

## Submission to the Joint Select Committee on Northern Australia inquiry on Northern Australia’s Workforce Development

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The Northern Australian Indigenous Reference Group (the IRG) welcomes the opportunity to provide a submission to the Joint Select Committee on Northern Australia’s inquiry into Northern Australia Workforce Development. We would be happy to provide further detail if required.

### Northern Australia Indigenous Reference Group

The IRG is an expertise-based advisory group comprised of Indigenous people with experience in Indigenous economic development in Northern Australia. Current IRG members were appointed in 2019 to provide policy advice to the Minister for Northern Australia and the Minister for Indigenous Australians on practical actions to enhance the economic prosperity of Indigenous Australians and unlock the Indigenous Estate in Northern Australia. As such, the IRG advises the Australian Government on northern development, maximising benefits and implementation outcomes for Indigenous people in Northern Australia. IRG members are presented at **Attachment A**.

The IRG brings a wealth of diverse experiences and insight on doing business in the north and is committed to using this expertise to advance Indigenous economic development in Northern Australia.

## Northern Australia Trends and Challenges

Northern Australia comprises 53 per cent of Australia's landmass, defined as all of the Northern Territory, as well as the Northern parts of Queensland and Western Australia that intersect with the Tropic of Capricorn, including the Indian Ocean Territories (see Figure 1).



Figure 1- Northern Australia<sup>1</sup>

The region is abundant with untapped potential and talented people. Northern Australia has a competitive advantage in resources, energy, agriculture, aquaculture and tourism and its proximity to Asia and the Pacific creates trade potential to drive Australia's economic growth over the next decade and beyond. Indeed, Indigenous Australians have traded with South East Asian peoples for centuries. Northern Australia is mineral rich with deposits of lithium and rare earth metals that will be vital to the electrification of the country as we move toward a net zero future.<sup>2</sup> It is on the frontline of the nation's defence, border protection and biosecurity and it is home to a young and growing Indigenous population which will play an increasing role in its growth. Unlocking the north's potential is key to the development of the nation as a whole.

Developing the north, however, is not without its challenges. Northern Australia is home to only 1.3 million people or around 5.3 per cent of the Australian population.<sup>3</sup> Its sparse population, the vast distances between major centres and extreme weather conditions can make it difficult, and costly, to do business and to provide adequate social and economic infrastructure. Housing shortages and higher costs of living can make attracting and retaining a skilled workforce difficult<sup>4</sup>

<sup>1</sup> Office of Northern Australia. (2021) *Developing Northern Australia* Retrieved from [ona-developing-northern-australia-fact-sheet-final.pdf \(infrastructure.gov.au\)](https://www.infrastructure.gov.au/ona-developing-northern-australia-fact-sheet-final.pdf) (p.1)

<sup>2</sup> Invest Northern Territory. (2022) *Minerals*. Accessed on 24/10/2022. Retrieved from <https://invest.nt.gov.au/infrastructure-and-key-sectors/key-sectors/minerals>.

<sup>3</sup> Office of Northern Australia. (2021) *Developing Northern Australia*. Accessed on 29/10/2022. Retrieved from [ona-developing-northern-australia-fact-sheet-final.pdf \(infrastructure.gov.au\)](https://www.infrastructure.gov.au/ona-developing-northern-australia-fact-sheet-final.pdf) (p.1)

<sup>4</sup> Ibid

and can lead to a prevalence of fly-in, fly-out workers leading to the benefits of economic activity being siphoned away to southern centres.

Indigenous Australians have significant assets to bring to the Northern Australia development agenda. Indigenous people comprise 16 per cent of the Northern Australian population, far greater than their three per cent share of the national population, and maintain rights or interests in around 78 per cent of the land mass in Northern Australia.<sup>5</sup> The Indigenous population is younger and growing at a faster rate than the rest of the Australian population.<sup>6</sup> Indigenous Australians are projected to constitute approximately half of the working age population of Northern Australia by 2050.<sup>7</sup> Outside of major population centres in Northern Australia this is already the case.<sup>8</sup>

Despite this, when compared to non-Indigenous Australians, Indigenous Australians in the north are twice as likely to have disengaged from work, three times more likely to be unable to find work and less than half as likely to be employed in the first place.<sup>9</sup>

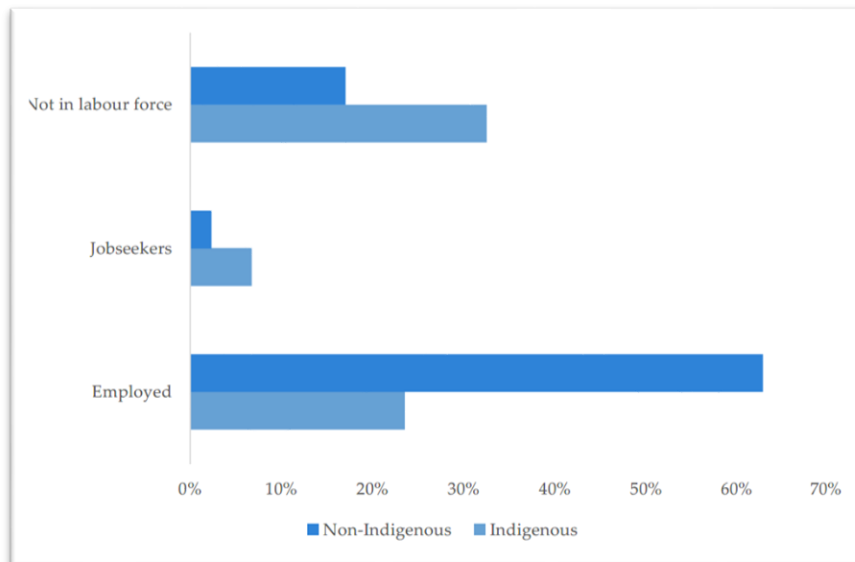


Figure 2- Indigenous Labour Force in Northern Australia<sup>10</sup>

<sup>5</sup> Ibid

<sup>6</sup> Australian Bureau of Statistics (2017) in Australian Venture Consultants Pty Ltd, (2020) *A new framework for accelerated development of the Northern Australian Indigenous economy*, provided. Accessed on 26/10/2022. (p.38).

<sup>7</sup> Joint Select Committee on Northern Australia (2014) in Australian Venture Consultants Pty Ltd, (2020) *A new framework for accelerated development of the Northern Australian Indigenous economy*, provided. Accessed on 26/10/2022. (p.38).

<sup>8</sup> Australian Bureau of Statistics (2017) in Australian Venture Consultants Pty Ltd, (2020) *A new framework for accelerated development of the Northern Australian Indigenous economy*, provided. Accessed on 26/10/2022. (p.38).

<sup>9</sup> Australian Bureau of Statistics (2016) in Australian Venture Consultants Pty Ltd, (2020) *A new framework for accelerated development of the Northern Australian Indigenous economy*, provided. Accessed on 26/10/2022. (p. 47)

<sup>10</sup> Ibid

A lack of culturally safe workplaces and the reluctance of employers to invest in the long game and train local people contributes to low workforce participation, adverse economic outcomes, higher levels of welfare dependency and social issues, all of which impact Indigenous communities in the north at a much higher rate.<sup>11</sup>

**Ultimately, the future growth of Australia is tied to the north and this is inextricably linked to the untapped potential of the Indigenous estate and Indigenous workforce in the north.**

## Submission

The content of our submission focuses on the inquiry's Terms of Reference point *D: Empowering and upskilling the local Indigenous population*.

