It is free for an Indigenous business to attend a Supply Nation trade fair around Australia.<sup>28</sup>
- 2.35 To be eligible for an IBD listing, a business must be at least 50 per cent owned by Aboriginal and Torres Strait Islander peoples. Supply Nation lists two tiers of businesses in this regard: certified and registered. A certified business is majority Indigenous-owned (at least 51 per cent), controlled and operated, whereas a registered business must be a minimum of 50 per cent owned by an Aboriginal or Torres Strait Islander person or persons.<sup>29</sup>

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26 Joint Media Release, *Commonwealth taking steps to increase Indigenous jobs*, <<https://www.financeminister.gov.au/media-release/2015/03/17/commonwealth-taking-steps-increase-indigenous-jobs>>, viewed 17 August 2021.

27 NIAA, DESSFB, DSS, and APSC, *Submission 8*, p. 24.

28 Ms Laura Berry, Chief Executive Officer, Supply Nation, *Committee Hansard*, 22 July 2021, Conference Call, p. 7.

29 Supply Nation, *Submission 43*, p. 4.

- 2.36 Supply Nation verifies that the businesses listed in the IBD are authentically Aboriginal and Torres Strait Islander by checking their confirmation of Aboriginality documents against share structures registered with the Australian Securities and Investments Commission (ASIC), as well as partnership documents and trust deeds. The organisation also conducts annual audits and spot checks.<sup>30</sup> The latter checks are conducted with a minimum 20 per cent sample of all registered and certified businesses.<sup>31</sup> Furthermore, Supply Nation receives daily updates regarding any changes to the ownership of ASIC registered businesses listed on IBD which allows them to carry out real time audits.<sup>32</sup>
- 2.37 Supply Nation advised in its submission that there were over 2500 Aboriginal and Torres Strait Islander businesses on its national directory as at August 2020, and advised the committee at a later public hearing that this number had risen to 3130 by July 2021.<sup>33</sup> Supply Nation noted in its submission, from the August 2020 figures, that these suppliers had an estimated total revenue of \$3.9 billion per annum and employed nearly 31 000 people, roughly a third of whom (approximately 11 000 people or 37 per cent of employees) were Aboriginal and Torres Strait Islander. While Supply Nation further submitted that these represented only 20 per cent of all businesses in the Indigenous business sector in terms of volume, it stressed that their registered and certified enterprises accounted for roughly 44 per cent of revenue and 51 per cent of employment.<sup>34</sup>
- 2.38 Supply Nation further stated at the public hearing on 22 July 2021 that, of the 3130 businesses listed on the IBD as of July 2021, 772 (roughly 25 per cent) had completed the certification process and were verified as majority Indigenous-owned, controlled, and operated. Of the remaining businesses listed as ‘registered’, approximately 1800 (roughly 76 per cent) were already majority Indigenous-owned but were yet to complete the certification process.<sup>35</sup> The NIAA also stressed that:

... while we only ask for 50 per cent or more, the vast majority that are on the register have greater ownership than that 50 per cent.

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30 NIAA, DESSFB, DSS, and APSC, *Submission 8*, p. 25.

31 Mr Ryan Bulman, Group Manager, Economic Policy and Programs, National Indigenous Australians Agency, *Committee Hansard*, 22 July 2021, p. 30.

32 NIAA, DESSFB, DSS, and APSC, *Submission 8*, p. 25.

33 Supply Nation, *Submission 43*, p. 4; Ms Berry, CEO, Supply Nation, *Committee Hansard*, 22 July 2021, Conference Call, p. 7.

34 Supply Nation, *Submission 43*, p. 4.

35 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 22 July 2021, Conference Call, p. 7.

89 per cent of registered joint-ventures that have won contracts under the IPP are also 51 per cent or more Indigenous owned.<sup>36</sup>

2.39 It was commonly recognised throughout the inquiry that the advent of government preferential procurement policies had driven demand for Aboriginal and Torres Strait Islander businesses and resulted in a significant expansion of this sector. The New South Wales Aboriginal Land Council (NSWALC) stated at its appearance on 29 April 2021 that:

Procurement targets at state and federal level have opened up a wide range of doors for Indigenous businesses to start up and grow. ... the successes of those businesses to date are testament to the benefits of supporting the Indigenous business sector. We also know that Indigenous businesses will employ more Indigenous people at a rate of 60 per cent higher than other businesses, further emphasising the importance of supporting an Indigenous business sector.<sup>37</sup>

2.40 The NIAA stated at the public hearing on 22 July 2021 that the IPP had generated \$4.3 billion in contract value to date.<sup>38</sup>

2.41 The Indigenous Preferential Procurement Programs Research Group (IPPPRG) stressed in its submission that the introduction of mandatory targets had been critical to this success:

... when Indigenous preferential procurements were first introduced into the *Commonwealth Procurement Rules* in 2011 as the IBE [Indigenous Business Exemption], the outcomes were negligible. It was only when the mandated procurement targets and other measures which are a feature of the IPP were introduced in 2015 that any significant beneficial results were shown.<sup>39</sup>

2.42 This view was affirmed by Supply Nation, who observed that Commonwealth procurements from Aboriginal and Torres Strait Islander businesses prior to the introduction of the IPP had only amounted to \$6.3 million but increased to \$380 million within the first year of operation.<sup>40</sup> Supply Nation commented that the new policy:

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36 Mr Bulman, Group Manager, NIAA, *Committee Hansard*, 22 July 2021, Conference Call, p. 32.

37 Mr James Christian, Chief Executive Officer, New South Wales Aboriginal Land Council, *Committee Hansard*, 29 April 2021, Liverpool, p. 17.

38 Mr Bulman, Group Manager, NIAA, *Committee Hansard*, Conference Call, 22 July 2021, Conference Call, p. 29.

39 Indigenous Preferential Procurement Programs Research Group (IPPPRG), *Submission 37*, p. 3.

40 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 4 February 2021, Conference Call, p. 2.

... reduced some barriers by putting a focus on Indigenous businesses specifically and putting those targets in place. It thereby allowed Commonwealth procurement officers the ability to use that policy as a lever to go and speak to Indigenous businesses, bring them in the door, and see where they could offer them contracts.<sup>41</sup>

- 2.43 Commonwealth agencies agreed with this sentiment. The Department of Health, for example, stated that:

The targets were very useful in the early piece when we were working to embed [the] IPP as part of our procurement processes ... It's part of our standard procurement process to consider first Indigenous suppliers and work with Indigenous suppliers wherever they present value for money, and to work hard across our organisation to make sure that we are considering Indigenous suppliers. So, the targets were very useful.<sup>42</sup>

- 2.44 Supply Nation concurred with this view, commenting that 'the setting of those targets and the accountability of the agencies towards them, and also the government's willingness to iterate the policy as we've gone along, means that we have seen that success.'<sup>43</sup> Supply Nation further remarked that Commonwealth departments had consistently overachieved in terms of the target set by the policy from 2015.<sup>44</sup>

- 2.45 The Department of Defence stated at the roundtable on 18 June 2021 that they had awarded contracts to the value of about \$400 million per annum with approximately 600 separate Aboriginal and Torres Strait Islander businesses since 2015 and had always exceeded their procurement targets. The department commented that it had a target of only 70 contracts during the 2015-16 financial year but awarded 278 and that by 2019-20 with a target of 714 contracts, it had in fact awarded 2,974 contracts under the IPP.<sup>45</sup>

- 2.46 Other departments have also far exceeded their IPP targets. Table 1 compares the targets for contract numbers and values in different years for

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41 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 4 February 2021, Conference Call, p. 2

42 Mr Craig Chalmers, Assistant Secretary, Corporate and Financial Services Branch, Department of Health, *Committee Hansard*, 18 June 2021, Conference Call, pp. 5-6.

43 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 4 February 2021, Conference Call, p. 2.

44 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 4 February 2021, Conference Call, p. 2.

45 Mr Steven Grzeskowiak, Deputy Secretary Estate and Infrastructure, Department of Defence, *Committee Hansard*, 18 June 2021, Conference Call, p. 2.

different Commonwealth agencies under this policy with the actual numbers that were awarded.

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

Agency	IPP contract targets and actual awards in 2015-2016		IPP contract targets and actual awards in 2019-20 or 2020-21	
	Target number*	Number awarded (value)	Target number (value)	Number awarded (value)
Department of Defence	70	278 (\$159.3M)	714 (\$95.5M) <b>2019-20</b>	2974 (\$471.9M) <b>2019-20</b>
Department of Social Services	6	37 (\$3.5M)	114 (\$23.9M) <b>2020-21</b>	265 (\$150M) <b>as at June 2021</b>
Department of Health	12	27 (\$3.5M)	78 (\$7M) <b>2019-20</b>	191 (\$67.6M) <b>2019-20</b>
Department of Infrastructure, Transport, Regional Development and Communications	See note below <sup>#</sup>	51 (\$18M)	49 (\$4.4M) <b>2019-20</b>	366 (\$31.5M) <b>2019-20</b>
Department of Finance	8	28 (\$4.9M)	49 (\$3.5M) <b>2020-21</b>	79 (\$5.7M) <b>as at June 2021</b>

Sources Mr Steven Grzeskowiak, Deputy Secretary Estate and Infrastructure, Department of Defence, Committee Hansard, 18 June 2021, p. 2; Mr Adrian Hudson, Deputy Secretary, Chief Operating Officer, Department of Social Services, Committee Hansard, 18 June 2021, p. 4; Mr Craig Chalmers, Assistant Secretary, Corporate and Financial Services Branch, Department of Health, Committee Hansard, 18 June 2021, p. 3; Mr Brad Medland, Chief Financial Officer, Finance, Legal and Information Technology Division, Department of Infrastructure, Transport, Regional Development and Communications, 18 June 2021, p. 4; Mr Iain Scott, First Assistant Secretary, Corporate Services Division, Department of Finance, Committee Hansard, 22 July 2021, p. 2; NIAA, Supplementary submission 8.9 (responses to questions taken on notice), p.10; Department of Health, Submission 58 (responses to questions taken on notice), p. 2; Department of Prime Minister and Cabinet, Indigenous Procurement Policy - Portfolio Snapshot 2015-16 <<https://pmc.gov.au/indigenous-procurement-policy-portfolio-snapshot-2015-16-infographic-text>>, accessed 17 August 2021; NIAA, Indigenous Procurement Policy, <<https://www.niaa.gov.au/indigenous-affairs/economic-development/indigenous-procurement-policy-ipp>>, accessed 13 August 2021.

\*targets for total IPP contract values were not stipulated until 2019-20; <sup>#</sup>Infrastructure & Regional Development and Arts & Communications were separate departments at that time, with targets of 8 and 5, respectively.

2.47 NIAA commented at the public hearing on 22 July 2021 that the IPP contract targets were based on population parity and stated that it was 'impressed with the way departments really engaged in the program. A lot of departments have exceeded targets. Some haven't, as well. Some require a bit more encouragement. But the program has been really successful.'<sup>46</sup>

46 Mr Bulman, Group Manager, NIAA, Committee Hansard, 22 July 2021, Conference Call, pp. 29-30.

2.48 A number of agencies expressed the view to the committee that the IPP targets were now somewhat redundant. The Department of Health asserted that targets were 'less relevant now and not something we pay close attention to, because ... we're generally exceeding targets and have embedded into our processes that Indigenous procurement is something that is important to us as an agency and important to the government'.<sup>47</sup>

2.49 Similarly, Mr Steven Grzeskowiak, Deputy Secretary of Estate and Infrastructure at the Department of Defence, and current Defence Indigenous Champion at that department, remarked:

My personal view and my experience of how we've managed this in the department is that targets are interesting but they're not driving what we're doing. We're pushing hard on Indigenous procurement for a couple of reasons. The first is: it's the right thing to do. The second is: clearly, it's government policy as part of Closing the Gap. So, I haven't paid attention to targets for a couple of years, but what I do pay attention to is working with teams in Defence, promoting the message, ensuring people are aware that this is something we want to do and are going to push hard on. So, from my perspective ... the targets are meaningless. Whether they're set rightly or wrongly, I won't be paying any attention to targets. What we're paying attention to is promoting Indigenous business into the Defence supply chain.<sup>48</sup>

2.50 The NIAA maintained at its appearance on 22 July 2021 however that targets still had a place as these were useful for ensuring that assigned goals remained firmly on the agenda:

'... the strength of having targets that are mandated across the Public Service is really making sure some of our big procuring agent departments particularly are focused on Indigenous business'.<sup>49</sup>

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47 Mr Chalmers, Assistant Secretary, Department of Health, *Committee Hansard*, 18 June 2021, Conference Call, p. 6.

48 Mr Grzeskowiak, Deputy Secretary, Department of Defence, *Committee Hansard*, 18 June 2021, Conference Call, p. 5.

49 Mr Bulman, Group Manager, NIAA, *Committee Hansard*, 22 July 2021, Conference Call, p. 30.

## Successes with the IPP

- 2.51 The committee heard evidence that many Aboriginal and Torres Strait Islander businesses have found success with the IPP and believe that it is a valuable initiative.
- 2.52 IPPRG considered the results of the IPP as ‘overwhelmingly impressive’ and highlighted that although the Indigenous preferential procurements were first introduced into the *Commonwealth Procurement Rules* in 2011 as the Indigenous Business Exemption, it was only when the mandated procurement targets were introduced in 2015 that any significant beneficial results were evident.<sup>50</sup>
- 2.53 Speaking in Colour also expressed a positive view of the IPP. Ms Cherie Johnson, Managing Director, stated at the public hearing on 28 April 2021:
- Firstly, round of applause – great policy. And the reason I say that is the why: Aboriginal businesses employ Aboriginal people, and Aboriginal product needs to be written and delivered by Aboriginal people. So it's fantastic, first and foremost. I just think that, in any policy, there's always the refining and pivoting. You're never going to get anything right straight up.<sup>51</sup>
- 2.54 Managing Director of IPS Management Consultants, Mrs Kristal Kinsela-Christie, noted that winning contracts under the IPP had greatly benefited her business, allowing IPS to grow and expand:
- I think the greatest success for us was in our second year of business. We won 14 contracts worth \$1.4 million under IPP, which helped us grow from three to 15 staff. We're now in our fifth year of business, and we have 25 staff. That in itself is quite extraordinary and seeing some of those larger contracts starting to exist. We've been delivering the ATO's management leadership program now for three years. To see Indigenous business delivering mainstream management training is I think quite extraordinary. That would probably be our biggest success.<sup>52</sup>
- 2.55 The Northern Territory Indigenous Business Network (NTIBN) highlighted at its appearance on 8 July 2021 that the IPP has specifically

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50 IPPPRG, *Submission 37*, p. 3.

51 Ms Cherie Johnson, Managing Director, Speaking in Colour, *Committee Hansard*, 28 April 2021, Wyong, p. 6.

52 Mrs Kristal Kinsela-Christie, Managing Director, IPS Management Consultants, *Committee Hansard*, 11 February 2020, Canberra, p. 6.

been of great benefit to local businesses getting into Defence and growing, as well as the businesses in the construction and consultancy industries.<sup>53</sup>

- 2.56 Professor David Throsby and Ms Katya Petetskaya of Macquarie University noted in their submission that the IPP also presents an opportunity for Aboriginal and Torres Strait Islander cultural producers to generate more income and employment. Cultural services can include cross-cultural consulting, translation or interpretation services, and cultural governance services.<sup>54</sup>

## Issues

- 2.57 Notwithstanding the great successes of the IPP in terms of exceeding the number and value of the target contracts, a number of contributors to the inquiry identified several measures that could further enhance the outcomes for Aboriginal and Torres Strait Islander businesses and communities.
- 2.58 In addition, given that the total value of IPP contracts was close to \$1 billion of public money in 2019-20,<sup>55</sup> and it is earmarked for contracts that only Indigenous business can apply for, it is important that such public money is addressing the concerns for which the IPP was established. The committee does not have the forensic capacity to properly interrogate these matters, but it would enhance public confidence in the IPP if these issues were examined in greater detail than a parliamentary committee can be reasonably expected to do.

## Black cladding

- 2.59 One of the issues that the committee was asked to consider was 'black cladding.' Supply Nation defines 'black cladding' as:

The practice of a non-Indigenous business entity or individual taking unfair advantage of an Indigenous business entity or individual for the purpose of gaining access to otherwise inaccessible Indigenous procurement policy. Unfair advantage involves practices and arrangements that result in the

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53 Ms Naomi Anstess, General Manager, Indigenous Business Growth, Northern Territory Indigenous Business Network (NTIBN), *Committee Hansard*, 8 July 2021, Conference Call, p. 3.

54 Professor David Throsby and Ms Katya Petetskaya, Department of Economics, Macquarie University, *Submission 5*, p. 6.

55 NIAA, *Supplementary Submission 8.9*, p. 11. The exact figures is almost \$911 million.

disadvantage or detriment to an Indigenous business, or that do not represent a genuine demonstrated level of equitable partnership and benefit.<sup>56</sup>

2.60 A number of witnesses made allegations that black cladding was going on in the Aboriginal and Torres Strait Islander business sector. Willyama Indigenous ICT Services explained in its appearance on 27 February 2020 that unscrupulous operators exploit the system by establishing businesses with no capability and no previous history, but ‘they are now, basically, the front face of the mailbox to a multinational – predominately multinationals or other large Australian companies – who wins and delivers all the work.’<sup>57</sup> Willyama further stated:

... what you’ve got now is every firm that can dangle the right carrot in front of an Aboriginal person is getting their business ticked off as Aboriginal. The employment is that one person in the business in most cases – and it might be a 50,000-person multinational with one Aboriginal person calling themselves fifty-fifty Aboriginal – there’s no employment and no outcomes.<sup>58</sup>

2.61 Bara Barang Corporation stated in a similar vein:

We do see it often here on the Central Coast. We see mainstream NGOs come through with big contracts, and they put one of our community members at the forefront of the program, but it’s all managed by a non-Aboriginal person who is not from the region.<sup>59</sup>

2.62 The New South Wales Indigenous Chamber of Commerce Inc. (NSWICC) also commented on the growing prevalence of black cladding in its appearance on 28 April 2021:

From the work that we do in our state and from our relationships with other states and territories, we do know that black cladding is a growing issue. It still continues to get through. It’s not only a frustration for Aboriginal communities and businesses; it’s also a

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56 Supply Nation, *Submission 43*, p. 8.

57 Mr Kieran Hynes, Managing Director, Willyama Indigenous ICT Services, *Committee Hansard*, 27 February 2020, Canberra, p. 2.

58 Mr Hynes, Managing Director, Willyama Indigenous ICT Services, *Committee Hansard*, 27 February 2020, Canberra, p. 3.

59 Mr Chris Thew, Director, Mingaletta Aboriginal Corporation; Manager, Community Services, Bara Barang Corporation, *Committee Hansard*, 28 April 2021, Wyong, p. 21.

frustration for stakeholders who actually want to make a difference through these policies.<sup>60</sup>

- 2.63 While the NIAA acknowledged the potential for black cladding, they maintained that there was little evidence to support claims that the IPP had been misappropriated. They expressed confidence in Supply Nation registration and certification processes and argued that the organisation does an excellent job of ensuring all businesses listed on IBD meet the relevant eligibility requirements:

... we have the Indigenous Procurement Policy, which has a really clear eligibility criteria for understanding what an Indigenous business is. Under the policy, it must be 50 per cent owned by Indigenous Australians. If it's a joint venture it must be 50 per cent owned and the management of it must be 50 per cent. So, it's actually really clear ... what the eligibility criteria are. Then we have Supply Nation, which is the body that we fund to register these Indigenous businesses against those criteria. ... they look through ASIC records on who the directors are and who the ownership belongs to. They do checks on indigeneity using a very similar test, or the same style of test, that the Commonwealth and other governments use, which is a three-part test on indigeneity. It's very common. They do regular checks. They've got alerts through ASIC that will tell them if there's been any change of management or any change of ownership ... They keep monitoring that, and we fund them to do that.<sup>61</sup>

- 2.64 Supply Nation also noted during its appearance on 4 February 2021 that, in addition to their eligibility checks, it has a formal complaints process for reporting suspected instances of black cladding. Supply Nation stated that in the six months from July to December 2020, they had received eight complaints out of almost 2,800 businesses. Of these, only one was removed from the IBD because the joint venture in question was unable to provide the documentation requested during the investigation.<sup>62</sup>
- 2.65 At the last public hearing for the inquiry on 22 July 2021, NIAA informed the committee that it was satisfied that Supply Nation had robust

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60 Ms Debbie Barwick, Chief Executive Officer, New South Wales Indigenous Chamber of Commerce Inc, *Committee Hansard*, 28 April 2021, Wyong, p. 3.

61 Mr Bulman, Group Manager, NIAA, *Committee Hansard*, 5 March 2020, Canberra, p. 3.

62 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 4 February 2021, Conference Call, p. 5.

processes in place and that these afforded a sufficient barrier to any attempts to exploit the system.<sup>63</sup>

- 2.66 Some of the contributors to the inquiry suggested that IPP processes could be further strengthened against black cladding by engaging with Aboriginal community-controlled organisations at the regional level. Barang Regional Alliance, for example, stated at the public hearing on 28 April 2021 in Wyong that it avoided black cladding in its own procurement processes by recruiting independent and local community panellists to assess tenders. Barang remarked that this created an extra level of transparency.<sup>64</sup>
- 2.67 Barang additionally suggested that government procurement officers should be required to check with the relevant local decision-making organisations, or their equivalents, in the regions to which the Commonwealth was seeking to deliver goods and services:
- The additional check would help the Commonwealth identify additional prospective Indigenous suppliers and provide a further mitigation against black cladding. Procuring officers could also check with state-based Indigenous chambers, such as the NSW Indigenous Chamber of Commerce.<sup>65</sup>
- 2.68 Joint ventures were recognised by some contributors to the inquiry as an area which could be vulnerable to potential abuse. Innovative Engineering Solutions, for example, argued that procurement officers rely heavily on joint ventures which ‘are rife with so-called black cladding’.<sup>66</sup>
- 2.69 Supply Nation stressed in its submission that joint venture arrangements are a legitimate business practice and do in fact present an opportunity for Aboriginal and Torres Strait Islander businesses to increase scale rapidly and take on larger and more complex contracts.<sup>67</sup>
- 2.70 Different Commonwealth departments likewise expressed confidence in the current system, most stating that they relied upon Supply Nation when procuring Aboriginal and Torres Strait Islander business and that a listing on the IBD was sufficient to be considered for a procurement

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63 Mr Bulman, Group Manager, NIAA, *Committee Hansard*, 22 July 2021, Conference Call, pp. 30-31.