### Empowering and upskilling local Indigenous populations

Increasing the participation of Indigenous Australians in the workforce is critical to the success of the Northern Australia agenda. The size of the Indigenous population, its residential stability, links to traditional lands and growth trajectory means that Indigenous people will perform an increasingly important role in the workforce and the Northern Australia economy. Further, the need to mobilise local workforces was demonstrated even more clearly during the COVID-19 pandemic which impacted workforce mobility and supply chains.<sup>12</sup>

Yet employment rates for Indigenous Australians in the north remains well below the national average. It is the IRG's view that attracting and retaining Aboriginal and Torres Strait Islander people in the workforce in Northern Australia can be achieved by

1. investing in training and education that is designed and delivered by Indigenous owned and operated organisations, and includes the development of pre-work skills and wrap around support to enable Indigenous Australians to enter the workforce, investing in skills of the future and fostering emerging opportunities;
2. providing the right enabling environment including providing culturally safe workplaces, accessible child care, and appropriate infrastructure;
3. developing long-term job opportunities and career pathways, including through radical reform of remote employment programs; and
4. investing in Indigenous businesses and supply chain through the following measures:

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<sup>11</sup> Australian Bureau of Statistics (2018), *Socio-economic Indexes for Areas*, Australian Government, Canberra in Australian Venture Consultants Pty Ltd, (2020) A new framework for accelerated development of the Northern Australian Indigenous economy, provided. Accessed on 26/11/2022. (p.16).

<sup>12</sup> Department of Industry, Tourism and Trade. (2022). *Work Hard Play Hard campaign begins* Accessed on 27/10/2022. Retrieved from: <https://industry.nt.gov.au/news/2022/march/work-hard-play-hard-campaign-begins> & Harvey, A. Donaldson A and Zilman S (2022). *Left to Rot*. Accessed on 25/10/2022. Retrieved from: <https://www.abc.net.au/news/2022-10-17/worker-shortage-griffith-four-corners/100071304>

- a. Commonwealth Indigenous Procurement Policy – an independent evaluation of the Commonwealth’s Indigenous Procurement Policy and its outcomes/impact against policy intent. The policy requires sophistication to deal with the unintended consequences i.e. ‘Black Cladding’.
- b. Indigenous Business Enterprise Definition – an immediate change to the definition of an Indigenous Business or community organisation to reflect majority ownership and control (51% or greater) – as per the National Agreement on Closing the Gap.
- c. Research – funding for longitudinal studies that look at the impact Indigenous businesses are having on community and the broader economy.

### *Investing in training and education*

Building capacity through training and education are the foundations for workplace confidence, which has a direct correlation with the ability of an individual to perform successfully at work and to feel secure in their employment.<sup>13</sup> However, the levels of training and education for Indigenous peoples in Australia is markedly lower than non-Indigenous people. Ninety per cent of non-Indigenous Australians finish high school or achieve a Certificate Level II or equivalent in a vocation compared to 65 per cent of Indigenous Australians who attain the same level.<sup>14</sup> Indigenous Australians are also 30 per cent less likely to have achieved a tertiary qualification than non-Indigenous people.<sup>15</sup>

Tailoring training and education to meet the needs of Indigenous people in Northern Australia requires clear participation pathways to meet people where they are at – geographically and in terms of skills and education.

The IRG recommends:

1. Tailoring training and education to meet the needs of Indigenous people in Northern Australia as follows:
  - a. Services to be flexible - Training and education services should consider prior learning and individual capacity including the individual’s confidence, personal skills, capacity to talk with others and so on;
  - b. Having the platform for treating people as individuals in positive action initiatives - Training needs to identify personal strengths and skills to build on, and areas for improvement within each individual and their unique context;

<sup>13</sup> United States Merit Systems Protection Board. (2021). *Confidence in Ability to Perform Successfully* (p.10). Accessed on 27/10/2022. Retrieved from:

[https://www.mspb.gov/studies/researchbriefs/Confidence\\_in\\_Ability\\_to\\_Perform\\_Successfully\\_1868023.pdf](https://www.mspb.gov/studies/researchbriefs/Confidence_in_Ability_to_Perform_Successfully_1868023.pdf)

<sup>14</sup> Australian Institute of Health and Welfare. (2021). Indigenous education and skills. Accessed on 26/10/2022. Retrieved from <https://www.aihw.gov.au/reports/australias-welfare/indigenous-education-and-skills>

<sup>15</sup> Ibid

- c. Education and training to be culturally appropriate - Education and training should be provided in a culturally appropriate manner with cultural values, practices and ways of learning as the foundation for curriculum design and delivery;
- d. Education and training to be locally delivered - Education and training should be delivered locally or include culturally appropriate means to access training.
- e. Education and training to be delivered by Indigenous owned and controlled organisations and initiatives. If non-Indigenous organisations are funded to do this work they should be required to prove they have the relevant cultural tools embedded in the organisation and the way they work.
- f. Accountable - Evaluation mechanisms need to be embedded in education and training initiatives to ensure that these services are creating lasting and meaningful change
- g. Investing in foundational skills development from early primary, secondary schooling, tertiary and trade - Investment needs to be made into building language, literacy and numeracy as foundational skills to prepare people for the workplace, particularly for school leavers and the long term unemployed;
- h. Consider funding alternate training and development opportunities outside of TAFEs, Schools and Registered Training Organisations particularly if advised by the Indigenous community of their outcomes and impact;
- i. Supporting behavioural change in investment in trade-based training to build non-academic skills in line with future labour demand; and
- j. Supporting underrepresented mentors to guide students journey from primary, secondary and outside of their academic or trade related education.

### *Investing in the skills of the future*

There are growing opportunities for Indigenous Australians to be at the forefront of development as the world becomes increasingly digitalised and as governments, industries and communities respond to the challenges of climate change. Indigenous Australians bring significant knowledge and practices, passed down through generations, in land and ecosystem management, biodiversity, bush foods and medicines. This knowledge will be vital as weather patterns change and severe events are predicted to become more intense<sup>16</sup> and should be utilised across Government and industry in preparing and responding to such changes.

There is also significant untapped potential for economic development in Northern Australia based on translation of traditional Indigenous knowledge into viable businesses and new industries. The rapid growth of the Indigenous estate in the past decade, with large parts of the continent handed back to Traditional Owners under native title agreements, has intensified the

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<sup>16</sup> United States Environmental Protection Agency (2022). *Climate Change Indicators: Weather and Climate*. Accessed on 07/12/2022. Retrieved from <https://www.epa.gov/climate-indicators/weather-climate>

focus on how Indigenous people can translate their native title rights into economic benefits derived from their lands. A current example set out in the case study below is the work by the Indjalandji-Dhidhanu people with the University of Queensland (UQ) and industry partners to commercialise the unique properties of spinifex grass. Successful Indigenous science translation will require research partnerships that manage the interface between Western science and traditional Indigenous knowledge, and greater access for Indigenous people to education and training in science, technology, engineering and maths (STEM). The Indjalandji-Dhidhanu people are currently working with UQ to establish a National Indigenous Science Translational Centre to support Indigenous groups from remote and regional Australia to work with researchers and industry partners to translate their Indigenous knowledge and assets into viable businesses.

#### **Case study: The emerging spinifex processing industry**

Since 2013, the Indjalandji-Dhidhanu people of the Camooweal region have been partnering with the University of Queensland (UQ) to pursue commercialisation of the unique properties of spinifex grass, which has been a part of the Indjalandji-Dhidhanu economy for tens of thousands of years.

A 10-year research partnership between the Traditional Owners and UQ has identified numerous potential commercial applications for spinifex fibres, including:

- Extraction of the oils and resins for use in pharmaceutical and aromatic products;
- Use of spinifex-derived cellulose nanofibrils (CNF) as an additive to strengthen a wide range of products, including nitrile gloves, rubber, cement, paper and cardboard;
- Incorporation of spinifex fibre into medical gels for use in cosmetic and pharmaceutical products;
- A spinifex biodegradable cellophane for coating seeds to improve agricultural outcomes in arid areas.

This partnership has resulted in the establishment of Trioda Wilingi, the first Indigenous-owned medical biotechnology spinout company in Australia. The company will explore use of spinifex nanofibre gels in medical injectable applications, starting with dermal fillers.

The supply of spinifex-derived commercial products will be underpinned by field harvesting of spinifex by Indigenous workers in Northern Australia and an upstream spinifex processing facility established in Camooweal.

Indigenous people will be at the forefront of the emergent spinifex industry, not only in harvesting and processing the fibres into spinifex products, but also in the new materials science research and development around this unique grass. To achieve this vision will require a significant investment in Indigenous education and training in Science, Technology, Engineering and Mathematics (STEM) and nanotechnology.

Unlocking the economic potential of Indigenous people in Northern Australia to develop unique businesses and new industries based on traditional knowledge will require access to capital and government infrastructure support to establish manufacturing in remote and regional parts of Australia. From bush foods to traditional medicines to ground-breaking new technology such as spinifex nanofibres, it is important that the manufacturing capability is established locally, to support local employment and enterprise growth. For example, the Indjalandji-Dhidhanu people have been developing a spinifex processing facility in Camooweal in recent years (see case study). The development has been hampered, however, by a basic infrastructure gap regarding the availability of adequate electricity to power the plant's advanced manufacturing equipment. The IRG recommends that governments' infrastructure investments and programs and subsidies to support manufacturing prioritise new opportunities in Northern Australia to grow Indigenous manufacturing enterprises in regional and remote areas.

The jobs market of the future will rely heavily on knowledge in science, technology, engineering and maths (STEM) subjects. STEM related jobs have increased at a much higher rate than non-STEM related jobs and will continue to do so into the future.<sup>17</sup> Jobs that may not be classed as STEM right now are also likely to need some level of knowledge in STEM areas in the future, such is the rapid change in technology and digitisation that is occurring.<sup>18</sup>

It is well documented that Indigenous children and young adults are much less likely to express an interest in STEM topics or engage in STEM related careers.<sup>19</sup> While governments at various levels have invested in STEM education initiatives for Indigenous students, enrolments in these topics for Indigenous people and especially Indigenous women remain far below the level for other Australians.<sup>20</sup> There are many possible reasons why enrolments in STEM topics remain low, including existing government programs not being provided locally, inaccessible technology for those in community or programs being insufficiently resourced to actually reach those they are intended for. It is likely to be a mix of these reasons and others which warrants further investigation.

The IRG recommends that government review existing STEM initiatives to better understand why they are not achieving the intended outcomes and that government and industry come together to invest in STEM programs that consider the findings, include secondary and tertiary scholarships, and allocate specific positions for Northern Australian Indigenous students. Any

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<sup>17</sup> Department of Employment and Workplace Relations. (2020). *No STEM-ing of growth for Aussie jobs* Accessed on: 24/10/2022. Retrieved from: [STEM jobs growing almost twice as fast as other jobs - Department of Employment and Workplace Relations, Australian Government \(dewr.gov.au\)](https://www.dewr.gov.au/employment-and-workplace-relations/employment-and-workplace-relations-articles/2020/10/24/stem-jobs-growing-almost-twice-as-fast-as-other-jobs)

<sup>18</sup> Department of Education. (2022). *Why is STEM important?* Accessed on: 26/10/2022. Retrieved from: <https://www.education.gov.au/australian-curriculum/national-stem-education-resources-toolkit/introductory-material-what-stem/why-stem-important>

<sup>19</sup> Department of Education. (2022). *Aboriginal and Torres Strait Islander students*. Accessed on: 26/10/2022. Retrieved from: <https://www.education.gov.au/australian-curriculum/national-stem-education-resources-toolkit/i-want-know-about-stem-education/which-school-students-need-stem-education/aboriginal-and-torres-strait-islander-students>

<sup>20</sup> Ibid



pathway into STEM or Digital Jobs that is created must be Indigenous designed and led, so that it is culturally safe and meets the needs of Indigenous people. This will increase enrolment and achievement levels and ultimately upskill our Indigenous peoples to achieve employment in these areas.

*Fostering emerging opportunities - The Clean Energy Transition as an example*

Northern Australia has an abundance of natural resources to support new, clean energy as part of the Government's commitment to achieving net zero emissions. Its proximity to Asia positions the region to become an exporter of renewable energy. Delivering on the Government's objectives, while ensuring Indigenous heritage is protected and Aboriginal and Torres Strait Islander people share in the benefits, however, is dependent upon placing Indigenous people at the heart of this development.

The rapid transition to renewables provides opportunity for Traditional Owners and Indigenous communities to leverage the economic value of their land, water and sea. In the Northern Territory alone 54 of the 72 Indigenous communities are off-grid, using diesel (generation sets). If done right, and in partnership with Indigenous Australians, the transition to renewable energy has the capacity to provide communities with cheap, reliable power, secure jobs, steady income and the power to choose what happens on their country.

Given the urgency of Australia's transition to renewables, we have an opportunity to learn from global Indigenous best practice. Indigenous communities have been involved in the development of renewable energy in Canada and the United States of America for more than 20 years. For the Navajo, taking the lead to drive the necessary transition from coal to renewables aims to maximise the economic benefits for local communities.

**Case study: Navajo Power**

A global example of Indigenous people that have been actively involved in, and benefited from, the energy transition is Navajo Power in Navajo Nation in the United States of America.<sup>21</sup>

Navajo Power was founded to maximise the economic benefits of clean energy for tribal and impacted communities. It is a Public Benefit Corporate that develops utility-scale clean energy on tribal lands, and maximises the economic benefits for local communities. It supplies reliable clean energy to people living on the Navajo nation that would otherwise be without power and reinvests profits from supplying this energy elsewhere into Navajo communities.

<sup>21</sup> The Climate Reality Project. (2021). *Bootstrapping clean energy on the Navajo nation*. Accessed on 25/10/2022. Retrieved from <https://www.climateRealityProject.org/blog/bootstrapping-clean-energy-navajo-nation>

### *Linking training to jobs*

Too much training delivered to Indigenous people in Northern Australia is not aligned with available jobs. It is driven by the training sector, rather than by the workforce requirements of industry or the potential new jobs that can be created through Indigenous enterprise development. Governments need to work more closely with industry and the emerging Indigenous business sector to ensure that education and training investments are better aligned to available or future jobs. Planning for seamless training to job pathways is especially important in the early stages of significant new projects in Northern Australia, whether civil infrastructure (e.g. roads, bridges, dams, facilities etc) or new mining, gas or renewable energy developments.

### *Creating an Indigenous NDIS workforce and businesses in Northern Australia*

There is an unrealised opportunity in Indigenous communities to build the National Disability Insurance Scheme (NDIS) workforce. Many residents of Indigenous communities already provide unpaid, informal care to community members with a disability. These individuals should be provided with the training, support and facilities to establish careers as NDIS workers and establish NDIS-based businesses.

#### The IRG recommends:

2. Governments review existing STEM initiatives to better understand why they are not increasing Indigenous participation in STEM education and careers;
3. Government and industry come together to invest in STEM programs that consider the findings of a review of existing STEM initiatives, include secondary and tertiary scholarships, and allocate specific positions for Northern Australian Indigenous students, Indigenous women and Indigenous people in rural and remote areas;
4. Government and industry work with Indigenous Australians on how best to use Indigenous knowledge in land and ecosystem management, biodiversity, bush foods and medicines;
5. Governments work more closely with industry and the emerging Indigenous business sector to ensure that education and training investments are better aligned to available or future jobs; and
6. Governments support the development of the NDIS workforce in Indigenous communities.

## *Providing the right enabling environment*

### *Creating culturally safe workplaces*

To attract and retain Indigenous employees, workplaces must provide an environment that is culturally safe, where employers consciously nurture shared respect, shared meaning and shared knowledge. Creating an appropriate environment requires organisations to be connected to the communities in which they operate and to invest in business and employer capability. With a large footprint in Indigenous communities across Northern Australia, Governments can play a leading role in the provision of culturally safe workplaces by being a role model and by incentivising business investment in culturally safe practice.