64 Ms Corinne Hodson, Manager, Community Engagement and Partnerships, Barang Regional Alliance, *Committee Hansard*, 28 April 2021, Wyong, p. 19.

65 Barang Regional Alliance, *Submission 45*, p. 15.

66 Innovative Engineering Solutions, *Supplementary Submission 25.1*, p. 2.

67 Supply Nation, *Submission 43*, p. 8.

tender.<sup>68</sup> These agencies informed the committee that the national registry eased the administrative burden under the IPP and ensured consistent application of its rules across the public sector.

- 2.71 Nevertheless, many inquiry participants suggested that eligibility requirements should be strengthened to safeguard against the potential for black cladding.

## **Defining an Aboriginal and Torres Strait Islander business for the purposes of the IPP**

- 2.72 As previously mentioned, Supply Nation has two tiers of businesses: certified (at least 51 per cent Indigenous-owned, controlled and operated) and registered (minimum of 50 per cent owned by an Aboriginal and Torres Strait Islander person or persons).<sup>69</sup>
- 2.73 Supply Nation indicated to the committee at its appearance on 22 July 2021 that it would support a change in the definition of an Indigenous business, and noted that it had previously recommended to the NIAA that the definition of Aboriginal and Torres Strait Islander ownership be changed to a 51 per cent minimum, with the certification process also designed to ensure that the Indigenous business owner was involved in controlling the enterprise.<sup>70</sup> When asked about the reason why the 51 per cent compared to 50 per cent makes a difference, Ms Berry, CEO, stated:

I think the principal reason is that the Indigenous entrepreneur is in the business, they understand the business, they are in the day-to-day operations and they have the controlling decision-making power, and that in turn builds the opportunity for that business owner.<sup>71</sup>

- 2.74 The NHLF was concerned that the 50 per cent rule raised questions about the benefit from these enterprises that goes to Aboriginal and Torres Strait

68 See for example: Mr Craig Chalmers, Assistant Secretary, Corporate and Financial Services Branch, Department of Health, *Committee Hansard*, 18 June 2021, p. 9; Mr Brad Medland, Chief Financial Officer, Finance, Legal and Information Technology Division, Department of Infrastructure, Transport, Regional Development and Communications, *Committee Hansard*, 18 June 2021, p. 11; Mr Steven Grzeskowiak, Deputy Secretary Estate and Infrastructure, Department of Defence, *Committee Hansard*, 18 June 2021, p. 10; Mr Parker Brigg, Assistant Commissioner, Strategic Procurement and Contracts, ATO Finance, Australian Taxation Office, *Committee Hansard*, 7 April 2021, p. 8; and Mr Ryan Bulman, Group Manager, Economic Policy and Programs, NIAA, *Committee Hansard*, 22 July 2021, p. 30.

69 Supply Nation, *Submission 43*, p. 4.

70 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 22 July 2021, Conference Call, p. 9.

71 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 22 July 2021, Conference Call, p. 10.

Islander peoples and how much of the IPP process looks only at program outcomes while ignoring the inputs.<sup>72</sup>

2.75 NSWICC noted that the businesses with a Supply Nation certification align with its own standards for membership and that the certification process has ensured that Aboriginal and Torres Strait Islander peoples were genuinely engaged in the business undertaking, whereas registration offered less reassurance in this regard.<sup>73</sup>

2.76 In a similar vein, NTIBN stated that it only acknowledges Supply Nation certified, ie, majority Indigenous-owned businesses, and that a 50-50 arrangement is not an Aboriginal business in its view.<sup>74</sup> NTIBN further stated:

We'd like to see drivers in that space around recognising that a majority owned business is the only Aboriginal business... because the reality of it is that you're opening up through black cladding a market that otherwise wouldn't be there for them.<sup>75</sup>

2.77 Supply Nation further stressed at that final public hearing for the inquiry that as the intent of the IPP was to stimulate economic advancement, and enable Aboriginal and Torres Strait Islander business owners to stand on their own feet, joint venture arrangements needed to foster these outcomes:

If it's a partnership – for example, a majority Indigenous business owner who has management and control but actually has a partner who has more of that capability – you would expect, in the course of that business relationship, that that capability would be transferred to the Indigenous business owner themselves.<sup>76</sup>

2.78 Supply Nation also commented that there is a growing preference among corporate entities to procure from only those businesses with majority Aboriginal and Torres Strait Islander ownership and control:

We do have some corporate members who will only engage with certified suppliers; they will not engage with registered suppliers. That is becoming more prevalent across our membership. They see

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72 National Health Leadership Forum, *Submission 31*, p. 14.

73 Ms Barwick, CEO, NSWICC, *Committee Hansard*, 28 April 2021, Wyong, p. 3.

74 Mr Jerome Cubillo, Chief Executive Officer, NTIBN, *Committee Hansard*, 8 July 2021, Conference Call, p. 5.

75 Ms Anstess, General Manager, NTIBN, *Committee Hansard*, 8 July 2021, Conference Call, p. 5.

76 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 22 July 2021, Conference Call, p. 9.

the benefits of certification; it gives them that extra layer of comfort as the buyer.<sup>77</sup>

## **Should the IPP have skills transfers and/or employment measures?**

- 2.79 Given the value of the contracts awarded as part of the IPP, questions arose about whether there should be broader measures like skills transfer or Aboriginal and Torres Strait Islander employment tied to the contracts rather than volume and value being metrics for success. NSWICC commented that ‘there is a bit of a focus on the quantity, government are very interested in numbers of Aboriginal businesses rather than businesses with the capability to succeed.’<sup>78</sup>
- 2.80 Ensuring the IPP builds capability was raised by the NSWICC which cited an incident in which they were asked to provide a list of their member businesses to government procurement officers. They offered instead to forward information on only the businesses with the capability of responding to government purchasing requirements, but indicated that this was rejected, further stating:
- ... it's a bad experience for everybody. The procurement people get frustrated that there are no Aboriginal businesses that can provide what they need, and that's not the case; we have very good Aboriginal businesses with really strong capability. But we need to put those businesses forward and keep developing the other businesses and developing the pipeline.<sup>79</sup>
- 2.81 In a similar vein, Arnhem Land Progress Aboriginal Corporation (ALPA) stressed that ‘it’s alright to have targets, but you actually have to have a view to look to using local businesses that will employ local people because they literally have skin in the game’.<sup>80</sup>
- 2.82 Barang Regional Alliance also expressed frustration that there seemed to be very limited penalties for those companies which failed to meet employment or participation targets under the MMR:
- ... for those organisations that do secure large contracts and that have minimum standards, or minimum rates that they say they will achieve through the process for Indigenous employment,

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77 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 22 July 2021, Conference Call, p. 13.

78 Ms Barwick, CEO, NSWICC, *Committee Hansard*, 28 April 2021, Wyong, p. 2.

79 Ms Barwick, CEO, NSWICC, *Committee Hansard*, 28 April 2021, Wyong, p. 2.

80 Mr King, CEO, ALPA, *Committee Hansard*, 7 July 2021, Conference Call, p. 41.

there's actually no accountability attached to evidencing those outcomes.<sup>81</sup>

- 2.83 NTIBN likewise remarked that there were no implications for businesses that don't meet their MMR requirements and that the targets discussed when securing an IPP tender in relation to Indigenous participation are not always met.<sup>82</sup>
- 2.84 The disincentive of additional layers of compliance was also raised by some witnesses. Tangentyere Council Aboriginal Corporation noted that while procurement is a challenge, the level of monitoring to ensure compliance with employment and training type outcomes is also a challenge.<sup>83</sup> NSWALC recommended that there be 'greater accountability for agencies and business to meet their procurement targets'.<sup>84</sup>
- 2.85 NTIBN informed the committee that it was working towards establishing a cultural integrity process, particularly for joint ventures, to examine 'the internal intent around skills and capability building, skills transfer, promotional opportunities.'<sup>85</sup> NTIBN stated that it was looking to create a scale of cultural integrity audit tools to assist businesses to do the right thing when entering into a joint venture under the IPP.<sup>86</sup>
- 2.86 Some contributors to the inquiry expressed the view that the IPP should also be delivering mandated Aboriginal and Torres Strait Islander employment targets. Pickwick 1A Facilities Services stated at the public hearing on 11 February 2020 that 'what we really need to do is enhance the IPP, not only for spend on volume or dollar value but also for targets for jobs, because we all know, as Aboriginal businesses, our preference is to employ mob'.<sup>87</sup>
- 2.87 Notably however, neither NIAA nor Supply Nation accept that such measures would definitely produce a net benefit. The NIAA commented in this regard that:

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81 Mr Gary Field, Operations Manager, Barang Regional Alliance, *Committee Hansard*, 28 April 2021, Wyong, p. 19.

82 Ms Anstess, General Manager, NTIBN, *Committee Hansard*, 8 July 2021, Conference Call, p. 6.

83 Mr Michael Klerck, Social Policy Manager, Tangentyere Council Aboriginal Corporation, *Committee Hansard*, 9 July 2021, Conference Call, p. 4.

84 NSWALC, *Submission 6*, p. 2.

85 Ms Anstess, General Manager, NTIBN, *Committee Hansard*, 8 July 2021, Conference Call, p. 5.

86 Ms Anstess, General Manager, NTIBN, *Committee Hansard*, 8 July 2021, Conference Call, p. 5.

87 Mr Gary Oliver, Chief Executive Officer, Pickwick 1A Facilities Services Pty Ltd, *Committee Hansard*, 11 February 2020, Canberra, p. 2.

We're concerned not to overburden small business, particularly small Indigenous business, by mandating Indigenous engagement, employment or other supply conditions on them. The focus of this policy is to drive Indigenous business. It's not an employment program. We have employment programs. It's great to get employment out of it. And we know a small Indigenous business, or any Indigenous business, will employ Indigenous people at a greater rate. But we want to keep focused on making sure more Indigenous Australians engaged in small and medium business, or even large business, where possible, that's the focus of that. We wouldn't want to burden business with additional layers of requirements.<sup>88</sup>

2.88 Ms Laura Berry, Chief Executive Officer, Supply Nation concurred with this viewpoint, stating:

... when you start to define an Indigenous business based on its employment data, that can become a bit tricky, and it's not something that I would personally advocate for. I think, if you grow the sector, as a result you grow employment and you grow opportunity and you also grow a pipeline of potential future entrepreneurs.<sup>89</sup>

## Lack of data

2.89 IPPPRG commented that a proper understanding of the flow-on effects of growing the Aboriginal and Torres Strait Islander business sector required the development of a data infrastructure, to which all parts of the sector would need to contribute.<sup>90</sup>

2.90 IPPPRG also remarked that there is a shortage of data that can assist in the creation of targeted programs into areas of demand, as well as to properly understand the impact of the wider economic benefit and value of the Aboriginal and Torres Strait Islander business sector to the Australian economy:

If Australia is to make headway in closing the gap, we must develop better evidence on what does and does not work, which requires commitment to evaluate the causal impacts of programs.<sup>91</sup>

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88 Mr Bulman, Group Manager, NIAA, *Committee Hansard*, 22 July 2021, Conference Call, p. 31.

89 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 22 July 2021, Conference Call, pp. 9-10.

90 Dr Michelle Evans, Associate Professor of Leadership, University of Melbourne, *Committee Hansard*, 7 April 2021, Conference Call, p. 4.

91 IPPPRG, *Submission 37*, p. 9.

2.91 NSWALC concurred with this view

You can produce all the reports in the world, but unless the reports are reflecting what's actually happening – my fear is that IPP reporting at the moment isn't reflecting the reality. If it doesn't reflect the reality, the other consequence of that is that it does not give you the opportunity to sharply focus on areas that you need to target. That might be particular areas of government, or it might be particular areas of industry and the main players in those industries. Without the data, without accountability and without independent accreditation, I think the IPP is not going to deliver on the promise.<sup>92</sup>

2.92 The oft-repeated statements about good Aboriginal and Torres Strait Islander employment outcomes from Aboriginal and Torres Strait Islander businesses need also to be supported by better data. The committee was informed by many contributors to the inquiry that Aboriginal and Torres Strait Islander businesses employ Aboriginal and Torres Strait Islander people at a higher rate than non-Indigenous businesses, and that the expansion of the Aboriginal and Torres Strait Islander business sector would therefore result in increased employment outcomes for Aboriginal and Torres Strait Islander peoples.

2.93 NSWALC submitted that Aboriginal and Torres Strait Islander businesses will employ Aboriginal and Torres Strait Islander staff at a 60 per cent higher rate on average than non-Indigenous businesses.<sup>93</sup>

2.94 However, while there was considerable anecdotal evidence provided to the inquiry to suggest that growth in Aboriginal and Torres Strait Islander enterprises was accompanied by growth in Aboriginal and Torres Strait Islander employment outcomes, various stakeholders noted that this was difficult to substantiate without empirical data.

2.95 IPPPRG remarked in this regard:

The Indigenous businesses that we can see on the registries employ a lot of people. We cannot tell whether they are Indigenous or non-Indigenous employees, but this is an important piece to understand the impact of the Indigenous business sector. We would like to understand that a little bit more.<sup>94</sup>

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92 Mr Christian, CEO, NSWALC, *Committee Hansard*, 29 April 2021, Liverpool, p. 33.

93 Mr Christian, CEO, NSWALC, *Committee Hansard*, 29 April 2021, Liverpool, p. 17.

94 Dr Evans, University of Melbourne, *Committee Hansard*, 7 April 2021, Conference Call, p. 4.

- 2.96 Supply Nation stated that it has previously recommended to the NIAA that suppliers with IPP contracts be required to provide data through the registration process, as well as through the annual audit process, that indicate the benefits to Aboriginal and Torres Strait Islander peoples and Aboriginal and Torres Strait Islander businesses.<sup>95</sup>

### **Administrative burden**

- 2.97 The administrative hurdles involved in obtaining a Supply Nation certification and listing on the IBD were an area of concern to some of the stakeholders in the inquiry.

- 2.98 IPPPRG suggested that there were many Aboriginal and Torres Strait Islander businesses which were not registered with Supply Nation because they do not have the current capacity to compete for an IPP tender, but that this may prevent them from identifying future opportunities under this program.<sup>96</sup>

- 2.99 Supply Nation noted that only 25 per cent of its suppliers were certified but that over 75 per cent of the remaining businesses on the IBD were eligible to attain certification status. Supply Nation explained that it was much quicker and easier to go through the registration processes than through the certification process:

Registration, from when an Indigenous business owner hops onto our website and clicks on the 'join now' button and goes through that process, takes anywhere between 20 and 45 minutes online. We then check all that documentation in the back end and make sure we've got everything and we follow them up. That can take, on average, up to about four days – from when they start until they're on the database. But certification can take anywhere up to about four weeks, depending on whether they've got the documentation and when they're available for the interview. So, business owners will sometimes choose the path of least resistance – which is to get registered first and worry about certification later.<sup>97</sup>

- 2.100 Supply Nation further commented that the reluctance of Aboriginal and Torres Strait Islander businesses to undergo the certification process could present an unintended barrier for them as procurement officers in both
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95 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 22 July 2021, Conference Call, p. 11.

96 Dr Cain Polidano, Senior Research Fellow, Faculty of Business and Economics, University of Melbourne, *Committee Hansard*, 7 April 2021, Conference Call, p. 3.

97 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 22 July 2021, Conference Call, p. 13.

corporate and government sectors which increasingly opt to engage exclusively with certified businesses.<sup>98</sup>

- 2.101 The committee was also informed by ALPA that Aboriginal and Torres Strait Islander businesses in Northern Australia did not necessarily recognise the value of becoming a supplier through the IBD:

We're associate members of Supply Nation, and I know a lot of companies go through Supply Nation, but when you look at the events and networking opportunities, they're all east coast. They're all very Sydney, Melbourne centric, and the referrals are few and far between. Again, Supply Nation seems to be more east coast centric and hasn't afforded us much value.<sup>99</sup>

- 2.102 ALPA further commented that membership of the NTIBN and was a better way for it to access opportunities, stating:

... [it] gives us a more localised outlook for us to be able to network with other Indigenous organisations and corporates from around Australia that are looking to do something specifically in the Northern Territory.<sup>100</sup>

- 2.103 NTIBN remarked that the lack of Supply Nation registration could hurt Aboriginal and Torres Strait Islander businesses in the north but noted however that it had a memorandum of understanding with Supply Nation, with the aim of fostering a closer working relationship between the organisations:

... part of the work around working with Supply Nation is to achieve commensurate certification, so if you're certified with us, you're certified with them and you don't have to duplicate the process.<sup>101</sup>

- 2.104 NTIBN argued that this would prevent duplication, ease administrative burdens, and enable more procurement opportunities in Northern Australia.<sup>102</sup>

- 2.105 Supply Nation informed the committee that it was aware of existing problems with duplication and that a centralised approach was therefore desirable:

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98 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 22 July 2021, Conference Call, p. 13.

99 Mr King, CEO, ALPA, *Committee Hansard*, 7 July 2021, Conference Call, p. 42.

100 Mr King, CEO, ALPA, *Committee Hansard*, 7 July 2021, Conference Call, p. 42.

101 Ms Anstess, General Manager, NTIBN, *Committee Hansard*, 8 July 2021, Conference Call, p. 8.

102 Ms Anstess, General Manager, NTIBN, *Committee Hansard*, 8 July 2021, Conference Call, p. 4.

Supply Nation was set up to be a national certifying body for businesses, so my view is that that's what we should be doing and there is no need to have duplications all around the country. We absolutely need the chambers of commerce. We absolutely need that localised, on-the-ground presence and support for Indigenous businesses in the various states. But, if we have one standard certification process and Supply Nation is issuing it, then that should be enough for those chambers.<sup>103</sup>

- 2.106 IPPPRG concurred with this view, stating with regard to the assorted registration processes for different procurement lists:

Absolutely, it can be a burden, but you can make it easier for them. That is why we're suggesting centralising the coordination of this, so they only have to do it once.<sup>104</sup>

- 2.107 Issues around further capacity building for Aboriginal and Torres Strait Islander businesses, including around administration and certification, and support for engaging with government tendering processes, is discussed later in the chapter.

## **Committee comment**

- 2.108 The committee heard evidence of the strong growth of the Aboriginal and Torres Strait Islander Business Sector in recent years. The committee also heard evidence of the success of the IPP in terms of the number and value of the contracts awarded, and that the contract targets under this scheme have been consistently exceeded by many government departments.
- 2.109 As the IPP is embedding more into the culture of the Australian Government it is appropriate to look at the targets and the administration of the program to ensure that they best serve the goal of promoting Indigenous participation in the Australian economy.
- 2.110 On one level, the IPP's ability to create, foster and encourage a group of Aboriginal and Torres Strait Islander entrepreneurs is a very important outcome of the IPP. Given the substantial public money involved in the IPP, the Government should give further consideration to whether there should be performance measures for IPP contracts to such as employment outcomes and skills transfers for Aboriginal and Torres Strait Islander peoples. This would also bring the IPP into line with its original aims of

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103 Ms Berry, CEO, Supply Nation, *Committee Hansard*, 22 July 2021, Conference Call, p. 10.

104 Dr Polidano, University of Melbourne, *Committee Hansard*, 7 April 2021, Conference Call, p. 3.

creating more Aboriginal and Torres Strait Islander employment and skills transfer.

### **Recommendation 1**

- 2.111 **The committee recommends that the National Indigenous Australians Agency (NIAA), in consultation with other agencies, considers developing a richer measurement of performance and outcomes for the Indigenous Procurement Policy (IPP) than just contract numbers and value. Consideration by the NIAA should include how IPP contracts can help maximise Aboriginal and Torres Strait Islander employment and skills transfer.**
- 2.112 Agencies appearing before the committee explained the reliance they place on Supply Nation's registration, certification and auditing procedures in determining whether a business is in fact an Aboriginal and Torres Strait Islander business. Supply Nation has its own auditing procedures and has responded to the very few complaints that have been made about the IPP. While there is no suggestion that Supply Nation has not been doing its work properly, given the value of the contracts involved and the fact that agencies are relying on Supply Nation for its proof of indigeneity, the committee needs to be able to satisfy itself that these large government contracts which are only open to Aboriginal and Torres Strait Islander businesses are actually being awarded to Aboriginal and Torres Strait Islander businesses.
- 2.113 The committee believes an external audit should be undertaken of a random sample of contracts awarded under the IPP to see if they have been awarded to a genuine Aboriginal and Torres Strait Islander business and also to see what additional positive benefits these contracts have had, if any, beyond the financial benefit to the business owner such as employment and skills transfer.
- 2.114 The audit would have two further benefits. It would provide Supply Nation with an opportunity to assess its process and policies and also address allegations of black cladding.
- 2.115 The committee has heard evidence about the discussion of registered and certified businesses having either 50% or more than 51% Aboriginal and Torres Strait Islander ownership. However, the percentage of the ownership does not indicate anything about the values of the company, nor its focus on broader Aboriginal and Torres Strait Islander economic development beyond the owners of the business. While not expressing a

concluded view, the committee would like to see government giving more consideration to the values and focus of the business.

- 2.116 The Government should also consider whether the IPP has created a risk of dependency on government contracts and whether the IPP is supporting Aboriginal and Torres Strait Islander business to enter the general commercial market too.