### *Investing in accessible childcare*

Improving workforce participation by Indigenous people in Northern Australia also requires adequate levels of affordable childcare. Early childhood education is a crucial foundation for later academic and social success.<sup>22</sup> However, almost 1.1 million Australians live in regional and remote areas where there little or no childcare available; much of this is concentrated in Northern Australia.<sup>23</sup> There needs to be an increase in funding of early childcare centres, in terms of facilities and staff in remote Northern Australia,<sup>24</sup> that are culturally appropriate and provide services for children with cognitive, social or physical disabilities. Culture plays a crucial role in early childhood development and as such, early childcare services should be provided by a local Indigenous workforce, who are capable of providing children with the right cultural foundation. Government could lead on creating more culturally appropriate childcare by investing in more jobs and skills training for Indigenous child carers and developing guidelines mandating the level of cultural training required by non-Indigenous staff.

The IRG recommends:

7. Government lead as a role model in the delivery of culturally safe work places and incentivise business investment in culturally safe practice.

<sup>22</sup> Australian Institute of Health and Welfare. (2015). *Literature review of the impact of early childhood education and care on learning and development*. Canberra: AIHW. Accessed on 07/11/2022. Retrieved from <https://www.aihw.gov.au/reports/children-youth/learning-development-impact-of-early-childhood-edu/summary>

<sup>23</sup> Hurley, P., Matthews, H., & Pennicuik, S. (2022). *Deserts and oases: How accessible is childcare?* Mitchell Institute, Victoria University. Accessed on 07/11/2022. Retrieved from <https://www.vu.edu.au/sites/default/files/how-accessible-is-childcare-report.pdf> (p.8)

<sup>24</sup> Nationally only 4.3 per cent of children in early education and care identify as Indigenous despite being 6.1 per cent of the population of children aged 0-5 years. This issue is particularly impacting those living in regional and remote Australia who often do not have access to child care services at all. Minister Linda Burney, Department of Prime Minister and Cabinet. (2022). *Making childcare more accessible for Indigenous families*. Accessed on 26/10/2022. Retrieved from: <https://ministers.pmc.gov.au/burney/2022/making-childcare-more-accessible-indigenous-families> & McLennan, A. (2021). *Australia Talks finds six out of 10 regional families can't easily access child care*. Accessed on 26/10/2022. Retrieved on: <https://www.abc.net.au/news/2021-06-12/regional-child-care-shortage-australia-talks-survey/100195218>

8. Government supports investment in early childcare centres in Northern Australia
9. Government lead on creating more culturally appropriate childcare through guidelines mandating the level of cultural training required by staff and investing in more jobs and skills training for Indigenous child carers. This includes services for children with cognitive, social or physical disabilities.

### *Investing in the right infrastructure*

Upskilling a local Indigenous workforce requires investment in enabling infrastructure and services. Digital connectivity for Indigenous people can support access to education and training opportunities as well as improve access to health services including via telehealth systems. Beyond that, digital inclusion including access, affordability and literacy, can enable Indigenous people in regional and remote communities to participate in, and compete, in the broader economy.

Covid-19 showed us that working from home, including operating businesses, is possible. There are no reasons why Indigenous people in regional and remote communities in Northern Australia could not work in jobs or service markets that are primarily located elsewhere domestically or internationally. With the right infrastructure and skills, Indigenous peoples in regional and remote areas could be programmers or developers, software engineers or cyber security specialists. Digital connectivity opens up opportunities for our people to participate in the global economy and benefit from the technological revolution.

The capacity to work from home requires the requisite infrastructure complimented by Indigenous led training to enable local Indigenous people to maintain it. Community based technicians could ensure that problems are identified and fixed quickly and efficiently and that Indigenous communities, once connected, remain connected. Training local technicians provides jobs and skills for our people and a ready and available workforce for the Government and private employers.

The IRG recommends:

10. Government prioritise investment in infrastructure for increased telecommunications connectivity, particularly in regional and remote Northern Australia; and
11. Community-based technicians be trained in a culturally appropriate manner to respond to issues with infrastructure as they arise.

## *Developing long-term job opportunities and maximising existing opportunities*

### *Creating supported pathways from welfare to work*

For many young Indigenous people in remote parts of Northern Australia, the default post-school destination is the Community Development Program, which is the remote alternative to the JobActive network of employment services. While CDP is intended as a stepping stone to provide job-relevant training and activities for unemployed jobseekers, the absence of available jobs in many areas make CDP a welfare destination rather than an employment pathway. The Australian Government has committed to replacing CDP with a new remote employment program with real jobs, proper wages and decent conditions, developed in partnership with First Nations people.<sup>25</sup>

The new remote employment program is an opportunity to create more realistic, better supported pathways for Indigenous jobseekers into long-term jobs, either identified in the social services sector or incubated in new Indigenous enterprises. The Supported Employment and Economic Development (SEED) model set out in Attachment 1 is an example of a fundamentally new approach to remote employment services, that harnesses Indigenous enterprise to create sustainable new jobs in Indigenous communities. The IRG urges government to expedite the reforms to CDP to implement such models.

### *Creating careers, not just jobs*

The jobs available to Indigenous people must provide clear pathways for career progression and not be limited to entry level positions or contracts that last for only a year. Providing opportunities for advancement based on an individual's skills, interests and aspirations will contribute to long term employment outcomes and the creation of a skilled workforce in Northern Australia. Increasing capability and leadership of Indigenous peoples in business will improve business practices by bringing a greater depth and breadth of experience and improve the ability to relate to local and regional issues and to Indigenous employees. There must be reporting mechanisms to demonstrate any increase, or lack thereof, into the future.

What we also know is that Indigenous businesses employ Indigenous people (at a rate of 60% higher than other businesses)<sup>26</sup>. In fact, Supply Nation's own publications suggest that the rate is actually 100% higher than the non-Indigenous businesses. As such, investing in Indigenous business will support Indigenous workforce development organically, leading to improved economic and social outcomes.

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<sup>25</sup> National Indigenous Australians Agency, 2022. Employment in remote Australia. Accessed at <https://www.niaa.gov.au/sites/default/files/files/employment-in-remote-australia-issues-for-discussion.pdf>

<sup>26</sup> House of Representatives Standing Committee on Indigenous Affairs, (2021), Report on Indigenous Participation in Employment and Business.

Anecdotal evidence from the Northern Territory Indigenous Business Network (NTIBN) members suggests Aboriginal businesses actively accelerate career pathways, investing in real skills transfer and promotional opportunity for their Aboriginal workforces.

The IRG recommends:

12. Government, industry and Indigenous business come together to provide career pathways for Indigenous employees;
13. Supporting Indigenous businesses and community-controlled organisations as suppliers of first resort where capacity and value for money can be demonstrated; and
14. Government expedites the reform of the remote employment program, based on innovative models such as the Supported Employment and Enterprise Development (SEED) model.

#### *Maximising local economic opportunities*

To increase the participation of Indigenous Australians in the workforce in Northern Australia we recommend that government focus on Australia's top 200 employers and the Australian Public Service (APS) which together have a large footprint in Northern Australia and have the capacity to invest in change. Resource companies, major banks and retailers such as supermarkets have a significant presence in the north, including in regional and remote centres, and should have an obligation to employ locally, provide culturally safe workplaces, reduce the incidence of fly-in, fly-out workers and to provide career pathways for Aboriginal and Torres Strait Islander employees to progress to senior levels. The IRG considers that these businesses should also be required to support Indigenous businesses and community-controlled organisations as suppliers of first resort where there is capacity and value for money can be demonstrated. Growing commercial relationships will enable Indigenous businesses and community-controlled organisations to deliver an increasing number of products and services on country and in their communities, mobilise a larger share of the Indigenous work force who are not already engaged in employment and fill employment gaps. These commitments should extend to major subcontractors given their prevalence in the north.

For the APS, we strongly recommend increasing Indigenous employment rates, including at senior levels, employing locally and having succession planning in place to replace exiting staff with qualified locals. This will not only contribute to improved employment outcomes but also the identification of local, place-based services. Achieving these outcomes is unavoidably linked

with the availability of affordable, local accommodation as well as appropriate training and skills development.

For both the top 200 employers and the APS there is currently no standardised and public reporting on the numbers and levels of Indigenous people in their employment. Without this reporting being publicly available such issues will continue to exist in the background with no real accountability.

The IRG recommends:

15. Government works with Australia's top 200 employers to increase local Indigenous employment and reduce the incidence of fly in, fly out workers, provide culturally safe workplaces and career pathways for Indigenous employees and support Indigenous businesses and community-controlled organisations as suppliers of first resort where capacity and value for money can be demonstrated;
16. Government increase the Indigenous employment rate in the APS, particularly in remote areas, and introduce succession planning to employ local people who are best placed to provide local solutions to the issues communities face; and
17. Government implement mandatory reporting of Indigenous employees for the top 200 employers and the APS in Northern Australia on an annual basis. Indicators should include, at a minimum, the number and share of Indigenous employees and their level of employment.

### *Supporting Indigenous businesses*

*Indigenous businesses are supported, connected and thriving.*

Indigenous businesses will play a key role in empowering and upskilling local Indigenous populations across the north. Indigenous businesses are over 100 times more likely to employ Indigenous workers than other businesses and they are more likely to invest in Indigenous peoples' development and in Indigenous communities<sup>27</sup>. Indigenous businesses are also adept at mobilising workforces in rural and regional communities including the re-engagement of those currently not participating in the workforce. Supporting independent, authentic Indigenous businesses and Traditional Owner groups trying to create local opportunities in their communities is an avenue for genuine capacity building and self-determination.

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<sup>27</sup> Supply Nation and First Australians Capital (undated) *Indigenous Business Growth: Working together to realise potential*. Accessed on 21/11/2022. Retrieved from <https://supplnation.org.au/wp-content/uploads/2018/10/Building-Indigenous-Growth-Report.pdf>

Supporting growth in Indigenous businesses requires Governments to lead the way by improving Indigenous procurement practices and supporting Indigenous entrepreneurship. There is an appetite for Indigenous Australians to start and grow their own businesses, seen in the rising rates of Indigenous entrepreneurship across the country, including in Northern Australia. Over 2000 Indigenous Australians are expected to start their own business by 2026<sup>28</sup> however, the majority of this activity is located in the South Eastern corner of the country. In Northern Australia there are currently only eight privately owned Indigenous businesses for every 1000 Indigenous people, far below the national average of 91 privately owned business per 1000 non-Indigenous Australians.<sup>29</sup> Indigenous women are particularly impacted in this regard, only four per cent of employed Indigenous women were business operators themselves.<sup>30</sup> There is a clear gap where the market has failed in Northern Australia requiring a government response.

#### *Improving Indigenous procurement practices*

Established in 2015, the Australian Government's Indigenous Procurement Policy (IPP) aimed to stimulate Indigenous business by setting annual targets for the volume and value of contracts awarded by agencies across all levels of government. For contracts in remote Australia, there is an opportunity for Governments to contract Indigenous enterprises before approaching the market where value for money can be demonstrated. The IPP policy has generally been successful in supporting Indigenous business, however, based on our experience, the definition of an Indigenous business being 50 per cent owned has led to many examples of unscrupulous operators taking advantage of IPPs and the benefits not flowing to Indigenous businesses and communities as intended. The practice of 'black cladding' must be addressed by prioritising procurement from businesses that are majority (51 per cent) Indigenous owned and operated and improving accountability by ensuring local assessment of authenticity and delivery against targets.

The IRG recommends:

18. Revising the Government's definition of an Indigenous business to one that is majority (51 per cent) Indigenous owned and operated; and
19. Improving accountability of businesses being contracted under IPPs by ensuring local assessment of authenticity and delivery against targets set out in contracts.

<sup>28</sup> National Indigenous Australians Agency (2021), *The Indigenous Business Factsheet*. Accessed on 28/11/2022.

Retrieved from [https://www.niaa.gov.au/sites/default/files/publications/ibss\\_factsheet.pdf](https://www.niaa.gov.au/sites/default/files/publications/ibss_factsheet.pdf)

<sup>29</sup> Census (2016) in Australian Venture Consultants Pty Ltd, (2020) *A new framework for accelerated development of the Northern Australian Indigenous economy*, provided. Accessed on 26/10/2022. (p.48).

<sup>30</sup> Office for Women (2015), a profile of Australian Women in Business. Accessed on 17/12/2022. Retrieved from [https://www.pmc.gov.au/sites/default/files/publications/profile\\_of\\_australian\\_women\\_in\\_business.pdf](https://www.pmc.gov.au/sites/default/files/publications/profile_of_australian_women_in_business.pdf)



### *Prioritising procurement from local Indigenous businesses*

There are currently situations in which Indigenous businesses, on country, who have the capacity to carry out Government contracts, are being overlooked under the current IPP arrangements. Often the size of contracts inhibits authentic Indigenous businesses, who are generally small and medium enterprises (SMEs)<sup>31</sup> from competing for projects. Breaking down larger contracts into smaller work packages would allow more Indigenous SME's to be successful in bidding for government contracts and build their capacity and capability over time to compete for larger projects.

The above issues impede capital flowing to Indigenous businesses and this hinders them from being able to hire and upskill an Indigenous workforce in Northern Australia.

The IRG recommends:

20. Governments consider breaking down contracts into smaller work packages where it is feasible to do so, allowing Indigenous SMEs to compete.

### *Increasing connectivity for Indigenous businesses*

A very real, tangible change that can be made to facilitate Indigenous business generation and growth is improved digital connectivity so that Indigenous businesses, particularly in regional and remote Northern Australia, can be connected and compete in the broader economy, domestically and abroad. Struggling with telecommunications connectivity limits access to markets, in turn limiting their ability to do business and to develop the skilled workforce that Northern Australia needs.

As noted previously, digital connectivity infrastructure that is built to support Indigenous businesses should be complimented by community-based technicians who can attend to issues quickly and efficiently. Training local technicians provides jobs and skills for our people and a ready and available workforce for the Government and private employers. The IRG reaffirms recommendations 10 and 11 of this submission in this respect.

### *Supporting Indigenous business networks*

The historical experience for Aboriginal and Torres Strait Islander people throughout the twentieth century has included significant social disadvantage and marginalisation from the mainstream economy. Success in business is highly contingent on access to capital and business networks, which puts Aboriginal or Torres Strait Islander businesses at a disadvantage

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<sup>31</sup> Supply Nation (2020). *Driving Growth in Indigenous Business*. Accessed on 01/12/2022. Retrieved from: <https://supplynation.org.au/wp-content/uploads/2020/09/Supply-Nation-Driving-Growth-in-Indigenous-Business-DEC-2020.pdf>

compared to their mainstream peers. These disadvantages can be partly overcome by support to Indigenous businesses to firstly, collaborate and build their own peer networks, and secondly, build bridges to government and corporate sector allies in Indigenous business development.

Indigenous business networks are a crucial vehicle to enable peer support, advocacy and capacity-building for Indigenous businesses. Indigenous business networks or chambers have emerged at the State and Territory level and in some regions in the past decade, but they are less well-developed in Northern Australia, where further support is required from government and industry. The Northern Territory Indigenous Business Network (NTIBN) has been operating for over a decade, and supports regional Indigenous business hubs across the NT. Despite being significantly underfunded and resourced, NTIBN is a members-based organisation, the peak body representing NT Aboriginal businesses. NTIBN is the preferred certifying authority of Aboriginal Businesses in the NT. NTIBN is 100 per cent Aboriginal owned and led and governed by a board of successful Aboriginal business owners.

NTIBN is a business growth and advocacy services provider. The NTIBN acts for its members and peoples with the understanding that it is real, self-determined and Aboriginal led economic participation that will Close the Gap. NTIBN is Aboriginal-centric and works to ensure an Aboriginal first approach to everything it does.