### **Recommendation 2**

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

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

### **Recommendation 3**

- 2.118 **The committee recommends that Supply Nation review its current definition of an Aboriginal and Torres Strait Islander business to better ensure that awarding IPP contracts benefits Aboriginal and Torres Strait Islander communities. Rather than just a percentage ownership definition, consideration should be given to including, among other things, the proportion of Aboriginal and Torres Strait Islander employees, skills transfer, the use of company profits and whether the business has been able to attract work from the broader commercial marketplace.**
- 2.119 The committee heard evidence that there is duplication between the registration and certification requirements of Supply Nation and the Northern Territory Indigenous Business Network. The committee agrees that the administrative burden for Aboriginal and Torres Strait Islander businesses would be lowered considerably by a centralised registration/certification mechanism through Supply Nation which other Aboriginal and Torres Strait Islander business organisations and chambers of commerce could use.

#### **Recommendation 4**

- 2.120 **The committee recommends that Supply Nation works with State and Territory based bodies, such as the Northern Territory Indigenous Business Network, to streamline registration processes to create a single national registration and certification system, and thereby reduce the administrative burden on Aboriginal and Torres Strait Islander businesses.**
- 2.121 The committee also heard evidence that Supply Nation does not have a physical presence in Northern Australia. The committee believes that registration and certification of Aboriginal and Torres Strait Islander business would increase if Supply Nation had a presence in Northern Australia.

#### **Recommendation 5**

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

## **Capacity building for Aboriginal and Torres Strait Islander businesses**

### **Background**

- 2.123 The committee was interested throughout the inquiry in barriers that may be specifically faced by the Aboriginal and Torres Strait Islander business sector and whether policy interventions by the Federal Government could strengthen the current environment in which Aboriginal and Torres Strait Islander businesses operate.
- 2.124 The principal issues that were raised during the inquiry in this regard included difficulties with tendering for government contracts due to a lack of expertise, and the value of services such as Indigenous business hubs in providing this capability, the legislative restrictions on Indigenous Business Australia (IBA) from expanding its lending operations, and untapped opportunities for Aboriginal and Torres Strait Islander businesses to access foreign markets and foreign direct investment.

- 2.125 The committee was interested also in whether there was a new dependency on the IPP by some Aboriginal and Torres Strait Islander businesses. NSWICC noted in its testimony that it was working to create sustainability for its member businesses in their industries:

Something that we're very passionate about is creating capable, sustainable businesses despite policy. Our work is always about making sure that the business is a successful and sustainable business in its industry. Right now there are a lot of reactive business startups and so forth because of policy. I would say, again, that around 60 per cent of our membership would continue quite well outside of government procurement policies and it's only because that focus is on ensuring that they are competitive businesses in the marketplace.<sup>105</sup>

## **Tendering for government contracts**

- 2.126 The Committee heard that one of the barriers to entry presented by the IPP is a lack of understanding of the tendering process of government. Some businesses do not understand how to get onto a government panel - and whether that is even necessary to win government work - while other businesses complain that once on a panel they never get invited to tender for work. A third group of businesses explain that for a small business, winning a tender, especially against more established players, can be difficult.
- 2.127 Some inquiry participants also expressed frustration that they were often excluded from procurement opportunities because procurement officers believed that Aboriginal and Torres Strait Islander companies were only capable of carrying out 'cultural' work not 'mainstream' work.
- 2.128 IPS Management Consultants, for example, observed:

We also get pigeonholed, because we're an Indigenous business, we can only do Indigenous focused work. But we have skills capabilities that sit outside of that. ... We have mainstream skills and can provide those service clients, but quite often people say, 'Oh, can you do cultural awareness training?' That's why we made a business decision never to deliver cultural awareness training

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105 Ms Barwick, CEO, NSWICC, *Committee Hansard*, 28 April 2021, Wyong, p. 4.

because we don't want to be put in that box, that it's all we can do.<sup>106</sup>

- 2.129 Willyama Indigenous ICT Services also argued that some Aboriginal and Torres Strait Islander businesses were often overlooked to begin with and expressed frustration that procurement officers were apparently unaware that the IPP allowed contracts to be awarded to businesses which were not already on prequalified selection panels:

You get in front of the ASO6 procurement officer, and they say, 'We have no mechanism for engaging you, because you're not on our panel.' You say, 'But it's the IPP.' They say, 'Yes, but you're not on the panel'.<sup>107</sup>

- 2.130 Similarly, Bullroarers Australia expressed the view that while the IPP was a 'fantastic document', it was somehow not being communicated or articulated properly, or that some people working in government did not seem to understand it. Bullroarers commented that procurement officers are reluctant to contract Aboriginal and Torres Strait Islander businesses with which they are unfamiliar, meaning that eligible and capable enterprises are not accessing the opportunities which the IPP is supposed to afford.<sup>108</sup>

- 2.131 IPS Management Consultants spoke to the committee at the public hearing on 11 February 2020 about the difficulty of winning larger contracts:

... for us one of the hardest challenges has been getting higher-value contracts. You need higher-value contracts in order to grow, to become more sustainable and obviously to employ people within the business... I think unconscious bias is something that exists, and it has existed throughout the life of the IPP, and that's where there is this inability because they are so risk averse to wanting to do business with us and give us those higher-value contracts. It is seen as quite risky.<sup>109</sup>

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106 Mrs Kinsela-Christie, Managing Director, IPS Management Consultants, *Committee Hansard*, 11 February 2020, Canberra, p. 9.

107 Mr Hynes, Managing Director, Willyama Indigenous ICT Services, *Committee Hansard*, 27 February 2020, Canberra, p. 4.

108 Mr Cornelius (Neal) McGarrity, Co-founder and Director, Bullroarers Australia, *Committee Hansard*, 29 April 2021, Liverpool, p. 30.

109 Mrs Kinsela-Christie, Managing Director, IPS Management Consultants, *Committee Hansard*, 11 February 2020, Canberra, p. 6.

- 2.132 Yerin Aboriginal Health Services also commented at its appearance on 28 April 2021 in Wyong that it has faced significant challenges with respect to the attitudes of procurement officers:

Our most recent experience was around competing against a non-Aboriginal agency for some funding for a mental health service to be run in our region. Interestingly, as an Aboriginal health service we obviously put in a bid through the procurement process. We were unsuccessful. ... The feedback was that, whilst our Aboriginal community represents 75 per cent of the population here on the Central Coast that would be mentally unwell, the panellists were apparently concerned that non-Aboriginal people would not go to an Aboriginal service to seek help. I questioned that, saying, 'If we represent 75 per cent, aren't you concerned that our mob won't access white services or non-Aboriginal services?' to which they replied, 'We hadn't thought of that.' So, these are the types of things that we're continually up against.<sup>110</sup>

- 2.133 Asquith Workforce also noted at the same hearing in Wyong that they had been engaged frequently for Aboriginal participation but with no ultimate success and that there appeared to be an educational gap there for the procuring organisations.<sup>111</sup>
- 2.134 Mr Kim Collard, Chief Executive Officer of Kulbardi recommended that there should be education of government procurement teams.<sup>112</sup>
- 2.135 Logit remarked in its submission that while some Aboriginal and Torres Strait Islander businesses have benefitted greatly from contracts secured under the IPP most do not, in fact, understand how this program works.<sup>113</sup>
- 2.136 Similarly, Desert Gem indicated at the public hearing on 7 April 2021 that it did not have support to assist it with winning government contracts and that it was therefore very difficult for it to meet the requirements of the capability statements in tender applications.<sup>114</sup>
- 2.137 NSWALC informed the committee about the difficulties in tendering for major contracts like Jobactive:

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110 Ms Belinda Field, Chief Executive Officer, Yerin Eleanor Duncan Aboriginal Health Services, *Committee Hansard*, 28 April 2021, Wyong, p. 18.

111 Ms Jillian Asquith, Managing Director, Asquith Workforce, *Committee Hansard*, 28 April 2021, p. 12.

112 Mr Collard, CEO, Kulbardi, *Committee Hansard*, 11 February 2020, Canberra, p. 9.

113 Logit, *Submission 26*, p. 1.

114 Ms Vattessa Colbung, Co-founder and Director, Desert Gem, *Committee Hansard*, 7 April 2021, Conference Call, p. 25.

The tendering process in the past has been highly contested... as a new entrant, it is really difficult in that highly contested environment to compete against some of the biggest providers, who've got tender writers, performance that they can look back at, and a balance sheet that represents that they can commit to deliver the quality that the Australian government is contracting them for in particular jobactive regions.<sup>115</sup>

- 2.138 Ms Cherie Johnson, Managing Director, Speaking in Colour noted at the public hearing on 28 April 2021 in Wyong that she had been successful in securing Commonwealth contracts with the Department of Education, but that it was a difficult process:

I'm still not familiar with the ways to write tenders and I often don't have the time budget to actually pour into tender writing. So, for me, that's a huge barrier.<sup>116</sup>

- 2.139 Innovative Engineering Solutions noted in its submission that the lack of support for Aboriginal and Torres Strait Islander businesses in this regard can increase the burden on others in the sector:

I am often approached, or identified by the larger companies for other Aboriginal business to contact and seek support from, I help wherever I can, but it takes away from my own business, and we often are so stretched we struggle to do our own work, let alone support and guide others.<sup>117</sup>

- 2.140 Innovative Engineering Solutions further noted that an Indigenous Business Hub had started in Perth and anticipated that the hub could provide some of this expertise.<sup>118</sup> The roles of Indigenous business hubs are examined in more detail below.

- 2.141 NSWICC discussed the support it subcontracts to assist with procurement:

We subcontract seven procurement advisers. They work with businesses one on one, depending on their industry and the background of the adviser, and help them get ready for procurement – understanding the objectives of procurement, understanding what the different tender questions mean. The language is usually foreign. If they don't have people within their

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115 Mr Christian, CEO, NSWALC, *Committee Hansard*, 29 April 2021, Liverpool, p. 20.

116 Ms Johnson, Managing Director, Speaking in Colour, *Committee Hansard*, 28 April 2021, Wyong, p. 7.

117 Innovative Engineering Solutions, *Submission 25*, p. 1.

118 Innovative Engineering Solutions, *Submission 25*, p. 1.

business, because they're relatively small, then we tuck them into another program that we run for the state government called the Business Connect program. We tuck them into that to make sure that they've got everything that they need to be able to put in a bid, if they've got the capability to deliver.<sup>119</sup>

## Indigenous business hubs

- 2.142 Evidence to the inquiry suggested that Indigenous business hubs are a highly effective way to build the capacity of new and established Aboriginal and Torres Strait Islander enterprises.
- 2.143 The NIAA submitted that under the IBSS, the Federal Government intends to roll out Indigenous business hubs in major cities, which would provide advice and access to support for Aboriginal and Torres Strait Islander enterprises.<sup>120</sup> There are currently two such hubs in operation: the Yarpa NSW Indigenous Business and Employment Hub in Western Sydney, which the committee visited during the inquiry, and the Wirra WA Indigenous Business and Employment Hub in Perth.
- 2.144 NSWALC partnered with the Australian Government in 2018 to create the Yarpa hub in Western Sydney. NSWALC observed that:
- Since then, Yarpa has become a one-stop shop for Indigenous businesses, entrepreneurs and jobseekers to build relationships and connect Indigenous people to business employment opportunities.<sup>121</sup>
- 2.145 NSWALC commented also at the public hearing on 29 April 2021, that Yarpa had built relationships with several leading construction companies and key government agencies, signing a memorandum of understanding with major industry leaders. NSWALC indicated that Yarpa had over 1,500 members and was operating a range of programs to assist business owners and jobseekers.<sup>122</sup>
- 2.146 Mr Ricky Walford, a Director at Yarpa, submitted that one of its main objectives was 'about helping people assess their capacity and capability to apply for contracts' and stressed that Aboriginal and Torres Strait

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119 Ms Barwick, CEO, NSWICC, *Committee Hansard*, 28 April 2021, Wyong, pp. 3-4.

120 NIAA, DESSFB, DSS, and APSC, *Submission 8*, p. 10.

121 Mr Christian, CEO, NSWALC, *Committee Hansard*, 29 April 2021, Liverpool, p. 17.

122 Mr Christian, CEO, NSWALC, *Committee Hansard*, 29 April 2021, Liverpool, p. 17.

Islander businesses needed to be adequately prepared to meet contractual obligations well in advance of winning such work.<sup>123</sup>

2.147 As NSWALC further explained:

Yarpa is designed to be that pipeline between understanding as early as possible what are the demands that we're going to have for Indigenous businesses so that we can work with Indigenous people whether they're entrepreneurs at the ideation stage or they're businesses that need to grow to be ready to meet that demand.<sup>124</sup>

2.148 NSWALC stressed the importance of Indigenous business hubs particularly in relation to gaining contracting work and submitting tenders:

We've got a massive issue in terms of the accreditation of the companies who have to fulfil those targets, and we've got a massive problem in that they don't start early enough. The earlier, for example, they start working with Yarpa, the better, so, at the time they're preparing their tender, whether it's BESIX Watpac or Fulton Hogan or Lendlease, they are already working with Yarpa, so Yarpa knows. We've had Aboriginal people or existing businesses that need to actually grow, that have difficulties in meeting some of the accreditation to be, for a tier 1, a subcontractor. ... But it is about getting that assistance to them early so that it's a lot quicker, easier and more straightforward for companies to meet those targets.<sup>125</sup>

2.149 NSWALC additionally remarked that Yarpa was a game changer for Aboriginal and Torres Strait Islander companies who want to win these contracts.<sup>126</sup>

2.150 The NTIBN commented in its appearance on 8 July 2021 that it was currently developing a business case and feasibility study on building an Indigenous business hub in Darwin.<sup>127</sup>

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123 Mr Ricky Walford, Director, Yarpa NSW Indigenous Business and Employment Hub, *Committee Hansard*, 29 April 2021, Liverpool, p. 26.

124 Mr Christian, CEO, NSWALC, *Committee Hansard*, 29 April 2021, Liverpool, p. 27.

125 Mr Christian, CEO, NSWALC, *Committee Hansard*, 29 April 2021, Liverpool, p. 28.

126 Mr Christian, CEO, NSWALC, *Committee Hansard*, 29 April 2021, Liverpool, p. 28.

127 Mr Cubillo, CEO, NTIBN, *Committee Hansard*, 8 July 2021, Conference Call, p. 6.

## Indigenous Business Australia

- 2.151 Indigenous Business Australia (IBA) is a commercially focused organisation that was first established in 1990 as the Aboriginal and Torres Strait Islander Commercial Development Corporation. IBA's stated purpose is to assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency, and to advance the commercial and economic interests of Aboriginal and Torres Strait Islander people by accumulating and using a substantial capital asset for their benefit.<sup>128</sup>
- 2.152 IBA reports in its submission that it has deployed over \$1 billion through investment and lending activity since 1 July 2016, which is over nine times the level of funding from the Government. IBA states that it works alongside Aboriginal and Torres Strait Islander customers to:
- achieve their aspirations for home ownership;
  - support and assist businesses and entrepreneurs; and,
  - facilitate wealth-generating investments.<sup>129</sup>
- 2.153 IBA invests in the development and growth of Aboriginal and Torres Strait Islander businesses through its Business Solutions Program which offers a range of financial products to assist at every part of the business cycle, including leveraging opportunities from the IPP.
- 2.154 IBA also discussed some of the success in the Aboriginal and Torres Strait Islander business sector in its submission. It notes that their business customers generated over \$1.2 billion in aggregate turnover in 2016-17 and had an average turnover in 2016-17 of \$1.64 million, which IBA stated is almost 13 per cent higher than the average turnover of all Australian businesses.<sup>130</sup>
- 2.155 IBA further observed that their Housing Solutions Program assisted Aboriginal and Torres Strait Islander peoples into home ownership by providing home loans at concessional interest rates, with low deposit requirements and flexible repayment terms.<sup>131</sup> IBA reported in this regard

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128 *Aboriginal and Torres Strait Islander Act 2005 (Cth)*, Section 46, <<https://www.legislation.gov.au/Details/C2014C00404>>, accessed 6 August 2021.

129 Indigenous Business Australia (IBA), *Submission 22*, p. 7.

130 IBA, *Submission 22*, p. 13.

131 IBA, *Submission 22*, p. 14.

that 90 per cent of their current home loan customers are ahead of their repayments.<sup>132</sup>

- 2.156 In 2020, IBA indicated that it supported the 20,000<sup>th</sup> Aboriginal and Torres Strait Islander family into home ownership since the program's inception. A 2019 study by Deloitte Access Economics stated that this program had generated over \$900 million in wider social and economic outcomes, including improved health, education and employment outcomes.<sup>133</sup>
- 2.157 IBA stated that its Investment and Asset Management Program provides opportunities to its Aboriginal and Torres Strait Islander partners and co-investors to directly invest in businesses assets. The program targets sectors like tourism, retail and commercial property, to undertake joint ventures where IBA aims to build the commercial capability and capacity of its partners.<sup>134</sup>
- 2.158 IBA submitted to this inquiry that its Indigenous Real Estate Investment Trust delivered a distribution return of 6.54 per cent for the 12 months to 31 December 2020, and a distribution return of 9.75 per cent per annum since its inception in 2013 to 31 December 2020, benefiting more than 20 Aboriginal and Torres Strait Islander organisations who co-invest in the fund.<sup>135</sup>
- 2.159 IBA asserted at the public hearing on 18 February 2021 that their main point of difference with banks is their customer risk profile:
- A lot of the time, people don't have the 20 per cent or 10 per cent deposit, so it's that ability – for some people, it's extraordinarily hard to be able to save up for that deposit. We also provide a better support for our clients. We provide no establishment fee, no annual fees. There is no lenders mortgage insurance. We don't charge that, which is a very big benefit to anybody entering into the home market.<sup>136</sup>
- 2.160 IBA also noted at that hearing that when their home loan customers build enough equity in their property, they generally refinance with mainstream lenders which allows IBA to recycle its capital and assist other families into homeownership.<sup>137</sup>

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132 Mr Sean Armistead, Executive Director, Government and Public Relations, IBA, *Committee Hansard*, 18 February 2021, Conference Call, p. 3.

133 Mr Armistead, IBA, *Committee Hansard*, 18 February 2021, Conference Call, p. 2.

134 IBA, *Submission 22*, p. 14.

135 Mr Armistead, IBA, *Committee Hansard*, 18 February 2021, Conference Call, p. 2.

136 Mr Armistead, IBA, *Committee Hansard*, 18 February 2021, Conference Call, p. 3.

137 IBA, *Supplementary Submission 22.2 (responses to questions taken on notice)*, p. 2.

2.161 IBA informed the committee at the last public hearing of the inquiry on 22 July 2021 that it receives a certain amount in appropriations annually from the Federal Government but that it has identified greater opportunities than the amount of capital it currently has, particularly in the amount of home lending it could do.<sup>138</sup>

2.162 IBA is constrained by certain provisions of the *Aboriginal and Torres Strait Islander Act 2005 (Cth)*, which place limitations on its ability to undertake normal, everyday, commercial activities. This includes borrowing money to raise capital and to act flexibly to provide the financial and business services that its customers are seeking.<sup>139</sup>

2.163 IBA contended at the 22 July hearing that if it was able to leverage its existing home loan book and secure additional capital by borrowing, it could lend to more customers. When asked by the committee about the potential risks involved with this, Mr Cronje Wolvaardt, Director of Investment and Business Solutions at IBA, asserted:

I think it's very easily possible to put in place the appropriate mitigants to ensure that there's a cap on the quantum of lending, probably from an LVR position, and to ensure that IBA can therefore leverage that base but not overleverage it.<sup>140</sup>

2.164 NIAA told the committee at the same hearing that IBA is prevented from leveraging their asset pool due to a legislative barrier and a barrier within their charter.<sup>141</sup>

2.165 However, NIAA also commented that they are currently working with IBA to explore options to ensure they are fit for purpose for the future. These activities may not only include leveraging IBA's books to increase lending, but also looking at what other types of business or clients they can engage with to increase their risk profile. NIAA stated:

A government would make sure, and IBA would be very focused – I know their board would be – on making sure that they don't engage in anything that's too risky. But there's a policy journey there that will go on with them. It's a live matter.<sup>142</sup>

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138 Mr Cronje Wolvaardt, Director, Investment and Business Solutions, IBA, *Committee Hansard*, 22 July 2021, Conference Call p. 27.

139 IBA, *Submission 22*, p. 19.

140 Mr Wolvaardt, IBA, *Committee Hansard*, 22 July 2021, Conference Call, pp. 27-28.

141 Mr Bulman, Group Manager, NIAA, *Committee Hansard*, 22 July 2021, Conference Call, p. 31.

142 Mr Bulman, Group Manager, NIAA, *Committee Hansard*, 22 July 2021, Conference Call, p. 31.

## Foreign trade and investment opportunities

- 2.166 The Committee received evidence that the use of geographical indicators (GIs) in Free Trade Agreements can protect both Aboriginal and Torres Strait Islander products and the national interest. The Department of Foreign Affairs and Trade (DFAT) defines a GI as ‘a name used on a product that has a specific geographical origin and possesses qualities or a reputation that are essentially attributable to that origin’, and states that once a GI is protected the name may only be used by producers who comply with certain rules.<sup>143</sup>
- 2.167 Mr Darren Godwell, Chief Executive Officer, i2i Development Global Pty Ltd explained to the committee at the public hearing on 9 July 2021 that one of the benefits of GIs is that Australia will be securing the national interest in products or goods that will be grown predominantly in regional Australia, and that the effects will be seen in those regional economies, as well as yielding rewards for Aboriginal and Torres Strait Islander peoples.<sup>144</sup>
- 2.168 Mr Godwell further remarked to the committee that a trade-led strategy to advance export opportunities for Aboriginal and Torres Strait Islander businesses could yield positive commercial outcomes for Aboriginal and Torres Strait Islander peoples and for regional Australia. He commented in this regard in relation to native plants:
- ... we very much want to assert that the uniqueness of those Indigenous botanicals comes from their geography, from their location, and from the cultural practices of propagation, maintenance, harvesting and potential use by Indigenous peoples.<sup>145</sup>
- 2.169 In relation to the Kakadu plum, which Mr Godwell described as the ‘darling ingredient’ of the global cosmetics industry, and is included as the active ingredient in products of the top five global cosmetic companies, Mr Godwell stated:

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143 Department of Foreign Affairs and Trade (DFAT), *Geographical indications*, <<https://www.dfat.gov.au/trade/agreements/negotiations/aeufta/geographical-indications>>, accessed 6 August 2021.