Queensland has no State-wide Indigenous business network, and no full-service regional Indigenous business networks or hubs in north Queensland. There is a similar gap in the northern regions of Western Australia.

There is a need for regional Indigenous business networks and hubs in Northern Australia, providing services such as business services, advocacy for regional Indigenous business opportunities, peer networking, training and development, and business coaching and mentoring support. Such hubs should be led by Indigenous business representatives themselves. Ultimately these organisations should be self-supporting, based on member subscriptions, industry sponsorship and fee-for-service offerings. However, they typically require seed funding for the establishment phase before they become self-sustaining. This is an appropriate role for governments. Once established, Indigenous business networks are ideal partners for government programs aimed at Indigenous business capacity-building.

The IRG recommends:

21. Governments provide seed funding to establish or support existing Indigenous business networks and hubs in regions of Northern Australia not currently serviced by such hubs; and
22. Governments partner with relevant Indigenous business networks in the design and delivery of their Indigenous business capacity-building programs and initiatives.



## Attachments

### Attachment A

#### IRG members

The IRG comprises:

- Mr Colin Saltmere, Chair - Managing Director of the Indjalandji-Dhidhanu Aboriginal Corporation, the Myuma and Rainbow Gateway companies, and Adjunct Professor with the University of Queensland's Aboriginal Environments Research Centre;
- Ms Tara Craigie – Managing Director of J&T Craigie Pty Ltd, Indigenous Engagement Consultant at AAM Investment Group, and President at Northern Cowboys Association and Founder of Territory Rodeo Services;
- Mr Jerome Cubillo - Chief Executive Officer of the Northern Territory Indigenous Business Network, Chairperson of Larrakia Nation Aboriginal Corporation (LNAC), and on the Board of Ironbark Aboriginal Corporation representing LNAC;
- Mr Troy Fraser - Chief Executive Officer at Doomadgee Aboriginal Shire Council and formerly worked as Community, Youth and Economic Development Manager at the Aboriginal Development Benefits Trust;
- Mr Peter Jeffries - Chief Executive Officer of Murujuga Aboriginal Corporation and has formerly worked with the WA Police Force, Rio Tinto, the Yamatji Marlpa Aboriginal Corporation, Woodside and his own business offering consulting services and Aboriginal cultural tourism;
- Ms Gillian Mailman - Managing Director of Fibre Optics NQ, Chief Executive Officer of MJB Solutions Pty Ltd, Director of Indigenous Wealth Hub, and Director of Illuminate FNQ; and
- Ms Cara Peek - a multi-award-winning social disruptor from Remote Northern Australia. She identifies as a Yawuru/Bunuba woman, a successful lawyer, a diverse entrepreneurial leader, and an innovative Cultural Intelligence Strategist. Cara has worked closely with many regional communities across Australia, the U.S., and Canada as part of her personal mission to create deep, positive social change for First Peoples globally.

## The Supported Employment and Economic Development (SEED) Model<sup>32</sup>

### Summary

The **Supported Employment and Enterprise Development (SEED)** model is a proposed new approach to replace the traditional Community Development Program (CDP) model for delivering remote employment services. The SEED model will accelerate the transition of Indigenous jobseekers from welfare into sustainable jobs through the following key measures:

- seeding employment-generating local businesses;
- creating government-supported 'transitional' jobs for the 25% of jobseekers with low to mild barriers to employment to create a realistic, supported pathway into ongoing employment in the private or public sector;
- establishing a staged process for uplifting the remaining jobseeker cohort out of welfare dependency, by first, intensifying work readiness training and support, and second, creating an avenue for them to get work-ready through government-supported, part-time community development-oriented jobs (for example, this could support jobs for a further 10-15% of jobseekers); and
- backing Indigenous economic innovation.

The SEED model is a radically different approach to the current CDP model, because it will:

- incubate local businesses that will generate employment and wealth in the Indigenous community, transforming the local economy from its current welfare-orientation;
- use CDP supported *enterprise jobs* (time-limited to 1-2 years) to create a supported pathway for start-up businesses to overcome the cashflow and capacity-building barriers that prevent many businesses reaching sustainability;
- use CDP supported *social service sector jobs* (time-limited to 1-2 years as 'shadow' or traineeship roles) to create a supported pathway for Indigenous people into the dozens of government and service jobs in discrete Indigenous communities that are currently vacant or filled by non-Indigenous people;

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<sup>32</sup> This proposal was submitted to the National Indigenous Australians Agency as part of Community Development Program reforms. The proposal is co-designed with the Palm Island community and Rainbow Gateway Limited and provided here by Mr Colin Saltmere AM, Chair IRG and Managing Director of the Myuma Group that includes Rainbow Gateway Ltd (CDP provider).

- enlist a range of government and non-government agencies, through a regularly convened Roundtable, to contribute funding, training, assistance and job commitments that will support a SEED program;
- provide a pool of ongoing part-time CDP supported *community development jobs*, enabling jobseekers to take on meaningful, properly paid work that contributes measurably to the betterment of the community;
- inject significant financial stimulus into the economy of the local Indigenous community, initially through the time-limited CDP supported wages, but over time, through the increase in people in sustainable full time employment and small business;
- intensify the work readiness training, support and case management provided to CDP participants – including both those in the new CDP supported roles and those in the broader jobseeker pool competing for those roles – incorporating proven methods for training and preparing unemployed people for successful full-time employment;
- harness the innovative ideas of Indigenous communities through an Economic Research and Innovation Centre

#### *Background to this proposal*

The CDP in its current form has not been a suitable vehicle people to lift Indigenous people out of welfare and into jobs and businesses. But with the right tools, CDP can seed local Indigenous enterprises and create supported pathways for Indigenous people to make the transition into sustainable, meaningful employment, in Indigenous communities and beyond. Economic participation changes people's lives, giving them the opportunity to provide for their families, build a future for their children and restore their dignity and pride.

The Supported Employment and Enterprise Development model is a fundamentally different model of CDP in Indigenous communities, incubating Indigenous enterprise and innovation and supporting tailored pathways into jobs in local enterprise, social services and community development roles. This would capitalise on the massive potential in the burgeoning Indigenous business sector, harness the skills and innovation of young Indigenous people (who are finishing high school in numbers not seen before), and provide meaningful work for people that will make the community stronger and a better place to live.

The model will 'seed' local businesses, community-led innovation and job creation on the scale needed to transform an Indigenous community where the model operates. By enabling community-led solutions that provide the right supports for people, the resources of CDP can be harnessed to move the community from welfare and passivity to enterprise and innovation.

The goal of the SEED model is to simultaneously accelerate business establishment and the creation of sustainable new jobs through providing CDP supported jobs at the minimum wage level on a time-limited basis as a supported pathway for jobseekers into ongoing employment

or business. In addition, the model proposes creation of some part-time CDP supported jobs for community development purposes (such as home help and land care), drawing on the most successful element of the original Community Development Employment Projects (CDEP) model. This latter component of the SEED model draws on the arguments of economists calling for a job guarantee, basic income, or liveable income guarantee.

The success of the SEED model will be measured by the rate of transition of CDP jobseekers from unemployment benefits to the CDP supported jobs, and from the CDP supported jobs to sustainable jobs supported by local businesses or other service providers. The SEED model's tailored stages of supported employment and enterprise development will result in a steadily reducing number of community members on Jobseeker benefits from Centrelink and a corresponding increase in the number of people in self-sustaining jobs and businesses – turning the goal of 'welfare to work' into reality. At the same time, the creation of jobs in community development will have demonstrable benefits at both the individual and collective level, with a net increase in community wellbeing. Researchers at the Centre for Aboriginal Economic Policy Research (ANU) have noted that when the CDEP worked well, it operated to "provide a minimum guaranteed income alongside supplementary opportunities for individual or collective enterprise."<sup>33</sup>

#### *Elements of the SEED model*

As Figure 1 illustrates, the SEED model aims to create supported pathways for jobseekers currently on unemployment benefits first into 'transitional jobs' (CDP Supported Employment) and then into sustainable jobs that are not government-subsidised. Over time, the objective is to transition the majority of jobseekers from long-term dependence on welfare to sustainable jobs in new local businesses and community-based social services. While this model involves additional upfront investment to provide time-limited wages and support for jobseekers, the longer-term outcome of fewer people on welfare and more people paying income tax and improving their own quality of life will result in significant downstream savings to Government – quite apart from the improvement in community wellbeing when more people are in work, earning decent living wages. There are 5 core elements of the model that work together to achieve this outcome, which will each be discussed in more detail in this section.