144 Mr Darren Godwell, Chief Executive Officer, i2i Development Global Pty Ltd, *Committee Hansard*, Conference Call, 9 July 2021, p. 39.

145 Mr Godwell, CEO, i2i Development Global Pty Ltd, *Committee Hansard*, 9 July 2021, Conference Call, p. 35.

That's an existing market with some tens of millions of dollars which Australia has forfeited our interest in to-date by not listing Kakadu plum within the geographical indications list.<sup>146</sup>

- 2.170 Mr Godwell further claimed that there are billions of dollars available to social enterprises from investors that are interested in impact investing. There needs to be a 'deliberate mechanism to support those inflows of capital into Indigenous businesses'.<sup>147</sup> He emphasised also that many Aboriginal and Torres Strait Islander companies do not see the market or export opportunities for their business. He provided the example of small enterprises selling products via an ecommerce payment facility to customers in America or Canada that do not see themselves as exporters.<sup>148</sup>
- 2.171 The NT Government discussed the Trade Support Scheme run by the NT Department of Industry, Tourism and Trade stating that it supports small to medium businesses in the Territory to offset the costs of international marketing activities, such as development of export marketing plans; trade exhibitions, conferences and marketing activities; and freight.<sup>149</sup>
- 2.172 NTIBN informed the committee of its work to develop an Aboriginal export strategy for the NT with the aim of encouraging Aboriginal and Torres Strait Islander businesses to engage in export activity.<sup>150</sup>
- 2.173 In addition, NTIBN advised that they are keen to support their members in the export area of Aboriginal bush foods and botanicals. Importantly, NTIBN asserted the importance of the industry being Aboriginal-led, as well as Aboriginal people more broadly leading the cultural vitalisation of Australia regarding the native botanicals and bush foods that Australians can find in their backyard.<sup>151</sup>
- 2.174 Professor Throsby and Ms Petetskaya of Macquarie Business School highlighted in its submission that living remotely does not mean a lack of engagement with the outside world, as many remote artists send their work Australia-wide and internationally. They further noted that nearly

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146 Mr Godwell, CEO, i2i Development Global Pty Ltd, *Committee Hansard*, 9 July 2021, Conference Call, pp. 34-35.

147 Mr Godwell, CEO, i2i Development Global Pty Ltd, *Committee Hansard*, 9 July 2021, Conference Call, p. 36.

148 Mr Godwell, CEO, i2i Development Global Pty Ltd, *Committee Hansard*, 9 July 2021, Conference Call, p. 38.

149 Northern Territory Government, *Submission 28*, p. 14.

150 Ms Anstess, General Manager, NTIBN, *Committee Hansard*, 8 July 2021, Conference Call, p. 2.

151 Mr Cubillo, CEO, NTIBN, *Committee Hansard*, 8 July 2021, Conference Call, p. 9.

one-third of Aboriginal and Torres Strait Islander artists have had their work shown or presented overseas.<sup>152</sup>

- 2.175 Mr Godwell remarked to the committee that \$130 billion per year flows from UK investors into Australian businesses and enterprises as direct foreign investment. He commented that if only one per cent of this capital could be injected into investment-ready Aboriginal and Torres Strait Islander enterprises, this would be \$1.3 billion per year from valued and trusted partners in the UK. By comparison, he informed the committee that the Indigenous Land and Sea Corporation and IBA have just \$100 million per year combined to invest in Aboriginal and Torres Strait Islander businesses.<sup>153</sup>

### **Committee comment**

- 2.176 The committee believes is that government has an important role to play in enhancing the capacity of Aboriginal and Torres Strait Islander businesses to compete for both public and private sector contracts, and to access investment opportunities.
- 2.177 There needs to be government resourcing of more Aboriginal and Torres Strait Islander business hubs, not only to provide assistance and expertise with regard to tendering and procurement contracts, but also to foster commercial relationships and help to identify opportunities.
- 2.178 The committee agrees with IBA that it should be able to expand its lending operations and would like to see legislative changes that will enable this. Providing more capital to Aboriginal and Torres Strait Islander peoples and Aboriginal and Torres Strait Islander businesses helps to improve Indigenous economic opportunity.
- 2.179 The committee also acknowledges that there are opportunities for Aboriginal and Torres Strait Islander businesses to access foreign markets and foreign direct investment. Future trade policies should therefore seek to foster Aboriginal and Torres Strait Islander enterprises through the use of GIs and other mechanisms.
- 2.180 The use of GIs represents an opportunity to develop a trade-led strategy that can yield commercial outcomes for both Aboriginal and Torres Strait Islander and regional Australia. Better access to foreign direct investment

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152 Professor David Throsby and Ms Katya Petetskaya, Macquarie Business School, *Submission 5*, pp. 3-4.

153 Mr Godwell, CEO, i2i Development Global Pty Ltd, *Committee Hansard*, 9 July 2021, Conference Call, p. 38.

by Aboriginal and Torres Strait Islander businesses will open up investment capital outside of public funds.

- 2.181 Such a strategy will not only have positive impacts on Indigenous participation in employment and business but will also promote the national interest.

### **Recommendation 6**

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

### **Recommendation 7**

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

### **Recommendation 8**

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

## **Growing Aboriginal and Torres Strait Islander employment**

### **Overview**

- 3.1 One of the central themes of this inquiry was the ongoing barriers to sustainable employment pathways for Aboriginal and Torres Strait Islander Peoples. These barriers are particularly acute in remote areas and include access to relevant training, a lack of supportive workplaces, and few long-term job opportunities.
- 3.2 Other barriers that became apparent from the evidence included poor access to transport in remote areas and/or workers not having a driver's licence, availability of mentoring for young Aboriginal and Torres Strait Islander job seekers, and a criminal history.

### **Trends in Aboriginal and Torres Strait Islander employment**

- 3.3 What follows is an attempt at a very high level to provide some data around Aboriginal and Torres Strait Islander employment and education in Australia. This data, by its very nature, does not account in any deep way for regional differences or the particular condition of small area labour markets in remote communities.
- 3.4 The latest employment data reveals significant employment gaps between Aboriginal and Torres Strait Islander Peoples and the rest of the Australian population. In 2018, the Aboriginal and Torres Strait Islander employment rate was 49.1 per cent compared to around 75 per cent for

non-Indigenous Australians.<sup>1</sup> From 2008 to 2018, the employment rate for Aboriginal and Torres Strait Islander Peoples increased slightly (by 0.9 percentage points from 48.2 per cent), while for non-Indigenous Australians it fell by 0.4 per cent. As can be seen, the employment gap has not changed markedly.<sup>2</sup>

- 3.5 The Closing the Gap target to halve the disparity in employment outcomes within a decade was not met in any state or territory. Employment rates for Aboriginal and Torres Strait Islander Peoples appeared to increase marginally in the Northern Territory<sup>3</sup> and New South Wales. Other jurisdictions experienced a decline over the past decade.<sup>4</sup>
- 3.6 The Aboriginal and Torres Strait Islander employment rate varies by remoteness. Major cities had the highest employment rate at around 59 per cent compared to around 35 per cent in very remote areas. The gap in employment outcomes between Aboriginal and Torres Strait Islander Peoples and non-Indigenous Australians was widest in remote and very remote regions.<sup>5</sup>
- 3.7 The most common occupations for Aboriginal and Torres Strait Islander Peoples aged between 15 and 64 in 2016 were:
- community and personal services workers (18%)
  - general labourers (16%)
  - technicians and trades workers (14%)
  - professionals (14%)<sup>6</sup>

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1 Commonwealth of Australia, *Closing the Gap Report 2020*, pp. 65, 66, <<https://ctgreport.niaa.gov.au/sites/default/files/pdf/closing-the-gap-report-2020.pdf>>, accessed 16 August 2021.

2 Commonwealth of Australia, *Closing the Gap Report 2020*, p. 65, <<https://ctgreport.niaa.gov.au/sites/default/files/pdf/closing-the-gap-report-2020.pdf>>, accessed 16 August 2021.

3 Results are not statistically significant.

4 Commonwealth of Australia, *Closing the Gap Report 2020*, p. 68, <<https://ctgreport.niaa.gov.au/sites/default/files/pdf/closing-the-gap-report-2020.pdf>>, accessed 16 August 2021.

5 Commonwealth of Australia, *Closing the Gap Report 2020*, p. 65, 71, <<https://ctgreport.niaa.gov.au/sites/default/files/pdf/closing-the-gap-report-2020.pdf>>, accessed 16 August 2021.

6 Australian Institute of Health and Welfare (AIHW), *Indigenous employment snapshot*, <<https://www.aihw.gov.au/reports/australias-welfare/indigenous-employment>>, accessed 16 August 2021.

- 3.8 On education levels, the employment gap between Aboriginal and Torres Strait Islander Peoples and non-Indigenous Australians decreases as education levels increase.
- 3.9 In 2016, 42.9 per cent of Aboriginal and Torres Strait Islander Peoples with a highest educational level of Year 10 to Year 12 were employed, compared to 63 per cent of non-Indigenous Australians. The gap narrows with attainment of an Advanced Diploma or Diploma, with 72.4 per cent of Aboriginal and Torres Strait Islander Peoples employed, compared to 79.5 per cent of non-Indigenous Australians. There was virtually no gap between Indigenous and non-Indigenous Australians who had a Bachelor degree or higher, with approximately 83 per cent employed for both.<sup>7</sup>
- 3.10 Several current Federal Government employment programs, implemented across different departments, are designed to engage Aboriginal and Torres Strait Islander job seekers and focus on placing them into work. These are discussed further in this chapter and include Jobactive, Vocational Training and Employment Centres (VTECs) and the Community Development Program (CDP).

## Jobactive

### Background and operation

- 3.11 The Department of Education, Skills and Employment (DESE) administers the Australian Government's mainstream employment service, Jobactive. This service was introduced in July 2015 and is delivered at over 1,700 sites across Australia.<sup>8</sup> As at 30 June 2021, there were around 102,000 Aboriginal and Torres Strait Islander Jobactive participants, which made up 10 per cent of job seekers in the program.<sup>9</sup>
- 3.12 The level of assistance a job seeker receives from their Jobactive provider is determined using the Job Seeker Classification Instrument (JSCI) questionnaire, which is used to stream these candidates as follows:

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7 AIHW, *Indigenous employment snapshot*, <<https://www.aihw.gov.au/reports/australias-welfare/indigenous-employment>>, accessed 18 August 2021.

8 National Indigenous Australians Agency (NIAA), the Department of Employment, Skills, Small and Family Business (DESSFB), the Department of Social Services (DSS) and the Australian Public Service Commission (APSC), *Submission 8*, p. 8.

9 NIAA, DESSFB, DSS and APSC, *Supplementary Submission 8.8 (data update to original submission)*, p. 1.

- Stream A: the participants are the most job ready and will receive services to help them understand what employers want and how to navigate the local labour market, build resumes and look for jobs.
- Stream B: the participants require more assistance from their Jobactive provider and may have barriers such as housing instability or poor language, literacy and numeracy skills.
- Stream C: the participants may have a combination of serious issues that need to be addressed before they can take up and retain a job.<sup>10</sup>

3.13 Jobactive providers are paid a combination of administration fees and outcome payments. There are also strong financial incentives under the program for providers to place candidates into suitable, sustainable jobs. The elements of this payment structure are as follows:

- administration fees are paid on a per job seeker basis every six months (\$377 for Youth Stream A participants and \$270 for all other participants);
- higher payments are received by providers when participants stay in work for longer (as indicated by increasing outcome payments for 4, 12 and 26 week outcomes). For example, the provider who supported a Stream C participant who has been unemployed for less than 24 months into work will receive a 4 Week Full payment of \$1,078, increasing to \$2,156 for the 12 Week Full payment and then \$2,695 for the 26 Week Full payment;
- the fee structure is designed to incentivise providers to assist the most disadvantaged job seekers into work (as indicated by higher outcome payments for placement of job seekers who have been unemployed for longer); and
- higher outcome payments are paid for Streams B and C as these candidates require more support than those in Stream A.<sup>11</sup>

3.14 DESE informed the committee that as at 31 May 2021, the numbers of Aboriginal and Torres Strait Islander job seekers in each of the streams were 18,170 in A, 53,010 in B and 18,178 in C.<sup>12</sup>

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10 NIAA, DESSFB, DSS and APSC, *Submission 8*, pp. 8-9.

11 NIAA, DESSFB, DSS and APSC, *Supplementary Submission 8.3 (responses to questions taken on notice)*, pp. 1-2.

12 NIAA, DESSFB, DSS and APSC, *Supplementary Submission 8.5 (responses to questions taken on notice)*, p. 6.

## Issues

### Incentives for Jobactive providers

- 3.15 NSWALC drew attention to the challenges facing long-term unemployed Aboriginal and Torres Strait Islander Peoples and stated that often case managers working for the Jobactive providers identify the people they are most likely able to place and get a quick result with a placement payment. Meanwhile, NSWALC noted that providers that keep the long-term unemployed or those with complex needs on the books still receive a payment for those job seekers, so it is the wrong incentive.<sup>13</sup>
- 3.16 DESE, however, emphasised that it is more financially attractive for Jobactive providers to get outcomes than simply to have a job seeker on their caseload. Generally, people who require a lot more intensive activity will be in Stream C, which gets the highest pay points and offers a much stronger incentive for providers to work with the disadvantaged job seekers.<sup>14</sup>

### The new employment services model

- 3.17 The New Employment Services Model will replace the Jobactive program from July 2022 and trials of this model commenced in July 2019.
- 3.18 The committee received evidence that under the current employment services arrangements there are only two Indigenous-owned employment services providers. Wugu Nyambil provides services to the community in Yarrabah and Nirrumbuk in Broome.
- 3.19 Wugu Nyambil Ltd have a case load of 787 Aboriginal and Torres Strait Islander job seekers, which is 99.1 per cent of their total case load.<sup>15</sup> The ratio of people with very high needs is also proportionally higher than other Jobactive providers, with approximately 60 per cent compared to 10 to 15 per cent.<sup>16</sup>
- 3.20 Another unique challenge identified by Wugu Nyambil Ltd was that in a community of 4,000 to 4,500 people, local staff members face a conflict of

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13 Mr James Christian, Chief Executive Officer, NSW Aboriginal Land Council (NSWALC), *Committee Hansard*, 29 April 2021, Liverpool, p. 22.

14 Ms Benedikte Jensen, First Assistant Secretary, Labour Market Strategy Division, DESE, *Committee Hansard*, 13 May 2021, Canberra, p. 2.

15 Ms Jensen, First Assistant Secretary, DESE, *Committee Hansard*, 27 May 2021, Canberra, p. 4.

16 Ms Lake, Wugu Nyambil Ltd, *Committee Hansard*, 7 July 2021, Conference Call, p. 8.

interest when applying compliance measures against family members. Ms Dawn Lake, Service Delivery Manager, told the committee:

...you deal with those issues daily, and hour by hour. It sounds very simplistic, in that we have conflict-of-interest measures in place: if it comes to a monetary delegation, that staff member from that family group cannot have any financial delegation. But it's just not that easy. When it comes to recruiting, you're recruiting from a very small pool of people. Initially we were probably quite lucky, in that we had a staff member from almost every family group. However, as staff have come and gone, that's not the case anymore.<sup>17</sup>

- 3.21 The committee was informed by DESE that as at 30 April 2021, the caseload for the Indigenous-owned Jobactive provider in Broome, Nirrumbuk Employment Services, was 820 Aboriginal and Torres Strait Islander job seekers – 77.7 per cent of the total case load – and 235 non-Indigenous job seekers.<sup>18</sup>
- 3.22 The New Employment Services tender may provide an opportunity for Indigenous-owned providers to become mainstream service providers.
- 3.23 DESE informed the committee at the public hearing on 27 May 2021 that they have also considered the inclusion of generalist providers and specialist providers as support services for Aboriginal and Torres Strait Islander job seekers in this new model. However, DESE noted that specialist providers would not necessarily be in every employment region and would need to be supported by the relevant cohort caseload numbers.<sup>19</sup>
- 3.24 NSWALC highlighted the unique opportunity that the New Employment Services tender provides to be innovative and engage Indigenous-controlled organisations to deliver services to the general population, not only to Aboriginal and Torres Strait Islander Peoples, which would provide scale and a sustainable model for these agencies.<sup>20</sup>
- 3.25 NSWALC Employment and Training Ltd (NET) echoed the view that for contracts under the New Employment Services model and Jobactive, providers need to be generalist to achieve the required business scale. NET explained that there is a perception of Aboriginal and Torres Strait Islander providers as a boutique service and rather than limiting these
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17 Ms Lake, Wugu Nyambil Ltd, *Committee Hansard*, 7 July 2021, Conference Call, p. 8.

18 Ms Jensen, First Assistant Secretary, DESE, *Committee Hansard*, 27 May 2021, Canberra, p. 4.

19 Ms Melissa Ryan, First Assistant Secretary, New Employment Services Model Division, DESE, *Committee Hansard*, 27 May 2021, Canberra, pp. 12-13.

20 Mr Christian, CEO, NSWALC, *Committee Hansard*, 29 April 2021, Liverpool, p. 18.

organisations as specialist providers, the profile of Indigenous-led and Indigenous-controlled organisations needs to increase.<sup>21</sup>

- 3.26 Wugu Nyambil Ltd remarked at a public hearing on 7 July 2021 that an open tender process with all of the quality assurance requirements is very onerous for an organisation of its size, and that the cost of quality assurance is a major barrier for Aboriginal and Torres Strait Islander organisations.<sup>22</sup>

### Committee comment

- 3.27 The committee has concerns about the performance of Jobactive in finding employment for job seekers. The committee understands that most employers find job seekers outside the Jobactive program. Any changes to the program under the New Employment Services Model should ensure it is meeting the needs of both job seekers and employers.
- 3.28 The committee welcomes the introduction of the New Employment Services Model as this is an opportunity for the Federal Government to assess its delivery of services to Aboriginal and Torres Strait Islander job seekers.
- 3.29 At the moment, the only Aboriginal and Torres Strait Islander businesses providing Jobactive services are boutique providers in specific locations. In the context of the tendering process under this new scheme, the committee takes the view that strong consideration should be given to Aboriginal and Torres Strait Islander businesses that can assist Aboriginal and Torres Strait Islander job seekers but are also mainstream providers of employment services.

### Recommendation 9

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

21 Mr Matthew Clarke, Chief Executive Officer, NSWALC Employment and Training Ltd (NET), *Committee Hansard*, 29 April 2021, Liverpool, pp. 20-21.

22 Ms Lake, Wugu Nyambil Ltd, *Committee Hansard*, 7 July 2021, Conference Call, p. 14.

## Vocational Training and Employment Centres

### Background and operation

- 3.31 The NIAA administers Vocational Training and Employment Centres (VTECs). VTEC providers work closely with services, individuals and communities to identify, train and support Aboriginal and Torres Strait Islander Peoples into jobs and achieve long-term employment. VTECs match job seekers with a guaranteed job and provide mentoring and training, particularly focused on Stream B and C participants in Jobactive.<sup>23</sup>
- 3.32 The VTEC payment structure is heavily focused on the most disadvantaged Aboriginal and Torres Strait Islander job seekers, with payments primarily based on JSCI Streams under Jobactive, or whether the job seeker is on a Community Development Program (CDP) or Disability Employment Services (DES) caseload. VTECs receive milestone payments at 4, 13 and/or 26 weeks.<sup>24</sup>
- 3.33 NSWALC explained at its appearance on 29 April 2021 that the VTEC model provides a strong foundation for increasing Aboriginal employment outcomes by identifying real, guaranteed jobs for Aboriginal job seekers.<sup>25</sup>
- 3.34 In addition, NET is only able to secure 1.8 jobseeker referrals per job vacancy from Jobactive and DESE employment service providers. Yet NSWALC flagged at the public hearing that data shows VTEC completion rates for Aboriginal job seekers are almost double compared to those of Jobactive and emphasised that the successful VTEC program must be better utilised.<sup>26</sup>
- 3.35 An important distinction from other employment services is that VTEC is an opt-in model. Employment rates for VTEC are higher than Jobactive, with 60 per cent of VTEC participants achieving 26-week outcomes compared to 32.5 per cent of Aboriginal and Torres Strait Islander job seekers with Jobactive.<sup>27</sup>

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23 NIAA, *Supplementary Submission 8.7 (responses to questions taken on notice) - Attachment A*, p. 1.

24 NIAA, *Supplementary Submission 8.7 (responses to questions taken on notice)*, p. 4.

25 Mr Christian, CEO, NSWALC, *Committee Hansard*, 29 April 2021, Liverpool, p. 17.

26 Mr Christian, CEO, NSWALC, *Committee Hansard*, 29 April 2021, Liverpool, p. 17.

27 Ms Jensen, First Assistant Secretary, DESE, *Committee Hansard*, 27 May 2021, Canberra, p. 14.

- 3.36 DESE commented that the better outcomes for VTEC participants may be due to a selection bias from the opt-in model, as job seekers who voluntarily join this training program may have different characteristics or attributes to other participants in Jobactive who must comply with the requirements of that scheme. Nonetheless, DESE acknowledged that VTEC has been effective and has resulted in the flexibility to design pathways to ensure people can engage with a VTEC provider.<sup>28</sup>
- 3.37 Since this program commencement on 2 January 2014, VTEC providers have placed 13,955 job seekers into employment, of which 8,540 job participants achieved six months employment.<sup>29</sup>

## Analysis

- 3.38 The funding model for VTEC, which is based on outcome-only payments, was identified in the evidence to this inquiry as one of the key problems for providers under this program. Collaboration between VTEC and Jobactive providers was also identified as requiring improvement.
- 3.39 NET remarked to the committee that it is unacceptable that VTECs do not have a caseload and are reliant on non-Indigenous organisations to refer their own community members to them. Further to this, NET drew attention to the negative impact of the VTEC funding model during the COVID-19 pandemic as they are not paid service fees and therefore had to be carried by their parent company.<sup>30</sup>
- 3.40 NSWALC noted that the funding for VTEC and Employment Parity Initiative (EPI) employers discourages collaboration:
- While Jobactive providers receive milestone payments for Aboriginal job seekers who secure work with the assistance of VTEC and EPI employers, VTEC is ineligible to receive milestone payments for Aboriginal job seekers who secure work through an EPI employer, unless the latter is willing to share those milestone payments it receives from the Australian Government's National Indigenous Australians Agency with VTEC. This is clearly unfair. It's an unfair setting for VTEC providers, such as NET.<sup>31</sup>
- 3.41 DESE stated at the public hearing on 27 May 2021 however that VTEC and Jobactive work together in an important and complementary manner.

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28 Ms Jensen, First Assistant Secretary, DESE, *Committee Hansard*, 27 May 2021, Canberra, p. 14.

29 NIAA, *Supplementary Submission 8.8 (data update to original submission)*, p. 5.

30 Mr Clarke, CEO, NET, *Committee Hansard*, 29 April 2021, Liverpool, p. 19.

31 Mr Christian, CEO, NSWALC, *Committee Hansard*, 29 April 2021, Liverpool, p. 17.

DESE emphasised that if a Jobactive referral to a VTEC provider gets the candidate into work, the Jobactive provider receives an outcome payment to reflect the preparatory work undertaken with the job seeker and this encourages that provider to ensure the referral pathways operate effectively.<sup>32</sup>

- 3.42 Mr Glen Westwood from Salvation Army Employment Plus agreed that they are heavily aligned with their VTEC providers and automatically register their most employable Aboriginal and Torres Strait Islander job seekers with VTECs. Mr Westwood also spoke about the benefit of VTECs in creating a supportive work environment:

As Aboriginal engagement officers, we can meet that person at a VTEC location in a culturally safe environment and work together to try and find them sustainable employment but also mentor them as well. I really feel we should be working together.<sup>33</sup>

- 3.43 WISE Employment told the committee that the mentoring and hands-on support that VTECs provide to Aboriginal and Torres Strait Islander job seekers is invaluable. WISE noted that the set-up of the Jobactive contract does not allow them time to support job seekers once placed, so they link up with VTEC providers as much as possible because that support system works.<sup>34</sup>

## **Committee comment**

- 3.44 The committee notes the positive outcomes of the VTEC program in terms of job placements and particularly the mentoring role that it can provide to Aboriginal and Torres Strait Islander job seekers.
- 3.45 It is clear that VTECs have an important complementary role to play in assisting job seekers and this must be encouraged and fostered. The committee agrees with various contributors to the inquiry that payments between Jobactive and VTEC providers need to be better aligned so that there are more incentives to place people in jobs and then have them successfully transition into permanent employment.
- 3.46 It is also the committee's view that the Government needs to look at ways of encouraging greater collaboration and integration between VTEC and

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32 Ms Jensen, First Assistant Secretary, DESE, *Committee Hansard*, 27 May 2021, Canberra, p. 2.

33 Mr Glenn Westwood, Aboriginal and Torres Strait Islander Engagement, Salvation Army Employment Plus, *Committee Hansard*, 7 July 2021, Conference Call, p. 21.

34 Ms Lisa Vacamena, Business Manager, WISE Employment, *Committee Hansard*, 7 July 2021, Conference Call, p. 34.

Jobactive providers as this will further enhance the benefits and outcomes for Aboriginal and Torres Strait Islander job seekers.

### **Recommendation 10**

- 3.47 **The committee recommends that payments between Jobactive and Vocational Training and Employment Centre (VTEC) providers be better aligned so that there are more incentives to place Aboriginal and Torres Strait Islander candidates into jobs, support them to maintain the position and successfully transition into permanent employment.**

### **Recommendation 11**

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

## **Community Development Program**

### **Background and operation**

- 3.49 The Community Development Program (CDP) is the Australian Government's remote employment program and is administered by the NIAA. The CDP aims to prepare both Aboriginal and Torres Strait Islander and non-Indigenous job seekers in remote areas to transition from income support into long-term employment.<sup>35</sup>
- 3.50 The CDP also aims to be community-oriented and to prepare remote job seekers for future work while contributing to the goals of the community, while recognising that labour markets in remote areas are distinct from those in regional areas and major cities.<sup>36</sup>
- 3.51 CDP participants undertake 'work-like activities' or approved training in order to receive social security benefits. All recipients of income support

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35 NIAA, DESSFB, DSS and APSC, *Submission 8*, p. 11.

36 NIAA, *CDP Overview*, pp. 4-7, <<https://www.niaa.gov.au/sites/default/files/publications/cdp-overview.pdf>>, accessed 4 August 2021.

payments in remote areas that are looking for work are eligible for this program.<sup>37</sup> Under the program, it is intended that job seekers will contribute to their communities through a range of flexible activities, such as formal training with the opportunity to gain qualifications, or foundational skills including language, literacy and numeracy.<sup>38</sup>

- 3.52 It is also intended that CDP participants will receive person-centred and tailored case management to identify their goals, training needs and barriers to employment. Post-placement support is also provided for up to 26 weeks.<sup>39</sup>
- 3.53 There are mutual obligation requirements for CDP participants aged 18 to 49 years to undertake 20 hours of work-like activities under the program. These activities can be vocationally-based, such as learning construction skills, working in a local market garden or participation in social enterprises such as op shops. Non-vocational activities can also be undertaken such as mental health support and drug and alcohol rehabilitation. These activities aim to provide skill development that can lead to paid employment.<sup>40</sup>
- 3.54 CDP providers enter into partnership arrangements with local authorities, organisations and employers with the aim of maximising opportunities for job seekers and to benefit communities. CDP providers are expected to work with local employers to develop an understanding of their workforce needs and develop appropriate activities that will prepare the participants for employment opportunities. Employers under the CDP are also encouraged to offer jobs to the participants at the end of their placement.<sup>41</sup>

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37 NIAA, *CDP Overview*, pp. 4-7, <<https://www.niaa.gov.au/sites/default/files/publications/cdp-overview.pdf>>, accessed 4 August 2021.

38 NIAA, *The Community Development Program (CDP)*, <<https://www.niaa.gov.au/indigenous-affairs/employment/cdp>> accessed 4 August 2021.

39 NIAA, DESSFB, DSS and APSC, *Submission 8*, p. 11.

40 NIAA, *CDP Overview*, pp. 3-4, <<https://www.niaa.gov.au/sites/default/files/publications/cdp-overview.pdf>>, accessed 4 August 2021.

41 NIAA, *CDP Overview*, pp. 5-7, <<https://www.niaa.gov.au/sites/default/files/publications/cdp-overview.pdf>>, accessed 4 August 2021.

- 3.55 There is some flexibility for CDP providers to deliver activities designed to enrich and preserve culture in communities, such as maintaining traditions, language and cultural heritage.<sup>42</sup>
- 3.56 CDP providers receive case management payments (up to \$6,000) and also annual attendance payments (up to \$8,000) for their participants. Providers further receive outcome payments for eligible job seekers in the program depending on whether they achieve a full or partial 13 weeks (\$2,000-\$4,000) or 26 weeks (\$3,000-\$6,000) of employment. There are also incentive payments for providers, termed 'Employer Incentive Funding', of up to \$10,000 if an eligible job seeker in the program can retain or gain employment.<sup>43</sup>
- 3.57 The CDP is currently delivered in 60 regions and more than 1,000 communities covering about 75 per cent of Australia's land mass.<sup>44</sup>

### **Comparison of the CDP with its predecessor, the CDEP**

- 3.58 The predecessor to the CDP was the Community Development Employment Projects (CDEP) scheme which commenced in 1977 with the aim of creating employment opportunities in communities that did not have access to a mainstream labour market.
- 3.59 At its peak in 2002-2003, the CDEP delivered services to 35,000 participants through 260 providers across Australia. CDEP participants undertook part-time activities for approximately 15 hours per week and were paid a wage broadly equivalent to the NewStart allowance. Some participants also received 'top-up' payments from host organisations for the time committed above the 15 hours per week.<sup>45</sup>
- 3.60 One of the main criticisms of the CDEP was that the arrangement constituted an internal labour market, whereby it was unlikely that

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42 NIAA, *CDP Overview*, p. 5, <<https://www.niaa.gov.au/sites/default/files/publications/cdp-overview.pdf>>, accessed 4 August 2021.

43 NIAA, *Head Agreement for the Community Development Program 2019-2022*, Annexure 2, p. 78, <<https://www.niaa.gov.au/sites/default/files/publications/cdp-head-agreement.pdf>>, accessed 4 August 2021.

44 NIAA, *Where the Community Development Program (CDP) operates*, <<https://www.niaa.gov.au/sites/default/files/publications/cdp-map-regions-combined.pdf>>, accessed 4 August 2021.

45 Australian National Audit Office (ANAO), *Evaluation of the Community Development Employment Projects (CDEP)*, p. 12, <[https://webarchive.nla.gov.au/awa/20110605201612/http://www.anao.gov.au/Publications/Indigenous-Program-Reports/2009-2010/Evaluation-of-the-Community-Development-Employment-Projects-\(CDEP\)-Program](https://webarchive.nla.gov.au/awa/20110605201612/http://www.anao.gov.au/Publications/Indigenous-Program-Reports/2009-2010/Evaluation-of-the-Community-Development-Employment-Projects-(CDEP)-Program)>, accessed 4 August 2021.

participants could be moved into unsubsidised employment and was therefore not an effective means of economic development.<sup>46</sup>

- 3.61 In 2012-13, CDEP participants were transferred to the Remote Jobs and Communities Program (RJCP), which was renamed the CDP in 2015.
- 3.62 There are differences of note between the prior CDEP and the current CDP. The CDEP employed Aboriginal and Torres Strait Islander Peoples at minimum award rates, as an alternative to the money they would have received from social security benefits. The CDEP was also voluntary.
- 3.63 By comparison, the CDP is a 'work-for-the-dole scheme' and is compulsory for all individuals on income support in designated remote areas. Participants are required to do 'work-like activities' or approved training but without displacing government or private sector employment.
- 3.64 In relation to the payments received by participants, the CDEP required 15 hours per week for the equivalent of the Newstart payment, with further work available with 'top-up' payments for additional hours worked. In contrast, the CDP involves participants undertaking activities for up to 25 hours per week, which is equivalent to a below-minimum wage. In addition, as it is an unemployment scheme, participants are not eligible to earn superannuation whilst undertaking CDP activities and may not be covered by workplace health and safety schemes.
- 3.65 Another key difference between the programs is that the CDEP was managed by local Aboriginal and Torres Strait Islander organisations on the ground, which enabled local level flexibility and discretion in the available activities. By contrast, approximately one-third of the current CDP providers are non-local, non-Indigenous and/or for-profit.<sup>47</sup> In addition, current CDP providers have little discretion in deciding whether to penalise CDP participants that do not meet mutual obligation requirements.

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46 Australian National Audit Office (ANAO), *Evaluation of the Community Development Employment Projects (CDEP)*, p. 7, <[https://webarchive.nla.gov.au/awa/20110605201612/http://www.anao.gov.au/Publications/Indigenous-Program-Reports/2009-2010/Evaluation-of-the-Community-Development-Employment-Projects-\(CDEP\)-Program](https://webarchive.nla.gov.au/awa/20110605201612/http://www.anao.gov.au/Publications/Indigenous-Program-Reports/2009-2010/Evaluation-of-the-Community-Development-Employment-Projects-(CDEP)-Program)>, accessed 4 August 2021.

47 Department of Prime Minister and Cabinet (PM&C), *The Community Development Programme: Evaluation of Participation and Employment Outcomes*, February 2019, p. 2, <<https://www.niaa.gov.au/sites/default/files/publications/cdp-evaluation-participation-employment-outcomes.pdf>>, accessed 5 August 2021.

## Current status of the CDP and its upcoming replacement in 2023

- 3.66 Changes were made to the CDP in March 2019 with the intention of creating additional jobs, improving engagement, and enhancing the input from remote communities into how it is delivered. These changes comprised the following:
- the 1000 Jobs Package (a wage subsidy to support employment opportunities across remote Australia. Eligible employers receive financial support to hire suitably skilled CDP participants in new, ongoing jobs);
  - 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.<sup>48</sup>
- 3.67 As at 30 June 2021, there were 40,928 remote job seekers on the CDP caseload in around 1000 communities. Approximately 82 per cent of participants identify as Aboriginal and/or Torres Strait Islander.<sup>49</sup> Since its commencement in 2015, the CDP has supported job seekers into more than 47,858 jobs, with more than 14,776 instances of job seekers staying for more than six months.<sup>50</sup>
- 3.68 Financial penalties have reduced by 42 per cent from around 17,500 issued per month in the period from 1 January 2018 to 31 March 2018 to 10,300 imposed per month from 1 January 2021 to 31 March 2021.<sup>51</sup>
- 3.69 The Federal Government will introduce a new remote jobs program in 2023 to replace the CDP which will be co-designed with Aboriginal and Torres Strait Islander Peoples and piloted in a number of locations from late 2021.<sup>52</sup>
- 3.70 NIAA noted in its appearance at a public hearing on 27 May 2021 that this new program is intended to draw on the successful components of the

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48 NIAA, DESSFB, DSS and APSC, *Submission 8*, p. 11.

49 NIAA, *Supplementary Submission 8.8 (data update to original submission)*, p. 3.

50 NIAA, *Supplementary Submission 8.8 (data update to original submission)*, p. 3.

51 NIAA, *Supplementary Submission 8.8 (data update to original submission)*, p. 3.

52 NIAA, *The Community Development Program (CDP)*, <<https://www.niaa.gov.au/indigenous-affairs/employment/cdp>>, accessed 28 July 2021.

CDP and of past employment programs. The NIAA further informed the committee that some communities have provided constructive input into what they feel could work well in a new scheme. NIAA stressed that as remote Australia is incredibly diverse, the program will be adjusted to ensure better targeting to different regions.<sup>53</sup>

## Criticisms of the CDP

- 3.71 Many of the submissions and oral evidence to this inquiry were critical of the CDP. A key criticism was the lack of genuine long-term job opportunities created under the CDP. A number of stakeholders contended that the compliance requirements for CDP participants are more onerous than those for people on other income support programs. There was also criticism of the lack of traditional and culturally-relevant activities that can be undertaken by Aboriginal and Torres Strait Islander participants under the current program. These and other issues are discussed below.

### Lack of long-term employment prospects

- 3.72 The NT Government expressed the view to the committee that the current CDP has in fact taken away real jobs from communities, and that it is not seen as employment but as a dole substitute involving very narrow activities and inflexible compliance requirements that do not lead to real employment pathways (somewhat similar criticisms were made of its predecessor, the CDEP, as outlined above). The NT Government stated at the public hearing on 7 April 2021:

I think the Commonwealth, and possibly all governments, did see it as an employment program, but actually it was replacing proper employment, because people were in CDP doing work. I think the idea was that, when you took that program away and there was a funding base, people thought those jobs would eventuate, and they just never have. Those jobs have never come back to those communities, and since that program changed there's never been the number of people in work-like activities that there was.<sup>54</sup>

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53 Mr Bulman, Group Manager, NIAA, *Committee Hansard*, 27 May 2021, Canberra, p. 7.

54 Ms Renee Tennent, Director Business Programs and Strategy, Department of Industry, Tourism and Trade, Northern Territory Government, *Committee Hansard*, 7 April 2021, Conference Call, p. 16.

- 3.73 Arnhem Land Progress Aboriginal Corporation (ALPA) concurred with this view in its own evidence at the public hearing on 7 July 2021, stating that while there has been improvement in the training aspects of the CDP, the program has not led to any substantial long-term job creation:

The CDP, in its most recent form, has allowed more flexibility and does have the capacity for workforce and development training in the funding model, being more flexible than the RJCP. So, providers have more opportunity to be able to tailor training to community needs. However, the program itself has been viewed by community as being inflexible and as a Work for the Dole program, not as an avenue to real employment. One of the difficulties we face is that the economic environments in which we work are stagnant, and it requires investment in infrastructure to be able to continue to grow those economies.<sup>55</sup>

- 3.74 Professor David Throsby and Ms Katya Petetskaya from Macquarie Business School commented in their submission in relation to the arts sector that CDP activities are not seen by participants as real jobs:

During Survey interviews, artists often expressed a dislike for [the] CDP, which they thought was not providing “real jobs”. We encountered instances where artists or arts workers loved their work and wanted to work longer hours but could not do so because of the restrictions placed upon them by the CDP scheme... we also encountered occasional examples of some workers who would just be present in order to fulfil their time requirements of the CDP but would not contribute or perform any meaningful or productive work.<sup>56</sup>

## Disparities with Jobactive

- 3.75 Anglicare Australia commented very negatively in its submission on the disparity between CDP participants who need to complete at least 20 hours of work per week from the start and Jobactive participants who are only required to do so after one year of employment assistance:

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55 Ms Emma Kelly, General Manager, Community Services, ALPA, *Committee Hansard*, 7 July 2021, Conference Call, p. 40.

56 Professor David Throsby and Ms Katya Petetskaya, Macquarie Business School, *Submission 5*, p. 5.

This clear discrimination is inexcusable, especially given the challenges facing remote areas at present – a lack of jobs and high cost of living – which the CDP does nothing to address.<sup>57</sup>

- 3.76 Ironbark Aboriginal Corporation remarked at the public hearing on 8 July 2021 that CDP could be viewed as discriminatory against Aboriginal and Torres Strait Islander clients because most CDP regions have 80 to 90 per cent Aboriginal and Torres Strait Islander participants. Ironbark contended that a better alignment of the mutual obligation requirements in Jobactive and CDP could remove the discriminatory nature of the CDP.<sup>58</sup>
- 3.77 Ironbark Aboriginal Corporation also stated in its appearance on 8 July that it often feels like their CDP clients have more obligations as part of work-for-the-dole than Jobactive participants. Ironbark informed the committee that this has caused people who live on the cusp of CDP and Jobactive regions to actively move in and out of these areas by changing their address, according to what mutual obligations they believe they can meet.<sup>59</sup>
- 3.78 Some of the evidence to the inquiry has highlighted challenges with the geographical boundaries that determine whether a job seeker is a participant in CDP or Jobactive.
- 3.79 First Nations Media Australia noted in its submission that Jobactive can support internships for job seekers residing in some parts of Alice Springs, but does not extend to the town camps that are in many cases less than a five minute drive from the city centre. First Nations Media stated that these boundaries prevent Aboriginal and Torres Strait Islander Peoples from finding work in their own region.<sup>60</sup>
- 3.80 Wugu Nyambil Ltd had a different perspective on CDP requirements versus Jobactive rules, stating at the public hearing on 7 July 2021 that it supports the CDP's work-for-the-dole requirement as it keeps people engaged and develops a work ethic and routine. Wugu Nyambil also stated in its evidence that flipping participants between six months of work-for-the-dole and six months of case management in the Jobactive

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57 Anglicare Australia, *Submission 17*, p. 5.

58 Ms Kirstine Cossens, Operations Manager, Ironbark Aboriginal Corporation, *Committee Hansard*, 8 July 2021, Conference Call, p. 18.

59 Ms Cossens, Ironbark Aboriginal Corporation, *Committee Hansard*, 8 July 2021, Conference Call, p. 18.

60 First Nations Media Australia, *Submission 15*, p. 19.

scheme is incredibly difficult for people in its own region of Yarrabah in Far North Queensland.<sup>61</sup>

## Lack of tailoring to community needs

- 3.81 The Australian Council of Trade Unions (ACTU) remarked in its submission that remote and Aboriginal and Torres Strait Islander communities have their own particular set of needs, challenges and strengths and that the CDP applies ‘cookie-cutter’ solutions that reflect an over-simplification of the issues they face.<sup>62</sup>
- 3.82 The Northern Land Council emphasised in its submission that employment programs need to be co-designed to suit the distinctive circumstances of Aboriginal people in regional and remote areas. The Council submitted that a lack of flexibility in CDP implementation inhibits the ability to tailor arrangements to maximise positive outcomes in different regions and communities.<sup>63</sup>
- 3.83 The Queensland Government commented in its submission that place-based initiatives have the potential to better respond to Aboriginal and Torres Strait Islander community needs and priorities, while also taking advantage of community strengths and abilities. The Queensland Government further stated that place-based initiatives have the potential to address issues with the administrative burden of funding arrangements with integrated funding mechanisms and community engagement and participation.<sup>64</sup>
- 3.84 The NT Government outlined the place-based approach of its own ‘Local Decision Making’ plan in its submission, which aims to provide Aboriginal and Torres Strait Islander communities with greater control over their own affairs based on resources, aspirations and needs. The NT Government further commented that it works together with communities to develop policies and practices for service delivery such as education, training and jobs.<sup>65</sup>
- 3.85 At the public hearing on 25 February 2021, APO NT stated that Aboriginal peak organisations have advocated for years for flexibility, reducing bureaucratic red tape and allowing local communities to take

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61 Ms Lake, Wugu Nyambil Ltd, *Committee Hansard*, 7 July 2021, Conference Call, p. 10.

62 Australian Council of Trade Unions (ACTU), *Submission 3*, p. 8.

63 Northern Land Council, *Submission 34*, p. 12.

64 Queensland Government, *Submission 39*, pp. 9-10.

65 NT Government, *Submission 28*, p. 7.

responsibility and use their creativity to work for their local community members.<sup>66</sup>

- 3.86 Mr William Harley discussed in his submission the differences between the current CDP and the initial scheme that replaced the CDEP, i.e. the Remote Jobs and Communities Program (RJCP), in which the community decided what was acceptable cultural business, whereas this is now the remit of CDP providers and government regulations<sup>67</sup>:

Giving remote communities greater control in the CDP's design and implementation will not only allow for greater claim to self-determination, it will also result in a greater prioritisation of beneficial, culturally appropriate work projects.<sup>68</sup>

### **Recognition of traditional and culturally important activities**

- 3.87 The ability for people to fulfil their cultural obligations and undertake traditional activities as work was identified in the inquiry evidence as a key factor to success for Aboriginal and Torres Strait Islander Peoples in employment service programs.
- 3.88 ALPA outlined in its submission that the supportive work environment in its retail employment model is largely responsible for it having a high degree of attraction and retention of Aboriginal and Torres Strait Islander staff in the region, with many employees being members of the store teams for decades.<sup>69</sup>
- 3.89 The Northern Land Council submitted that culturally appropriate education and training is essential for full participation of Aboriginal people in the NT economy:

To be effective in areas with a high proportion of Aboriginal residents and endemic disadvantage (such as the Northern Territory), curricula and delivery models must be flexible, with provisions allowing them to be modified. This would enable programs to respond appropriately and effectively to regional or local factors such as language, remoteness, infrastructure, cultural obligations and baseline indicators of unemployment, education, health and wellbeing and industry drivers.<sup>70</sup>

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66 Mr John Paterson, APO NT, *Committee Hansard*, 25 February 2021, Conference Call, p. 3.