#### *Element 1. CDP Supported Enterprise Development*

Establishing a business is notoriously difficult, and even more so for residents of an Indigenous community with little experience of business ownership. It is estimated one third of small businesses fail in their first year and half by their second year.<sup>34</sup> The ability to perform work to

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<sup>33</sup> Altman, J and Markham, R, 2019. 'Basic Income and Cultural Participation for Remote-Living Indigenous Australians', in Klein, E Mays, J and Dunlop, T (eds), 2019 *Implementing a Basic Income in Australia: Pathways Forward*, Palgrave, pp.87-109.

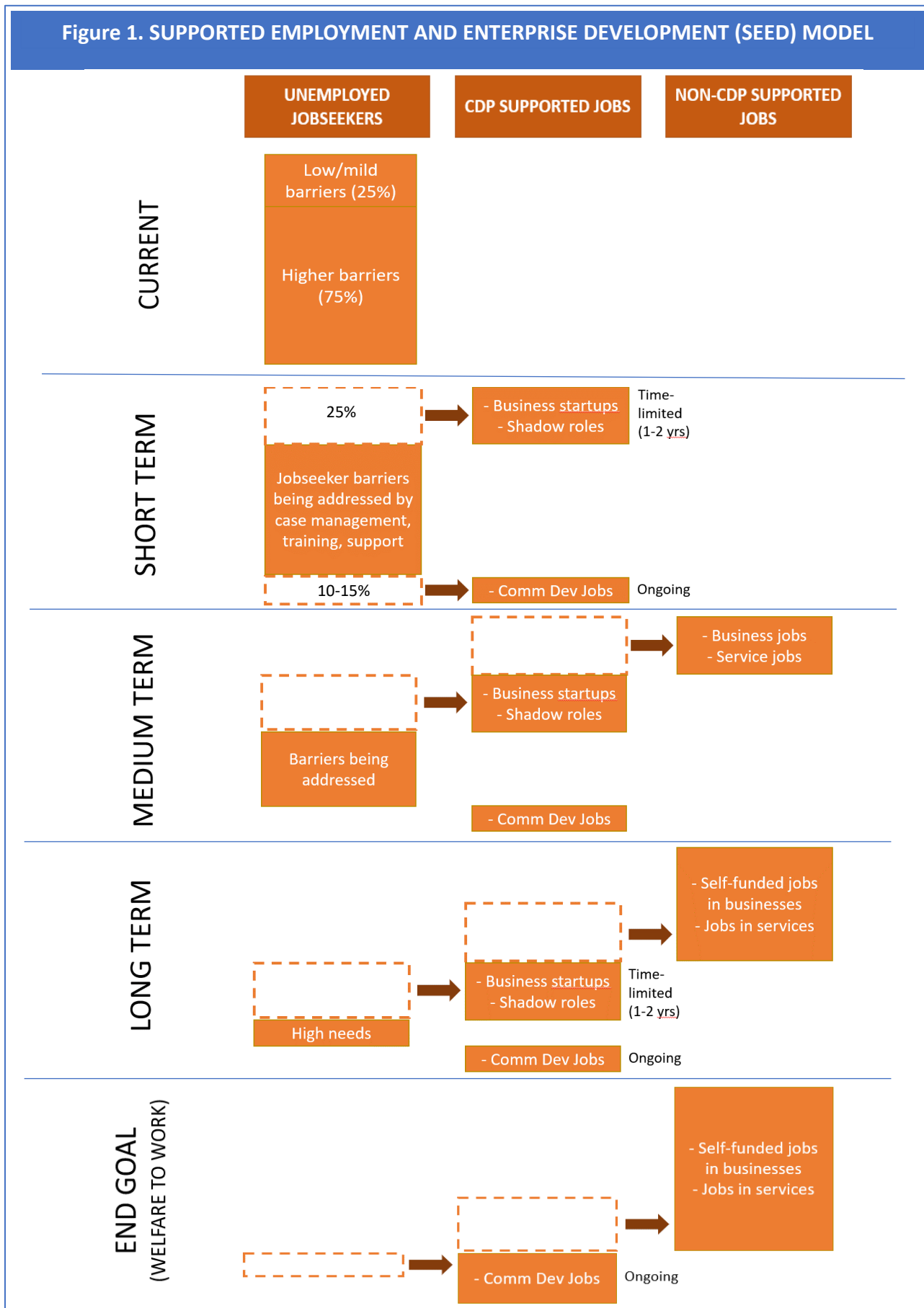
<sup>34</sup> University of Technology Sydney, 2005, *Start Me Up Guide*, [www.uts.edu.au/sites/default/files/Start\\_me\\_up.pdf](http://www.uts.edu.au/sites/default/files/Start_me_up.pdf)

the required quality is not the biggest challenge for new businesses – rather, key factors in early business failure are inadequate cash flow and difficulties with administration and record-keeping. The SEED model will directly address these barriers by providing:

- (a) a full-time SEED wage for the business owner (and potentially for other employees placed in the business) for the first 12 months of the establishment of the business, which will ensure reliable revenue for the business during the time that the business owner is establishing the business and the critical period of first delivering products or services for clients
- (b) targeted business support comprising:
  - (i) assistance with business setup (ABN, registrations) and management
  - (ii) referrals to suitable support services and grants
  - (iii) assistance to obtain start-up capital and equipment
  - (iv) access to low-cost shared business services (office, book-keeping, administration etc).



Figure 1. SUPPORTED EMPLOYMENT AND ENTERPRISE DEVELOPMENT (SEED) MODEL



The business support for community business start-ups will include the opportunity to attend the SEED Employment, Training and Business Development Roundtable (see Element 5), where a new business owner may be able to access a range of programs, services, training and grants offered by government and philanthropic providers.

In addition to incubating small businesses owned by individual community members, the SEED provider will also explore creation of larger social enterprises. For example, this might comprise a building and housing maintenance business, which could employ a number of CDP participants to undertake small jobs on public housing stock for the Department of Housing.

#### *Element 2. CDP Supported Employment*

Under the SEED proposal, a fundamental change from the current CDP model is that the Australian Government will provide funds and associated support for the SEED provider to create full-time jobs for 1-2 years for 25% of the jobseekers on the CDP case list, and part-time jobs on an ongoing basis for a further proportion of the CDP case list (for example, 10-15%).

While around three quarters of Aboriginal and Torres Strait Islander participants on CDP have been assessed under the Job Seeker Classification Instrument as having moderate to extreme barriers, about a quarter have been assessed as having only low or mild barriers.<sup>35</sup> There is no reason why these individuals with low or mild barriers should not be in full-time work. The problem has been first, the lack of jobs in Indigenous communities, and second, an insufficient focus on a supported pathway for these individuals into the jobs that do exist. The SEED model will address both problems, by creating new jobs through enterprise development and innovation, and establishing a supported pathway for individuals into both existing jobs and the newly created enterprise jobs.

The SEED provider will create three types of CDP Supported Jobs, set out in Figure 2. The first category of jobs, in local business start-ups, will include a full-time SEED wage for the business owner/founder for the first 12 months of the establishment of the business, plus wages for workers for the business from about the 6 month mark of the business' establishment. As the business becomes operational and increases revenue, after 1-2 years, the jobs become self-sustaining and no longer need to be supported by government. Other community businesses that could be seeded under this approach could include labour hire (e.g. for fruit and vegetable picking, railway labouring, construction labouring).