67 Mr William Harley, *Submission 47*, p. 10.

68 Mr William Harley, *Submission 47*, p. 12.

69 ALPA, *Submission 7*, p. 2.

70 NLC, *Submission 34*, p. 11.

- 3.90 The Northern Land Council further stated to the committee at the public hearing on 8 July 2021 that there needs to be more recognition of traditional activities in the CDP that are very important for people and are classed as jobs, though not by the Western definition of a 'job'.<sup>71</sup>
- 3.91 Charles Darwin University (CDU) highlighted in its submission that in many instances Aboriginal and Torres Strait Islander Peoples will elect to stay on Country, and those who live off Country for extended periods of time will often become homesick and long for Country. CDU submitted that training provided to regional and remote communities therefore needed to be tailored to existing job opportunities and developed in consultation with communities to meet their needs.<sup>72</sup>
- 3.92 The National Health Leadership Forum submitted that culture is a key enabler of good health and that stronger connections to culture and country can improve outcomes across other determinants of health, including education, economic stability and community safety.<sup>73</sup>

### Committee comment

- 3.93 The committee welcomes the Federal Government's upcoming review of the CDP and its stated intention to replace it with a new program in 2023. The committee strongly agrees that a co-design of this new program with Aboriginal and Torres Strait Islander communities will be critically important for its success. The committee also agrees with the proposition that positive aspects of the CDP and CDEP should be considered for retention in the new scheme, again with input from remote communities.
- 3.94 One aspect of the prior CDEP that should be given due consideration in the design of the new program is a greater role for local Aboriginal and Torres Strait Islander organisations in its management and provisions for local level flexibility and discretion in the allowable activities by participants. The committee believes that this new scheme should primarily be both a community development and employment program.
- 3.95 The committee also agrees that the new program should be place-based and be capable of reflecting the needs and aspirations of the local communities it serves. It could for example build upon already existing and successful programs that have a community development and employment focus and have proven outcomes, such as the ranger

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71 Mr Joe Martin-Jard, Deputy Chief Executive Officer, Northern Land Council, *Committee Hansard*, 8 July 2021, Conference Call, pp. 21-22.

72 Charles Darwin University, *Submission 9*, p. 5.

73 National Health Leadership Forum (NHLF), *Submission 31*, p. 5.

programs and art centres that operate effectively in many remote and very remote communities.

- 3.96 The committee believes that this new program should have as its goal that people living in communities within a reasonable commutable distance of an urban centre should seek employment in the urban centre and that alternative community-based employment models should be developed for communities where there are thin labour markets.
- 3.97 The committee was impressed by successful models like Manapan Furniture on Milingimbi Island which is owned and run by the Yolgnu people and has been supported by ALPA. Manapan exports furniture all over Australia. The development of such models should be encouraged.
- 3.98 The committee believes also that any new scheme should support the development of locally-generated entrepreneurial activities and help to create small business opportunities. The lack of long-term sustainable job development under the CDP needs to be addressed.
- 3.99 The current review and redesign of the CDP is timely, and the Federal Government has a significant opportunity to boost the economic participation of Aboriginal and Torres Strait Islander Peoples through the new program.

## **Recommendation 12**

- 3.100 **The committee recommends that in engaging in the process of codesign, the Australian Government should consider incorporating the following elements into the redesign of the Community Development Program:**
- **Should be a place-based program and, as far as possible, be jointly governed and administered with locally and regionally-owned and community-based organisations that reflect the needs and aspirations of their local communities;**
  - **Should recognise the unique characteristics of communities and small area labour markets and be able to address the difference and diversity in communities across Australia;**
  - **Should be part-time work for part-time pay;**
  - **Should not be designed as a welfare or job-replacement scheme;**
  - **Flexibility should be built into the program design with local communities having a leadership role in determining activities**

- to be undertaken within it;**
- **Consideration should be given to the additional resourcing required for meeting on-costs and the provision of capital for job creation;**
  - **Should support the development of locally generated entrepreneurial activities to create small business opportunities in remote areas; and**
  - **The activity requirements between the newly developed CDP and Jobactive should be better aligned to stop people moving from one program to another.**

## **Training and mentoring**

- 3.101 It was emphasised throughout the inquiry that although focused training was a prerequisite to successfully placing an Aboriginal and Torres Strait Islander job seeker into work, ongoing mentoring and establishing a supportive workplace were essential for positive long-term employment outcomes for Aboriginal and Torres Strait Islander Peoples.
- 3.102 Because of the difficulties of servicing remote communities and the housing shortages that exist in them, the construction sector is a particularly important source of training and employment opportunities for people in remote Aboriginal and Torres Strait Islander communities. However, the intermittent nature of this work in more remote areas was an issue for sustainable employment outcomes.

### **Focused training**

- 3.103 The evidence to the inquiry consistently emphasised that training is an important way for job seekers to upskill and gain experience for potential job opportunities. The committee learned, however, that the training offered to Aboriginal and Torres Strait Islander employment program participants did not always correlate with the actual jobs available in their communities.
- 3.104 MiHaven Training maintained in its testimony on 7 July 2021 that people should not go to training just for the sake of training, but instead train for the outcome of employment. However, MiHaven raised concerns about

the lack of employment outlets in Yarrabah for a community of between 2,800 and 3,800, where it is very difficult to find employment locally.<sup>74</sup>

3.105 MiHaven further presented an example of a training program it runs that transforms into real job opportunities. This comprises an individual support course in mutual cooperation with a Residential and Community Aged Care facility that will lead to employment outcomes upon completion for approximately 60-65 per cent of the course participants.<sup>75</sup>

3.106 Wugu Nyambil Ltd remarked at the 7 July 2021 hearing that there is ample training available for Aboriginal and Torres Strait Islander candidates but, while many express interest, the attendance is often poor. Training providers then become reluctant to offer and deliver courses.<sup>76</sup>

3.107 Ironbark Aboriginal Corporation noted at the public hearing on 7 July 2021 that the Northern Territory Department of Infrastructure, Planning and Logistics (DIPL) have been putting contracts out for roadworks in their regions for which they organise CDP participants to undertake civil construction training six to eight months in advance:

They will gain all their equipment certificates, and we can then provide the tendering organisations a ready-made workforce in their community that can be employed by those tendering organisations, if you like, so that the money stays in the community and the family see the parents working and they get up and go to a real job.<sup>77</sup>

3.108 The Centre for Appropriate Technology Ltd (CfAT) commented at the public hearing on 9 July 2021 that its approach of delivering small skill-sets over time, rather than suggesting that people commit to a full course from the outset, has proven to be successful:

So, they just do little skill sets in cert II. Over time – it could be a year or more – they'll come back and ask for more little training in different skill sets, and we put it together. Maybe, over a two-year period, I go through and I have a look and say: 'Wow! This bloke's done so many units in the skill set that now he can actually get a certificate.' It's happened that they weren't aware that they were

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74 Mr Graham Burrridge, Vocational Placement Coordinator, MiHaven Training, *Committee Hansard*, 7 July 2021, Conference Call, p. 4.

75 Mr Burrridge, MiHaven Training, *Committee Hansard*, 7 July 2021, Conference Call, p. 2.

76 Ms Lake, Wugu Nyambil Ltd, *Committee Hansard*, 7 July 2021, Conference Call, p. 10.

77 Mr Shaun Pearce, Chief Executive Officer, Ironbark Aboriginal Corporation, *Committee Hansard*, 8 July 2021, Conference Call, p. 18.

doing a full certificate, but, by committing to little skill sets for six weeks or whatever, they were eventually getting that certificate.<sup>78</sup>

- 3.109 Saltbush Social Enterprises emphasised its strong support for place-based projects at the public hearing on 9 July 2021:

There is a job for every single person on every community. We just have to be creative and we have to make the jobs suit the people. We have to bring the people on the journey, but we never do. All the programs are devised by people who have never been into community.<sup>79</sup>

- 3.110 CfAT observed that a key motivation is to create place-based training opportunities for an entry-point and to provide a real purpose when in the workplace environment. Mr Faron Peckham, Special Project Manager at CfAT, remarked:

...what I've found personally, and I get really sad – when I go to a lot of these communities, some of the guys are showing me more certificates than I actually have – is there's just a gap when they're going into a workplace environment. They find it really difficult because the workplace environment is not really culturally aware.<sup>80</sup>

## The construction sector

- 3.111 The committee heard evidence that the construction industry is a significant source of training opportunities for Aboriginal and Torres Strait Islander Peoples in remote regional and urban communities. The NSW Government outlined the NSW Procurement Aboriginal Participation in Construction (APIC) in its submission, which in 2018-19 received an additional \$132 million directed to Aboriginal-owned businesses, the employment of Aboriginal people, and Aboriginal education, training and consultation activities through construction projects.<sup>81</sup> APIC merged into the Aboriginal Procurement Policy (APP) from 1 January 2021, with the following targets by 31 December 2021:

- 1 per cent of total addressable spend directed to Aboriginal businesses

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78 Ms Marilyn Smith, Training Projects and Administration Manager, Centre for Appropriate Technology, *Committee Hansard*, 9 July 2021, Conference Call, p. 13.

79 Ms Karen Sheldon, Chairperson, Saltbush Social Enterprises, *Committee Hansard*, 9 July 2021, Conference Call, p. 28.

80 Mr Faron Peckham, Special Project Manager, Centre for Appropriate Technology (CfAT), *Committee Hansard*, 9 July 2021, Conference Call, p. 16.

81 NSW Government, *Submission 33*, p. 13.

- 3 per cent of total goods and services contracts be awarded to Aboriginal businesses
  - 3,000 full-time equivalent employment opportunities supported for Aboriginal and Torres Strait Islander Peoples.<sup>82</sup>
- 3.112 NSWALC also noted in its submission that infrastructure is a future growth sector for employment opportunities for Aboriginal people, given that the NSW Government has committed \$108 billion to government infrastructure construction projects over the next 10 years.<sup>83</sup>
- 3.113 NSWALC informed the committee at the public hearing on 29 April 2021 that the Yarpa Hub has been rapidly building relationships with several of Australia's leading construction players and key government agencies, and has signed a memorandum of understanding with major industry leaders, including CPB Contractors, Fulton Hogan, Lendlease, BESIX Watpac and Inland Rail.<sup>84</sup>
- 3.114 ALPA describes in its submission the successful outcomes of its business, Bukmak Constructions, in employing local Aboriginal and Torres Strait Islander Peoples and providing real training and skills development through delivering major projects. One example project that ALPA mentioned is a yard works contract in Galiwin'ku providing fencing, carpports and landscaping to eight houses being rebuilt after a cyclone. The tradesmen undertook a Cert III in Remote Building Repairs & Maintenance and 80 per cent of the workforce were local Aboriginal and Torres Strait Islander Peoples. ALPA remarked that these outcomes demonstrate the benefits that can be achieved by longer projects funded to Aboriginal and Torres Strait Islander employers that invest in training and mentoring, but that an issue is the lack of ongoing work available to employ these tradesmen.<sup>85</sup>
- 3.115 ALPA informed the committee that Bukmak Constructions had recently been awarded a five-year contract to build 87 houses in Galiwin'ku, which will provide long-term employment opportunities that support trade qualifications for Aboriginal and Torres Strait Islander Peoples, as well as workplace security and consistency of employment.<sup>86</sup> ALPA stated that it has a target of 55 trainees to commence Certificate II and at least five

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82 NSW Government, *Aboriginal Procurement Policy*, <<https://buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy>>, accessed 2 August 2021.

83 NSW Aboriginal Land Council, *Submission 6*, p. 7.

84 Mr Christian, CEO, NSWALC, *Committee Hansard*, 29 April 2021, Liverpool, p. 17.

85 ALPA, *Submission 7*, pp. 5-6.

86 Ms Kelly, ALPA, *Committee Hansard*, 7 July 2021, Conference Call, p. 38.

qualified carpenters and one qualified plumber at the end of program delivery.<sup>87</sup>

3.116 The Northern Territory Indigenous Business Network (NTIBN) remarked at the public hearing on 8 July 2021 that Bukmak Construction's recent contract will be one case study to watch, as they will be putting local community members into trades over the life of the construction so that workers come out with a legitimate job, skills and purpose within the community.<sup>88</sup>

3.117 In addition, ALPA explained to the committee that, based on tender debriefs where the organisation has been unsuccessful, it is apparent that the tender assessment process does not consider the cost of engagement and training of Aboriginal and Torres Strait Islander employees. ALPA described this currently as a lump sum process without separated values to define a training or development program within the submission:

When you're competing in an open financial tender situation, at the end of the day it often comes down to price. It's about getting that procurement process or the tender assessment process to bring into consideration the fact that productivity is lower when you have trainees, and that it also takes you time and money to transfer the skills to the Indigenous employees.<sup>89</sup>

3.118 NTIBN agreed with the view that, for the most part, budgets attached to construction projects do not factor in considerations like being based in a remote community or the need to train local people to meet the job demands. NTIBN commented that, generally, the budget is based on the build or design construct itself. NTIBN made the further point that there is a significant need to grow Aboriginal skill sets in the Aboriginal business space, and even for non-Aboriginal businesses working with Aboriginal staff as part of the minimum mandatory requirements for participation, it is important to recognise the costs involved.<sup>90</sup>

3.119 Bawinanga Aboriginal Corporation emphasised at the public hearing on 9 July 2021 that one of the major challenges is to have a committed workload so that the organisation is able to forward plan. Bawinanga described a recent construction training course it provided from which it

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87 Mr Steven Roberts, General Manager, Enterprise and Economic Development, ALPA, *Committee Hansard*, 7 July 2021, Conference Call, p. 44.

88 Mr Jerome Cubillo, Chief Executive Officer, Northern Territory Indigenous Business Network (NTIBN), *Committee Hansard*, 8 July 2021, Conference Call, p. 3.

89 Mr Roberts, ALPA, *Committee Hansard*, 7 July 2021, Conference Call, p. 41.

90 Ms Naomi Anstess, General Manager, Aboriginal Business Growth, NTIBN, *Committee Hansard*, 8 July 2021, Conference Call, p. 3.

subsequently employed all 12 participants in housing and construction jobs, but that a pipeline of work is needed for these jobs to be continued.<sup>91</sup>

- 3.120 Ngurratjuta/Pmara Ntjarra Aboriginal Corporation also advised the committee in its appearance on 9 July 2021 that there is a lack of continual infrastructure development in communities that allows for sustained employment of local people. The Corporation advised that a community member may get a labour-based position with an outside contractor to build a house, but this will only be a short-term job of about four months.<sup>92</sup>
- 3.121 CfAT likewise identified challenges relating to sustainable employment in the construction sector in communities, specifically with apprenticeships as many people in remote areas are hesitant to relocate to a work project elsewhere. Mr Faron Peckham, Special Project Manager, identified one program that received a positive response:
- ...when I was observing and listening to some of the previous trainers, they said that the best program in remote areas – a program that allowed sustainable placement for apprenticeships – was the Territory's IHANT program, which basically was constructing housing and infrastructure in remote areas to accommodate and sustain the ability to have apprentices from those particular areas.<sup>93</sup>
- 3.122 NLC commented in its submission that the use of local suppliers should be mandated when possible, especially for housing, roads and services in remote communities, and if there are no local suppliers, there must be a requirement for local Aboriginal employment, and the private sector should also be encouraged to adopt strong Aboriginal procurement and employment targets.<sup>94</sup>
- 3.123 West Arnhem Regional Council commented at the public hearing on 8 July 2021 that with the government building more housing in the community, there could be greater potential for Aboriginal and Torres Strait Islander jobs as electricians, builders and carpenters but that there is no opportunity for training in this regard. Mayor Matthew Ryan remarked

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91 Mrs Ingrid Stonhill, Chief Executive Officer, Bawinanga Aboriginal Corporation, *Committee Hansard*, 9 July 2021, Conference Call, p. 23.

92 Mr Cameron Miller, Chief Executive Officer, Ngurratjuta/Pmara Ntjarra Aboriginal Corporation, *Committee Hansard*, 9 July 2021, Conference Call, pp. 3-4.

93 Mr Peckham, CfAT, *Committee Hansard*, 9 July 2021, Conference Call, p. 17.

94 NLC, *Submission 34*, p. 21.

that there are external companies coming in and taking jobs away from Aboriginal people.<sup>95</sup>

- 3.124 The Queensland Government outlined in its submission the activities of QBuild - a commercialised business unit of the Queensland Government sitting in Department of Housing and Public Works (DHPW) - in actively building the capability of Aboriginal and Torres Strait Islander Councils by delivering building and construction programs in communities, and providing employment, apprenticeship and training opportunities.<sup>96</sup>
- 3.125 DLG Shape advised the committee that a big issue in growing their construction business is actually finding people with the skills, as there is a very limited number of university graduates of Aboriginal and Torres Strait Islander background in the construction industry. DLG Shape reported an average of 13 per cent of their spend with Aboriginal and Torres Strait Islander suppliers and subcontractors for the past two years, and for some projects it is up to 40 per cent.<sup>97</sup>

## Committee Comment

- 3.126 The committee heard evidence of good training programs and other training programs that miss the mark. The committee also heard evidence that often training was offered for training's sake rather than leading to employment opportunities or for skills that were useful on country or in the local labour market.
- 3.127 In the context of a revised CDP training scheme, the committee would like to see more training taking place on country with transferrable skills and with programs designed with the input of local communities.

## Recommendation 13

- 3.128 **The committee recommends that training support should be given to meet the needs of individuals and communities for the local labour market, including for identified work under the new CDP program. The committee also recommends that where possible, training should be delivered on country and should deliver transferable skills.**

95 Mr Matthew Ryan, Mayor, West Arnhem Regional Council, *Committee Hansard*, 8 July 2021, Conference Call, p. 35.

96 Queensland Government, *Submission 39, Attachment 1*, p. 4.

97 Mr Michael Manikas, General Manager, DLG Shape, *Committee Hansard*, 11 February 2020, Canberra, p. 2.

## Mentoring

- 3.129 The central importance and positive impact of mentoring for Aboriginal and Torres Strait Islander Peoples on their pathway to maintaining long-term employment was a recurrent theme in evidence presented to the inquiry.
- 3.130 Tagai Management Consultants emphasised at the public hearing on 11 February 2020 the importance of Aboriginal and Torres Strait Islander workers receiving long-term mentoring, remarking that people need to understand where they fit, as well as know what will happen once they secure a job and how they can sustain the job.<sup>98</sup>
- 3.131 Peter Kittle Motor Company informed the committee at that same hearing that they have found it challenging to attract young Aboriginal and Torres Strait Islander Peoples to work in their type of business, but where they have experienced positive outcomes, there have been mentors in place for the Aboriginal and Torres Strait Islander employees, and the company celebrates that as a big success.<sup>99</sup>
- 3.132 Woolworths Group acknowledged that the ongoing mentoring support for their Aboriginal and Torres Strait Islander team members, particularly in the initial six months, has a huge impact on success and contributes to sustainable employment.<sup>100</sup>
- 3.133 Lisa Hohoi, an Indigenous Manager at a Woolworths store, further told the committee about the positive experience she had starting her career at Woolworths through the diversity and inclusion career pathways program:

I was surrounded, mentored and influenced by positive leaders at Woolworths that gave me the courage and vision of success by believing and seeing my potential that I couldn't even see in myself at the time. They pushed me to own my success. I can now say proudly that I'm a department manager leading a diverse team with 18 team members, two of which have come out of the same pathways program for Indigenous people here at Woolworths... for most Indigenous people the main thing that they struggle with is finding or being given an opportunity paired with the right tools

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98 Ms Julie-ann Lambourne, Senior Consultant, Tagai Management Consultants, *Committee Hansard*, 11 February 2020, Canberra, p. 8.

99 Mr Tom Kelly, Group General Manager, Peter Kittle Motor Company, *Committee Hansard*, 11 February 2020, Canberra, p. 3.

100 Ms Rachel Mead, Head, Diversity & Inclusion, Woolworths Group, *Committee Hansard*, 25 February 2021, Conference Call, p. 9.

to support a successful outcome. That positive outcome is making a change in the Indigenous community.<sup>101</sup>

- 3.134 First Nations Media Australia emphasised at the public hearing on 25 March 2021 that Aboriginal and Torres Strait Islander media organisations have the capacity to provide supportive places for young Aboriginal and Torres Strait Islander Peoples. First Nations Media stated that these young workers can receive support and mentoring in a way that builds their confidence and ability to pursue other goals in Aboriginal and Torres Strait Islander media or to transition to mainstream media.<sup>102</sup>
- 3.135 Tjanpi Desert Weavers explained at the public hearing on 7 April 2021 that a big part of its plan to transition to an Anangu workforce for service delivery is to include mentoring, support and training to ensure that employment is effective. Tjanpi noted that it has engaged a worker specifically in that mentoring role to support people for success.<sup>103</sup>
- 3.136 NET provided a success story at its appearance on 29 April 2021 whereby one participant got a job at a construction business and has paved the way for five other job seekers with that company.<sup>104</sup> Mr Aubrey French, who was that first job seeker to start at the company, indicated that the employer has taken on a mentoring role which makes him feel comfortable going into work and turning up for people that he is familiar with:

I didn't know that it was actually his company that I was going to work for, but I knew him from football before. So, when I found out that it was him, I was like: 'Even better. It's someone I know and feel comfortable with.' He told me he's been working in the civil construction industry for over 40 years. So, he took me under his wing and showed me a lot of things to do with the construction industry. I'm learning something new every day.<sup>105</sup>

- 3.137 NET also described the benefits of the mentoring they provide as a VTEC stating that it was present at Aubrey's first day of work and they touch

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101 Ms Lisa Hohoi, Deli Manager, Conder Woolworths, Woolworths Group, *Committee Hansard*, 25 February 2021, Conference Call, pp. 8-9.

102 Ms Naomi Moran, Deputy Chair, First Nations Media Australia, *Committee Hansard*, 25 March 2021, Conference Call, p. 8.

103 Ms Michelle Young, Manager, Tjanpi Desert Weavers, *Committee Hansard*, 7 April 2021, Conference Call, p. 26.

104 Mr Dwayne Knight, Employment Manager, NET, *Committee Hansard*, 29 April 2021, Liverpool, p. 24.

105 Mr Aubrey French, Job seeker, NET, *Committee Hansard*, 29 April 2021, Liverpool, p. 24.

base with him and his employer once a week, which maintains contact with both parties.<sup>106</sup>

- 3.138 Wugu Nyambil Ltd informed the committee at its appearance on 7 July 2021 that if they identify an individual with personal barriers, they will put the person in touch with a local mentor who can help with a whole myriad of situations. These include losing accommodation to not having their car registered. Wugu Nyambil indicated that the appointed mentor can support individuals to deal with these issues with the aim of keeping the person in their job.<sup>107</sup>
- 3.139 Salvation Army Employment Plus outlined at that same public hearing the role of its Aboriginal and Torres Strait Islander engagement officers that are present in most regions. The Salvation Army commented that these officers have their own culture, lived experiences, and understand the barriers or how the job seekers may be feeling:
- ...we like to be mentoring them prior to employment, and we walk with them – walk with them into the employment and walk with them through that employment. With our Aboriginal staff, we make sure that they're really well supported.<sup>108</sup>
- 3.140 WISE Employment informed the committee that the mentoring and hands-on support that VTECs provide to Aboriginal and Torres Strait Islander job seekers is invaluable. Individuals can call their mentor at any time if there is a problem and the ongoing, six-month support is hands on. WISE further noted that the set-up of the Jobactive contract does not allow them time to support job seekers once placed, so they link up with VTEC providers as much as possible because that support system works.<sup>109</sup>
- 3.141 Saltbush Social Enterprises stressed in its appearance on 9 July 2021 that specialised, intensive mentoring is really the key to success for participants and employment service programs must be focused on the participant. Saltbush further outlined that the other main pillars of their work in this regard are person centred, appropriate pre-employment training; incubators; place-based projects and appropriate streaming. They emphasised that every Australian is entitled to those services.<sup>110</sup>

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106 Mr Knight, NET, *Committee Hansard*, 29 April 2021, Liverpool, p. 24.

107 Ms Lake, Wugu Nyambil Ltd, *Committee Hansard*, 7 July 2021, Conference Call, p. 13.

108 Mr Westwood, Salvation Army Employment Plus, *Committee Hansard*, 7 July 2021, Conference Call, p. 22.

109 Ms Vacamena, WISE Employment, *Committee Hansard*, 7 July 2021, Conference Call, p. 34.

110 Mrs Nicole Shackcloth, Chief Executive Officer, Saltbush Social Enterprises, *Committee Hansard*, 9 July 2021, Conference Call, pp. 28-29.

3.142 Simon McGrath, Chief Executive of Accor, commented at the public hearing on 22 July 2021 that their pastoral care provided to Aboriginal and Torres Strait Islander workers is more about providing a really supportive place to work. Accor gave the example of a series of yarning circles it provided for their employees in 2020, noting the importance of getting voices out there in a very supportive and careful environment and management genuinely listening in that format.<sup>111</sup> Mr Josh Hanley, Senior Indigenous Programs Manager, also highlighted the necessity of defining the meaning of mentoring for workers and how it can work in practice:

I think the word 'mentoring', from an Indigenous perspective, is very loose when we look at Indigenous mentors. What we work off is the Western terminology 'mentor'. For example, Simon's one of my mentors. I go to Simon to elevate and challenge myself, not to have my hand held. We worked really hard with our hotel leaders and our leaders within the hotel departments to understand that, yes, there's some pastoral care involved in mentoring, but let's look at raising the bar and changing the narrative of Indigenous success.<sup>112</sup>

3.143 Voyages Indigenous Tourism Australia explained to the committee at its own appearance on 22 July 2021 that in addition to being a tourism operator, it runs the National Indigenous Training Academy where graduates complete a Cert III or Cert IV in retail, horticulture or hospitality. Voyages explained that every graduate is promised an ongoing job with the company, and currently 44 per cent of their staff at the Ayers Rock Resort are Indigenous.<sup>113</sup>

3.144 When further questioned about particular strategies for finding and retaining Aboriginal and Torres Strait Islander staff, Voyages emphasised that mentoring by former graduates and current staff members has been the most successful, commenting that its graduates are the best advocates for what it means to have a job and to create a career.<sup>114</sup>

3.145 The NSW Indigenous Chamber of Commerce (NSWICC) remarked that there is a lot of mentoring that also goes on between their member

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111 Mr Simon McGrath, Chief Executive Officer, Accor Pacific, *Committee Hansard*, 22 July 2021, Conference Call, p. 17.

112 Mr Josh Hanley, Senior Indigenous Programs Manager, Accor Australia, *Committee Hansard*, 22 July 2021, Conference Call, p. 17.

113 Mr Matthew Cameron-Smith, Chief Executive Officer, Voyages Indigenous Tourism Australia Pty Ltd, *Committee Hansard*, 22 July 2017, Conference Call, pp. 23-24.

114 Mr Cameron-Smith, CEO, Voyages Indigenous Tourism Australia Pty Ltd, *Committee Hansard*, 22 July 2017, Conference Call, pp. 23-24.

businesses. Ms Debbie Barwick, Chief Executive Officer, commented at the public hearing on 28 April 2021 that a difference with Aboriginal business is that it is 'almost like a big family', where businesses are networking and supporting each other.<sup>115</sup>

### **Recommendation 14**

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

## **Common barriers to Aboriginal and Torres Strait Islander employment**

- 3.147 A significant focus of the current inquiry were the barriers to employment for Aboriginal and Torres Strait Islander job seekers. The evidence to the inquiry highlighted a police record and poor access to public transport in getting from remote communities to employment as two particular roadblocks for Aboriginal and Torres Strait Islander job seekers.

### **Police record**

- 3.148 A number of contributors to the inquiry highlighted the additional challenges faced by Aboriginal and Torres Strait Islander job seekers with a criminal record as many types of employment require a police check.
- 3.149 The NSW Government stated in its submission that a criminal record greatly reduces the possibility of gaining employment and narrows the pool of potential opportunities for job seekers. The NSW Government further remarks that time out of the workforce or training means that job opportunities can be delayed or lost entirely.<sup>116</sup>
- 3.150 Australian Unity commented in its submission that some individuals are barred from certain positions due to minor offences that may have been committed many years prior. Australian Unity further submitted that this barrier can often be based on actions arising in the early life of the job

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115 Ms Debbie Barwick, Chief Executive Officer, NSW Indigenous Chamber of Commerce (NSWICC), *Committee Hansard*, 28 April 2021, Wyong, p. 5.

116 NSW Government, *Submission 33*, p. 9.

seeker and places them at great risk of financial and social disadvantage.<sup>117</sup>

- 3.151 There was evidence however that some employers were prepared to overlook the criminal record of prospective employees. The NSW Indigenous Chamber of Commerce discussed a different approach often taken by Aboriginal and Torres Strait Islander businesses and by the construction sector in this regard:

One of the things that I think is quite different amongst Indigenous businesses is that willingness to take on people who have got a background with juvenile justice or corrective services. But we have lots and lots of businesses, in particular in the construction and civil space, that do provide employment opportunities to people despite those backgrounds.<sup>118</sup>

- 3.152 NET outlined at the public hearing on 29 April 2021 that they are not only an employment consultant, but also an advocate for job seekers with a criminal record.<sup>119</sup>
- 3.153 Asquith Workforce stated at a public hearing on 28 April 2021 that potential incentives to employ people with a criminal background would depend on the level of the offence and the specific role that the person is being placed into. Asquith further remarked that it will approach potential employers to ask whether the business would consider such a candidate who had the right skill set and attitude, but stressed that it is not necessarily common practice across different job agencies.<sup>120</sup>
- 3.154 Salvation Army Employment Plus outlined a similar strategy and told the committee that they ask employers whether a police check is needed, and then open a conversation around what the employer will accept in this regard. Salvation Army Employment Plus also noted that approximately 30 per cent of the employers they deal with will hire people with a police record.<sup>121</sup>
- 3.155 Tangentyere Council Aboriginal Corporation remarked that some employers, especially those in construction or civil works, are very open to

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117 Australian Unity, *Submission 18*, p. 4.

118 Ms Barwick, CEO, NSWICC, *Committee Hansard*, 28 April 2021, Wyong, p. 5.

119 Mr Knight, NSWALC, *Committee Hansard*, 29 April 2021, Liverpool, p. 24.

120 Ms Jillian Asquith, Managing Director, Asquith Workforce, *Committee Hansard*, 28 April 2021, Wyong, p. 11.

121 Ms Elizabeth Lloyd, General Manager, Jobactive, Salvation Army Employment Plus, *Committee Hansard*, 7 July 2021, Conference Call, p. 26.

people with a criminal history, provided the offence is not serious and the job seeker is still able to obtain a driver's licence and white card.<sup>122</sup>

- 3.156 WISE Employment discussed an array of employers it engages with in the Northern Territory who are willing to work with pre-release and post-release prisoners:

So, when it comes to criminal history and things like that they are forgiving of that. It's not an issue. As for employers who don't want to work with us on that side of things – it's just basically asking employers upfront: what are your requirements? Do they need to pass a police check? If they do then – we would not be setting anybody up for failure – we would not be referring that job seeker to that position. There are plenty of employers that will take on job seekers who have got a past.<sup>123</sup>

- 3.157 Mr Shane Knight from the Glen Drug and Alcohol Rehabilitation Centre explained at the public hearing on 3 June 2021 the importance of services providing opportunities to people with a criminal history:

Most people at the Glen have got a criminal history because of their living situation, because they used drugs and alcohol – their parents did it, their grandparents did it and that sort of stuff. Some stuff needs to be overlooked; some stuff needs to be pushed to the side. When you have a conversation with someone, they sound a lot different to what's on a resume and what's on a criminal history. Sometimes people need to be taken on face value and given opportunities. There are a lot of places that won't even give you an opportunity, so I'm very fortunate that a place like the Glen exists, where I'm exposed to opportunities that I don't get in any other services.<sup>124</sup>

- 3.158 Amnesty International Australia emphasised in its submission that early intervention, prevention and diversion is critical, noting there is inadequate funding, training and support for Aboriginal and Torres Strait Islander-led, culturally appropriate early intervention and diversionary programs in the youth justice system. Amnesty further stated in its

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122 Ms Dee McCorkindale, Employment and Training Manager, *Committee Hansard*, 9 July 2021, Conference Call, p. 7.

123 Ms Karen McGlashan, Regional Manager Northern Territory, WISE Employment, *Committee Hansard*, 7 July 2021, Conference Call, p. 31.

124 Mr Shane Knight, Operations Manager, Glen Drug and Alcohol Rehabilitation Centre, *Committee Hansard*, 3 June 2021, Conference Call, p. 3.

submission that these programs will keep children out of prison, and in employment and training when they are run successfully.<sup>125</sup>

- 3.159 Similarly, Speaking in Colour expressed the view at the public hearing in Wyong on 28 April 2021 that attention needs to be given to diversionary programs:

We need to provide opportunities where people will not be discounted because of their past. Nobody's clean nosed, are they, really? That also encompasses post release: how are we serving and providing in juvenile justice? The kids are in the system. Especially, how do we prevent people going inside? But, then, how do we support them and give them a different story so that when they come out they don't repeat the old cycle?<sup>126</sup>

- 3.160 The Department of Defence discussed its Regional Force Surveillance Group (RFSG) at the public hearing on 8 July 2021, which consists of three units: the 51<sup>st</sup> Battalion on Cape York and Torres Strait, Norforce (which covers the Northern Territory and the Kimberley), and the Pilbara Regiment. The department noted that a special provision, the Regional Force Surveillance List, allows the RSFG to employ part-time soldiers only within the Group and not the broader Army, while also allowing the unit commander discretion with recruiting standards against medical, dental, educational, criminal and some psychological records.<sup>127</sup>
- 3.161 In terms of Aboriginal and Torres Strait Islander participation in the RSFG, the department stated that the 51<sup>st</sup> Battalion has 45 per cent representation, Norforce has 24 per cent and the Pilbara Regiment is at four per cent.<sup>128</sup>

## Committee comment

- 3.162 It was clear from the evidence to the inquiry that Aboriginal and Torres Strait Islander Peoples are often greatly hindered from obtaining work due to offences committed long in the past, even though they have since become productive members of society who can make valuable contributions to the workforce.

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125 Amnesty International Australia, *Submission 35*, p. 2.

126 Ms Cherie Johnson, Managing Director, Speaking in Colour, *Committee Hansard*, 28 April 2021, Wyong, p. 8.

127 Colonel Tim Rutherford, Commander, Regional Force Surveillance Group (Army), Department of Defence, *Committee Hansard*, 8 July 2021, Conference Call, p. 28.

128 Colonel Rutherford, Commander, Department of Defence, *Committee Hansard*, 8 July 2021, Conference Call, p. 27.

- 3.163 The committee heard anecdotal evidence of Aboriginal and Torres Strait Islander job seekers who had participated in a job interview and done well only to be refused employment because of the nature of their police record. Sending a job seeker to a job interview that they were never going to get because of their record is a waste of time for both the employer and the job seeker. It is also deflating for the job seeker.
- 3.164 The committee believes firmly that all providers under the New Employment Services Model and the revised CDP should make formal inquiries of prospective employers about their willingness to take on a job seeker with a police record for a particular offence before seeking to place that candidate. These providers also need to take steps to encourage more employers to take on job seekers who have a police record.

### **Recommendation 15**

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

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

### **Poor access to public transport**

- 3.166 The committee heard evidence that one key gap in the employment of Aboriginal and Torres Strait Islander Peoples is access to reliable transport for people to move to and from work for people living in remote Aboriginal and Torres Strait Islander communities. Witnesses and submissions identified that the two main contributing factors to this issue are the lack of transport from remote communities into regional hubs, and the limited opportunities for Aboriginal and Torres Strait Islander Peoples to obtain a driver's licence.
- 3.167 Minerals Council of Australia indicated in its submission that transportation assistance for Aboriginal and Torres Strait Islander Peoples from geographically dispersed communities to travel to and from sites actively supports Aboriginal and Torres Strait Islander employment pathways:

For example, Newcrest supports Martu drivers to transport employees from dispersed communities to and from its Telfer site.

Drivers collectively travel more than 500,000 kilometres a year. The program has significantly increased employee retention rates.<sup>129</sup>

- 3.168 Hunter Region Employment Facilitator recommended in its submission that the broadscale funding of driver training and consistent support for volunteer driving mentoring are critical priorities in improving Aboriginal and Torres Strait Islander access to employment. It further emphasised that the lack of a driver's licence is a serious barrier to commuting to work or securing roles that require driving.<sup>130</sup>
- 3.169 The Queensland Government highlighted in its submission the Indigenous Driver Licensing Program that is operated by the Queensland Department of Transport and Main Roads (TMR) in Far North Queensland. The program aims to reduce unlicensed driving and increase commitment to safe road user behaviours in remote Aboriginal and Torres Strait Islander communities, and is improving access to employment, education, health, social and cultural activities.<sup>131</sup>
- 3.170 Wugu Nyambil Ltd commented at its appearance on 7 July 2021 that communities within the Cape would automatically consider that Yarrabah has the advantage of only being 45 to 50 minutes from Cairns, but 60 per cent of the population do not have access to any form of transport and cannot travel into Cairns for opportunities.<sup>132</sup>
- 3.171 MiHaven Training informed the committee that the financial status of many people in Yarrabah improved in the late 2000s due to mining employment and they were able to buy good cars, while other people in the community do not have any access to transportation. MiHaven emphasised that the opportunities for employment are there but that it's just a matter of getting people to and from there reliably.<sup>133</sup>
- 3.172 Salvation Army Employment Plus acknowledged the transport issue for Karuah in NSW and as a solution, brought in a company called Booroongen that has training facilities for tickets such as chainsaw. In the community, five or six Aboriginal people that have had training support

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129 Minerals Council of Australia, *Submission 20*, p. 6.

130 Hunter Region Employment Facilitator, *Submission 38*, p. 7.

131 Queensland Government, *Submission 39*, p. 2.

132 Ms Lake, Wugu Nyambil Ltd, *Committee Hansard*, 7 July 2021, Conference Call, p. 9.

133 Mr Burridge, MiHaven Training, *Committee Hansard*, 7 July 2021, Conference Call, p. 3.

and gained employment now do not face a transport barrier, because they are actually working in the community.<sup>134</sup>

- 3.173 Tangentyere Council Aboriginal Corporation raised the issue affecting their community in Amoonguna that cannot access remote training funding, even though it is classified as a remote community. The NT Government indicated that it is because the town is only 25 kilometres south-east of Alice Springs, however there is no public bus service between the towns and very few people hold a current driving licence.<sup>135</sup>
- 3.174 When further asked about incentives for employers to give more job opportunities to Aboriginal and Torres Strait Islander Peoples, Tangentyere suggested that providing support or a driver to do pickups of workers to guarantee that they would be able to get into work would be looked on favourably by employers.<sup>136</sup>
- 3.175 A specific issue that Bawinanga Aboriginal Corporation identified at its appearance on 9 July 2021 was that driving licences for women is one of the barriers to full paid employment. Bawinanga commented that are challenges with getting services to Maningrida to train people and on top of that, for cultural reasons, women cannot have a driving lesson at the same time as men and they must be kept separate.<sup>137</sup>

### **Committee comment**

- 3.176 A lack of public transport options should not be an impediment to remote Aboriginal and Torres Strait Islander job seekers taking up employment opportunities in nearby urban centres. The committee feels strongly that this issue should be addressed by upcoming reviews of the various Federal Government employment programs such as Jobactive and the CDP.
- 3.177 The committee believes that funds should be allocated through these services to properly resource transport options for people from remote communities to be able to work in employment centres in their region, when the distances involved are reasonably commutable. There would

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134 Mr Westwood, Salvation Army Employment Plus, *Committee Hansard*, 7 July 2021, Conference Call, pp. 27-28.

135 Ms McCorkindale, Tangentyere Council Aboriginal Corporation, *Committee Hansard*, 9 July 2021, Conference Call, p. 6.

136 Ms McCorkindale, Tangentyere Council Aboriginal Corporation, *Committee Hansard*, 9 July 2021, Conference Call, p. 8.

137 Mrs Stonhill, CEO, Bawinanga Aboriginal Corporation, *Committee Hansard*, 9 July 2021, Conference Call, p. 24.

potentially be business opportunities for Aboriginal and Torres Strait Islander businesses to provide this service.

### Recommendation 16

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

### Current data limitations

- 3.179 The committee noted during the inquiry that there are data gaps when assessing programs and policies aimed at increasing Indigenous participation in the economy.
- 3.180 The Indigenous Preferential Procurement Programs Research Group (IPPPRG) emphasised in its submission that it is vital to be able to link data on government services across departments to effectively evaluate the effects of one program relative to another against a legitimate comparison group.<sup>138</sup>
- 3.181 As an example, IPPPRG remarks that to be able to fully understand the impact of complementary Aboriginal and Torres Strait Islander employment services such as VTEC, it is important to link information on program registration and access (from the NIAA) to information on standard employment services (from DESE) and program outcome data such as income support receipt, education and earnings data (held by DSS, DESE and the ATO). IPPPRG drew attention to the fact that there is no coordination of state and federal data sharing, which makes it difficult to evaluate programs where there is state and federal overlap.<sup>139</sup>
- 3.182 Barang Regional Alliance echoed the view that high quality data on employment, economic and social indicators and outcomes in regional Aboriginal communities is fundamental to assessing the effectiveness of existing government employment programs.<sup>140</sup>

138 Indigenous Preferential Procurement Programs Research Group (IPPPRG), University of Melbourne, *Submission 37*, p. 9.

139 IPPPRG, *Submission 37*, pp. 9-10.

140 Barang Regional Alliance, *Submission 45*, p. 10.

- 3.183 Barang stated in its submission that it initiated the Central Coast Aboriginal Data Network, *Nginyang Wayama*, to assist Aboriginal community-controlled organisations on the Central Coast with the collection and use of data and to establish a regional baseline data set to help ascertain and observe changes in community priorities.<sup>141</sup>
- 3.184 Professor Throsby explained at the public hearing on 7 April 2021 that he and his colleagues are also collecting data and assembling a national database on how art and cultural production can provide a viable pathway to economic empowerment for Aboriginal and Torres Strait Islander Peoples living in remote communities. The regional reports being prepared include data on education, skill development, economic engagement and the extent of paid and unpaid work.<sup>142</sup>
- 3.185 When asked at the public hearing on 5 March 2020 whether there are any data on the extent of the duplication between baseline employment services and Indigenous-specific employment services, NIAA observed that they are proposing to address this problem by linking such information in a more effective way, as these data are currently managed in separate repositories. NIAA advised the committee at that time that they had commissioned some work to build an integration process that particularly focuses on employment and other economic data.<sup>143</sup>
- 3.186 DESE commented at its appearance on 13 May 2021 that it tracks the retention of participants through post-program monitoring surveys by reaching out to the job seeker. DESE commented that one particular challenge with this monitoring is that if someone has exited income support, then they no longer have a connection to the department or services. DESE noted from its experience over a number of years however that people who entirely exit income support after 26 weeks are unlikely to return to it.<sup>144</sup>
- 3.187 When asked about the extent of its dialogue with Federal Government departments on sharing data and information, the Northern Territory Government indicated at the public hearing on 7 April 2021 that there is collaboration and data sharing between the two governments, as well as jurisdictional meetings with DESE and other departments. The NT

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141 Barang Regional Alliance, *Submission 45*, p. 12.

142 Professor David Throsby, Distinguished Professor of Economics, Macquarie University, *Committee Hansard*, 7 April 2021, Conference Call, p. 20.

143 Professor Ian Anderson, Deputy Chief Executive Officer, NIAA, *Committee Hansard*, 5 March 2020, Canberra, p. 3.

144 Ms Ryan, First Assistant Secretary, DESE, *Committee Hansard*, 13 May 2021, Canberra, p. 2.

Government also remarked that it is quite difficult to have a national program that meets the needs at the Territory level.<sup>145</sup>

## Committee comment

3.188 It will be difficult to design more effective programs at a national level to promote Aboriginal and Torres Strait Islander employment outcomes, or indeed in any policy area, without accurate and reliable information on the past performance of such schemes. In assessing the success or failure of policy especially as it applies to individual cases, it is particularly important to see when a job seeker is moving from welfare to work, or welfare to training to work, and to what extent they remain in employment or later return to the welfare system. It is important for governments at all levels in Australia to develop better systems to collect and share robust data on Aboriginal and Torres Strait Islander Peoples who are interacting with the education, training and welfare systems and moving into and out of the workforce.

## Recommendation 17

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

**Julian Leaser MP**  
**Chair**

**23 August 2021**

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145 Mrs Bridgette Bellenger, General Manager, Territory Regional Growth, Department of the Chief Minister and Cabinet, Northern Territory Government, *Committee Hansard*, 7 April 2021, Conference Call, p. 18.





## **Appendix A - Submissions**

1. Department of Communications and the Arts
  - 1.1. Supplementary submission – Department of Infrastructure, Transport, Regional Development and Communications
2. Tjanpi Desert Weavers
3. Australian Council of Trade Unions (ACTU)
4. South Australian Government (Office of the Industry Advocate)
5. David Throsby and Katya Petetskaya, Macquarie Business School
  - 5.1. Supplementary submission
6. NSW Aboriginal Land Council
  - 6.1. Supplementary submission
7. The Arnhem Land Progress Aboriginal Corporation
  - 7.1. Supplementary submission
8. National Indigenous Australians Agency; the Department of Employment, Skills, Small and Family Business; the Department of Social Services; and the Australian Public Service Commission
  - 8.1. Supplementary submission – National Indigenous Australians Agency
  - 8.2. Supplementary submission – Department of Education, Skills and Employment
  - 8.3. Supplementary submission – Department of Education, Skills and Employment

- 8.4. Supplementary submission – Department of Education, Skills and Employment
- 8.5. Supplementary submission – Department of Education, Skills and Employment
- 8.6. Supplementary submission – Department of Social Services
- 8.7. Supplementary submission – National Indigenous Australians Agency
- 8.8. Supplementary submission – National Indigenous Australians Agency
- 8.9. Supplementary submission – National Indigenous Australians Agency
9. Charles Darwin University
10. ACT Chief Minister
11. Australian Small Business and Family Enterprise Ombudsman
12. Australian Taxation Office
13. Australian Healthcare & Hospitals Association
14. Agency Projects
15. First Nations Media Australia
  - 15.1. Supplementary submission
16. Dr Heron Loban and Dr Kerry Bodle, Griffith University
17. Anglicare Australia
18. Australian Unity
19. Universities Australia
20. Minerals Council of Australia
  - 20.1. Supplementary submission
21. Australian Business Deans Council
22. Indigenous Business Australia
  - 22.1. Supplementary submission
  - 22.2. Supplementary submission
23. Rio Tinto

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24. National Aboriginal Community Controlled Health Organisation (NACCHO)
  25. Innovative Engineering Solutions
    - 25.1. Supplementary submission
  26. Logit
  27. Confidential
  28. NT Government
    - 28.1. Supplementary submission
  29. Tasmanian Government
  30. APRA AMCOS
  31. National Health Leadership Forum
    - 31.1. Supplementary submission
  32. Mowanjum Aboriginal Art & Culture Centre
  33. NSW Government
  34. Northern Land Council
  35. Amnesty International Australia
  36. Desert Gem
    - 36.1. Supplementary submission
  37. Indigenous Preferential Procurement Programs Research Group, University of Melbourne
    - 37.1. Supplementary submission
  38. Hunter Region Employment Facilitator
  39. Queensland Government
  40. Confidential
  41. Woolworths Group
  42. The National Aboriginal and Torres Strait Islander Health Worker Association (NATSIHWA)
  43. Supply Nation
    - 43.1. Supplementary submission

- 43.2. Supplementary submission
- 44. Aboriginal Peak Organisations Northern Territory
  - 44.1. Supplementary submission
- 45. Barang Regional Alliance
  - 45.1. Supplementary submission
- 46. Generation One and Fortescue Metals Group
- 47. Mr William Farley
- 48. Mission Australia
- 49. Name Withheld
- 50. Ms Colleen Holmes
- 51. Confidential
- 52. Volunteering Australia
- 53. Dr Adam Heaton
- 54. Associate Professor Shumi Akhtar
- 55. Central Australian Youth Link-Up Service – Tangentyere Council
- 56. Department of Defence
  - 56.1. Supplementary submission
- 57. Batchelor Institute
- 58. Department of Health
- 59. The Salvation Army Employment Plus
- 60. Saltbush Social Enterprises



## **Appendix B – Public hearings**

**Tuesday, 11 February 2020 – Canberra**

### **Peter Kittle Motor Company**

- Mr David Ross, Director
- Mr Tom Kelly, Group General Manager

### **DLG Shape**

- Mr Michael Manikas, General Manager

### **Pickwick 1A Services**

- Mr Gary Oliver, Chief Executive Officer
- Mr Peter (Tony) Archer, National Business Development Manager

### **Tagai Management Consultants**

- Mr Murray Saylor, Managing Director
- Ms Julie-ann Lambourne, Senior Consultant

### **Murawin/Game Enough?**

- Ms Carol Vale, Managing Director

### **IPS Management Consultants**

- Mrs Kristal Kinsela-Christie, Managing Director
- Mrs Jahna Cedar OAM, Director-Policy, Evaluation and Indigenous Affairs

## **Kulbardi**

- Mr Kim Collard, Chief Executive Officer

## **Thursday, 27 February 2020 – Canberra**

### **Capital Workplace Indigenous Corporation**

- Mr Craig Sams, Director
- Ms Jo Kāmira, Director

## **Rubik3**

- Ms Nadia Pessarossi, Associate Partner and Chief Operating Officer

### **Wilyama Indigenous ICT Services**

- Mr Kieran Hynes, Managing Director
- Ms Rhianna Connors-Johnston, Indigenous Engagement Lead

## **Thursday, 5 March 2020 – Canberra**

### **National Indigenous Australians Agency (NIAA)**

- Professor Ian Anderson, Deputy Chief Executive Officer
- Mr Ryan Bulman, Group Manager-Economic Policy and Programs Group
- Mr Neil Williams, Branch Manager-Business and Economic Policy
- Professor Deborah Fulton, Branch Manager-Employment

## **Thursday, 4 February 2021 – Conference Call**

### **Supply Nation**

- Ms Laura Berry, Chief Executive Officer
- Mr Costa Demos, Chief Operating Officer
- Dr Gianni Zappala, Head of Research

## **Thursday, 18 February 2021 – Conference Call**

### **Indigenous Business Australia**

- Mr Sean Armistead, Executive Director-Government and Public Relations
- Ms Stella de Cos, Director-Business Solutions
- Mr Jonathan Kneebone, Acting Executive Director-Strategy and Innovation

## **Thursday, 25 February 2021 – Conference Call**

### **Aboriginal Peak Organisations Northern Territory**

- Mr John Paterson, Chief Executive Officer
- Ms Georgie Sutton, Policy and Governance Officer (Central Land Council)
- Ms Theresa Roe, Network Coordinator
- Dr David Cooper, Policy Officer

### **Woolworths Group**

- Ms Rachel Mead, Head-Diversity & Inclusion
- Ms Rachel Elliott, Senior Manager-Government Relations
- Ms Naoimh Nelligen, Talent Partner-Early Careers
- Ms Lisa Hohoi, Deli Manager-Conder Woolworths

## **Thursday, 18 March 2021 – Conference Call**

### **Northern Land Council**

- Ms Marion Scrymgour, Chief Executive Officer
- Ms Patricia Rigby, General Manager-Executive Services
- Mr Peter Wellings, Executive Officer to Chair and Chief Executive Officer

## **Thursday, 25 March 2021 – Conference Call**

### **Minerals Council of Australia**

- Mr Sid Marris, Deputy Chief Executive Officer
- Dr Gavin Lind, General Manager Workforce and Innovation
- Ms Jillian D'Urso, Principal Advisor Social Policy

## **First Nations Media Australia**

- Ms Dot West, Chair
- Ms Claire Stuchbery, Interim Chief Executive Officer
- Ms Naomi Moran, Deputy Chair

## **Wednesday, 7 April 2021 – Conference Call**

### **University of Melbourne**

- Dr Michelle Evans, Associate Professor of Leadership
- Dr Cain Polidano, Senior Research Fellow

### **Australian Taxation Office**

- Mr Parker Brigg, Assistant Commissioner-Strategic Procurement and Contracts, ATO Finance
- Ms Belinda Casson, Assistant Commissioner-Workforce Strategy, ATO People
- Mr Andrew Watson, Assistant Commissioner-Small Business Experience, Small Business

### **Northern Territory Government**

- Mrs Bridgette Bellenger, General Manager-Territory Regional Growth, Department of the Chief Minister and Cabinet
- Mr William (Bill) Sankey, Executive Director-Territory Engagement and Delivery, Department of Industry, Tourism and Trade
- Ms Renée Tennent, Director-Business Programs and Strategy, Department of Industry, Tourism and Trade

### **Macquarie University**

- Professor David Throsby, Distinguished Professor of Economics
- Ms Katya Petetskaya, Research Project Director

### **Desert Gem**

- Ms Vattessa Colbung, Co-founder and Director

### **Tjanpi Desert Weavers**

- Ms Michelle Young, Manager

## **Agency Projects**

- Mr Kade McDonald, Chief Executive Officer

## **National Health Leadership Forum (NHLF)**

- Dr Janine Mohamed, NHLF Deputy Chair and Chief Executive Officer of Lowitja Institute
- Ms Monica Barolits-McCabe, NHLF member and Chief Executive Officer of Australian Indigenous Doctors' Association (AIDA)
- Professor Roianne West, NHLF member and Chief Executive Officer of Congress of Aboriginal and Torres Strait Islander Nurses and Midwives (CATSINaM)
- Mr Karl Briscoe, NHLF member and Chief Executive Officer of National Association of Aboriginal and Torres Strait Islander Health Workers and Practitioners (NAATSIHWP)
- Ms Colleen Gibbs, NHLF Director-Policy and Advocacy
- Mr Paul Gibson, NHLF member and Director Policy and Research of Indigenous Allied Health Australia

## **Wednesday, 28 April 2021 – Wyong, NSW**

### **New South Wales Indigenous Chamber of Commerce**

- Ms Debbie Barwick, Chief Executive Officer

### **Speaking in Colour**

- Ms Cherie Johnson, Managing Director

### **Asquith Workforce**

- Ms Jillian Asquith, Managing Director

### **Barang Regional Alliance and member organisations**

- Mrs Vickie Parry, Executive Director, Barang Regional Alliance
- Ms Corinne Hodson, Manager-Community Engagement and Partnerships, Barang Regional Alliance
- Mr Gary Field, Operations Manager, Barang Regional Alliance
- Mr Fergus David, Regional Director Jawun, Barang Regional Alliance
- Ms Belinda Field, Chief Executive Officer, Yerin Eleanor Duncan Aboriginal Health Services

- Ms Kate Kelleher, Deputy Chair, Bara Barang Corporation
- Mr Andrew Malloch, Business Development Manager, Bara Barang Corporation
- Ms Simone Hudson, Chief Executive Officer, Gudjagang Ngara li-dhi Aboriginal Corporation
- Mr Chris Thew, Director, Mingaletta Aboriginal Corporation and Manager-Community Services, Bara Barang Corporation

### **Darkinjung Local Aboriginal Land Council**

- Mr Blake Cansdale, Chief Operating Officer
- Mrs Kumarah Kelly, Business, Economics and Governance Manager

### **Thursday, 29 April 2021 – Liverpool, NSW**

#### **Western Sydney University**

- Associate Professor Fidelis Mashiri, Director of Academic Programs-Undergraduate Engineering, Civil and Construction

#### **Muru Mittigar**

- Aunty Roslyn Fogg, Chairperson
- Mr Christopher Galloway, Chief Executive Officer
- Aunty Cheryl Goh, Director
- Mr Rob Ewin, Director

#### **NSW Aboriginal Land Council**

- Councillor Abie Wright, Councillor Sydney-Newcastle Person
- Mr James Christian, Chief Executive Officer

#### **Yarpa NSW Indigenous Business and Employment Hub**

- Mr Ricky Walford, Yarpa Director
- Mr Cornelius (Neal) McGarrity, Bullroarers Australia (client of Yarpa) Co-Founder and Director
- Mr Peter Eather, Eather Group (client of Yarpa) Managing Director
- Mrs Sally-ann Eather, Eather Group (client of Yarpa) Manager
- Ms Divinia Eather, Eather Group (client of Yarpa) Marketing Manager

## **NSWALC Employment and Training Ltd (NET)**

- Mr Matthew Clarke, Chief Executive Officer
- Mr Dwayne Knight, Employment Manager
- Mr Aubrey French, Jobseeker

## **Thursday, 13 May 2021 - Canberra**

### **Department of Education, Skills and Employment**

- Ms Benedikte Jensen, First Assistant Secretary-Labour Market Strategy Division
- Ms Melissa Ryan, First Assistant Secretary-New Employment Services Model Division

## **Thursday, 27 May 2021 - Canberra**

### **Department of Education, Skills and Employment**

- Ms Benedikte Jensen, First Assistant Secretary-Labour Market Strategy Division
- Ms Melissa Ryan, First Assistant Secretary-New Employment Services Model Division
- Ms Robyn Shannon, First Assistant Secretary-Procurement, Quality and Deeds Division
- Mr Rajan Martin, Assistant Secretary-Governance, Quality and Access Branch

### **National Indigenous Australians Agency**

- Mr Ryan Bulman, Group Manager-Economic Policy and Programs
- Ms Kate Phipps, Branch Manager-Remote Employment Policy Taskforce
- Mrs Chloe Bird, Branch Manager-Remote Employment Programs
- Ms Deborah Fulton, Branch Manager-Employment

## **Thursday, 3 June 2021 – Conference Call**

### **Glen Drug and Alcohol Rehabilitation Centre**

- Mr Chris Mason, Counsellor, Case Manager and Community Engagement Officer
- Mr Shane Knight, Operations Manager

- Mr Corie Bell, Resident
- Mr Coen Wright, Resident

## **Friday, 18 June 2021 – Conference Call**

### **Department of Defence**

- Mr Steven Grzeskowiak, Deputy Secretary-Estate and Infrastructure
- Mrs Siobhan Reid, Executive Director-Non-Materiel Procurement

### **Department of Health**

- Mr Craig Chalmers, Assistant Secretary-Corporate and Financial Services Branch
- Mr Tim Abrahams, Acting Assistant Secretary-People Branch
- Mr Adam Robinson, Director-Corporate and Financial Services Branch

### **Department of Social Services**

- Mr Adrian Hudson, Deputy Secretary, Chief Operating Officer
- Mr Andrew Harvey, Group Manager-Finance Group
- Ms Vanessa Berry, Branch Manager-Financial Services Branch

### **Department of Infrastructure, Transport, Regional Development and Communications**

- Mr Brad Medland, Chief Financial Officer-Finance, Legal and Information Technology Division
- Mr Philip Smith, First Assistant Secretary-Infrastructure Investment Division
- Ms Alison Hotchkiss, Director-Strategic Coordination and Implementation Policy, Infrastructure Investment Division
- Mr Mark Munro, Director-Financial Operations

## **Wednesday, 7 July 2021 – Conference Call**

### **MiHaven Training**

- Mr Graham Burridge, Vocational Placement Coordinator

### **Wugu Nyambil Ltd**

- Ms Dawn Lake, Service Delivery Manager

## **Yarrabah Aboriginal Shire Council**

- Mr Ross Andrews, Mayor
- Mr Kenneth Jackson, Deputy Mayor
- Mr Leon Yeatman, Chief Executive Officer
- Mr David Baird, Councillor
- Mrs Ruth Fagan, Executive Project Officer (Yarrabah Leadership Forum)

## **Salvation Army Employment Plus**

- Ms Elizabeth Lloyd, General Manager-Jobactive
- Mr Glenn Westwood, Aboriginal and Torres Strait Islander Engagement

## **WISE Employment**

- Ms Karen McGlashan, Regional Manager Northern Territory
- Ms Lisa Vacamena, Business Manager

## **Arnhem Land Progress Aboriginal Corporation (ALPA), Manapan Furniture and Rulku Enterprises**

- Mr Alastair King, Chief Executive Officer ALPA
- Ms Emma Kelly, General Manager-Community Services ALPA
- Mr Steven Roberts, General Manager-Enterprise and Economic Development ALPA

## **Thursday, 8 July 2021 – Conference Call**

### **Northern Territory Indigenous Business Network**

- Mr Jerome Cubillo, Chief Executive Officer
- Ms Naomi Anstess, General Manager-Aboriginal Business Growth

### **Batchelor Institute of Indigenous Tertiary Education**

- Professor Gareth Allison, Acting Chief Executive Officer

### **Ironbark Aboriginal Corporation**

- Mr Shaun Pearce, Chief Executive Officer
- Ms Kirstine Cossens, Operations Manager

## **Northern Land Council**

- Mr Joe Martin-Jard, Deputy Chief Executive Officer
- Mr Peter Wellings, Executive Officer

## **Department of Defence**

- Brigadier Matt Patching, Director General Army People Capability
- Colonel Tim Rutherford, Commander-Regional Force Surveillance Group (Army)
- Mr David Nockels, First Assistant Secretary-People Policy and Culture
- Mr Andrew Staines, First Assistant Secretary-Procurement and Contracting
- Mrs Anush Avakian, Assistant Secretary-Non-Materiel Procurement Branch
- Ms Siobhan Reid, Executive Director-Non-Materiel Procurement

## **West Arnhem Regional Council**

- Mr Matthew Ryan, Mayor

## **Friday, 9 July 2021 – Conference Call**

### **Ngurratjuta/Pmara Ntjarra Aboriginal Corporation**

- Mr Cameron Miller, Chief Executive Officer

### **Tangentyere Council Aboriginal Corporation**

- Mr Michael Klerck, Social Policy Manager
- Mr Dylan McKinley, Operations Manager-Tangentyere Employment Service
- Ms Dee McCorkindale, Employment and Training Manager

### **Centre for Appropriate Technology**

- Ms Marilyn Smith, Training Projects and Administration Manager
- Mr Faron Peckham, Special Project Manager

### **Bawinanga Aboriginal Corporation**

- Mr Wayne Kala Kala, Chairman
- Mrs Ingrid Stonhill, Chief Executive Officer
- Ms Cynthia Brown, Community Patrol Coordinator and Board Member
- Mr Benny Repu, Employment Consultant-Community Development Program

## **Saltbush Social Enterprises**

- Ms Karen Sheldon, Chairperson
- Mrs Nicole Shackcloth, Chief Executive Officer

## **i2i Development Global Pty Ltd**

- Mr Darren Godwell, Chief Executive Officer

## **East Arnhem Regional Council**

- Mr Djuwalpi Marika, Deputy President
- Mr Keith Lapulung Dhamarrandji, Councillor
- Mr Joe Djakala, Councillor
- Mr Shane Marshall, Director-Technical & Infrastructure
- Mr Andrew Walsh, Director-Community Development

## **Thursday, 22 July 2021 – Conference Call**

### **Department of Finance**

- Ms Stacie Hall, Acting Deputy Secretary, Commercial & Government Services
- Mr Grant Stevens, Chief Financial Officer, Corporate Services Division, Business Enabling Services
- Mr Andrew Danks, First Assistant Secretary, Procurement and Insurance Division, Commercial and Government Services
- Mr Iain Scott, First Assistant Secretary, Corporate Services Division, Business Enabling Services
- Ms Jane Wagner, Acting Assistant Secretary, Procurement Policy Branch, Procurement and Insurance Division, Commercial and Government Services

### **Supply Nation**

- Ms Laura Berry, Chief Executive Officer
- Mr Costa Demos, Chief Operating Officer
- Ms Jodie Taylor, General Manager, Corporate Affairs

### **Accor Hotel Group**

- Mr Simon McGrath, Chief Executive Officer, Accor Pacific
- Mr Marc Bennie, General Manager, Indigenous Programs and Community Investment, Accor Australia
- Mr Josh Hanley, Senior Indigenous Programs Manager, Accor Australia

## **Voyages Indigenous Tourism Australia**

- Mr Matthew Cameron-Smith, Chief Executive Officer

## **Indigenous Business Australia**

- Mr Sean Armistead, Executive Director, Government and Public Relations
- Ms Stella de Cos, Director, Community & Customer Experience
- Mr Cronje Wolvaardt, Director, Investment and Business Solutions

## **National Indigenous Australians Agency**

- Ms Debbie Mitchell PSM, Acting Deputy CEO, Policy and Programs
- Mr Ryan Bulman, Group Manager, Economic Policy and Programs
- Ms Deborah Fulton, Branch Manager, Employment
- Ms Kate Elliott, Branch Manager, Remote Employment Programs and Implementation
- Ms Kate Phipps, Branch Manager, Remote Employment Policy Taskforce
- Ms Simone Persson, Acting Branch Manager, Business and Economic Policy