The second category of CDP supported jobs would be in government and non-government services (e.g. health, justice, education and social services). In Indigenous communities, many of these jobs are either filled by non-community members (including on a FIFO basis) or are vacant

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<sup>35</sup> Department of Prime Minister and Cabinet, 2018. *The Community Development Programme: Evaluation of Participation and Employment Outcomes*, p.15.

due to a misconception that there are no qualified or interested local persons available. The SEED provider will recruit community members from the CDP case load (with a focus on school leavers) to CDP-supported jobs (paid at the minimum wage level), so they can 'shadow' existing agency staff for a period of up to 2 years with a view to transitioning into a paid job with the agency.

The third category of CDP supported jobs would be in community development. The reality in most Indigenous communities in Northern Australia is that there are insufficient jobs in the services sector and insufficient jobs able to be created in the business sector to be able to employ all the unemployed jobseekers in the community. For this reason, there is a need for government to create jobs to employ the portion of this labour pool for whom there will simply never be a job available. This is a much more socially just approach than the current CDP model, which provides people with a barely subsistence level income with the expectation that they will undertake training and work experience that will prepare them for jobs that do not exist in the community where they live. As Altman and Markham have pointed out, since CDEP was abolished in 2013, governments "have implemented punitive workfare style schemes that have attempted to train and discipline Indigenous people to enter labour markets that have few or no jobs to offer".<sup>36</sup>

While the SEED model has a primary focus on creating new jobs in community enterprise and transitioning jobseekers into existing jobs in the services sector, this feature should be supplemented by the creation of ongoing, CDP-supported, part-time 'community development' jobs similar to those that existed under the former CDEP scheme. The nature of these jobs is that they should contribute to developing or building the capacity of the community in some way. Like the original CDEP, these jobs should be tailored to the community's needs and aspirations. For example:

- **Household Helpers.** Community members could be employed to conduct routine visits to households to assist with a range of environmental health, household maintenance and life skills, such as:
  - assist public housing tenants to maintain their homes and lodge requests for repairs, leading to improved conditions of public housing stock
  - assist with household budgeting
  - awareness around environmental health, such as animal care, scabies prevention and food hygiene
  - provide informal coaching in life skills, such as cooking, parenting, child nutrition, homecraft

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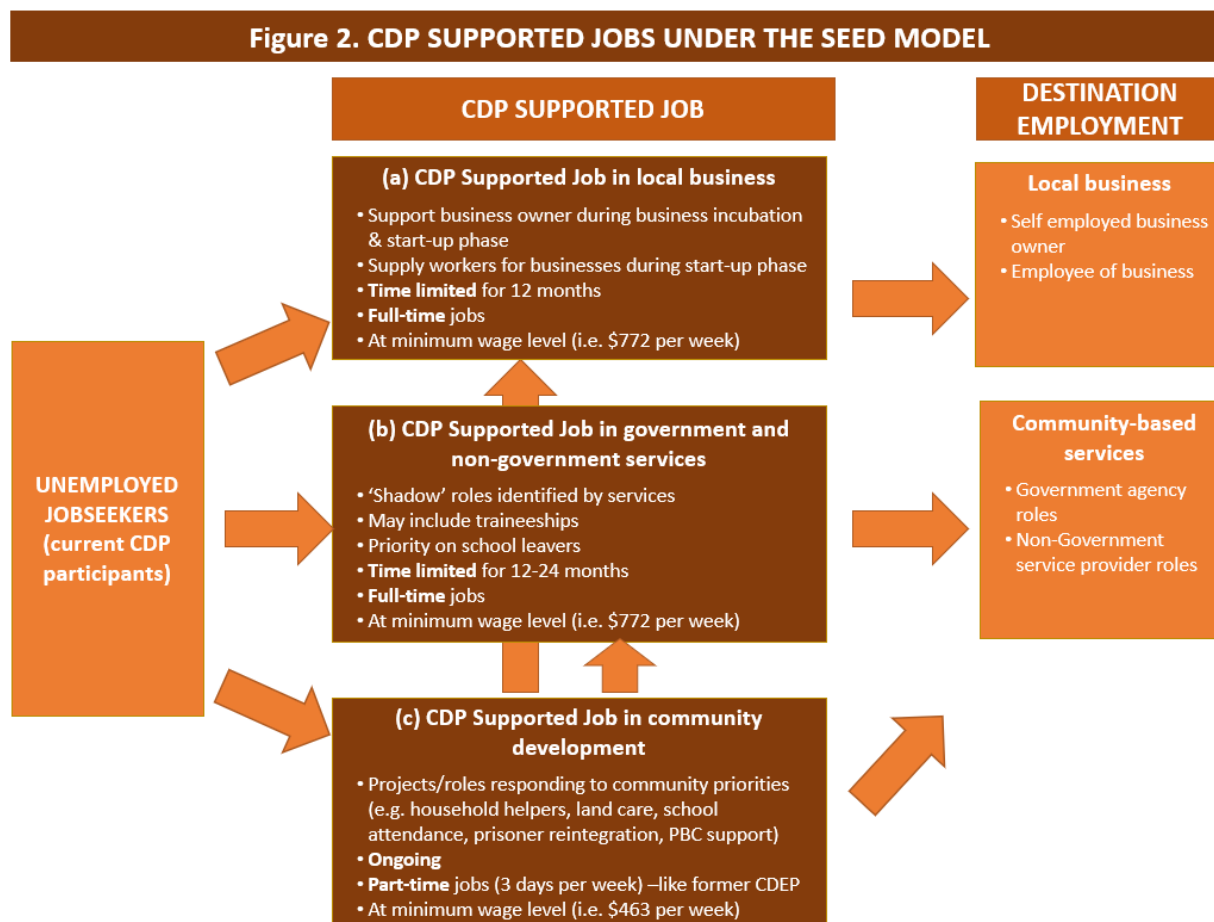
<sup>36</sup> Altman, J and Markham, R, 2019. 'Basic Income and Cultural Participation for Remote-Living Indigenous Australians', in Klein, E Mays, J and Dunlop, T (eds), 2019 *Implementing a Basic Income in Australia: Pathways Forward*, Palgrave, pp.87-109.

NOTE: Under the Commonwealth Housing and Infrastructure Program, funding for public housing was supplemented by a small amount of support for 'Home Living Skills'. The Review of CHIP by PwC in 2008 found that "Home living skills expenditure, whilst relatively minor, was consistently well regarded and stakeholder feedback suggests assistance with these skills is a vital link to good tenancy or home ownership."<sup>37</sup>

- **Land care.** Teams of community members could conduct community beautification or development projects, such as tidying up common use areas, removing car bodies, maintaining walking tracks.
- **School Attendance Officers and School Nutrition Program (SNP).** The current funding for the Remote School Attendance Strategy and the SNP should be consolidated with the SEED provider, so that the SEED provider can support these jobs as CDP-supported jobs.
- **Prisoner Reintegration.** Some positions could be allocated to working with returned prisoners to support them with reintegration into the community and avoiding returns to custody.
- **Prescribed Body Corporate support.** In many communities CDP-supported workers could work in PBC operations, helping with native title management.

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<sup>37</sup> PriceWaterhouseCoopers, 2007. *Indigenous Housing: Findings of the Review of the Community Housing and Infrastructure Programme*, p.42.



### *Element 3. Training and other support for CDP Supported Workers*

The SEED model creates a pathway from long-term unemployment and welfare dependency to sustained employment and self-reliance. This shift from welfare to work requires not only a job and a wage, but a host of ‘wraparound’ supports to provide the work skills, life skills and empowerment for a person to fundamentally change track.

For the SEED model to create a successful pathway from welfare to work, therefore, the SEED provider must provide workers on a “CDP Supported Job” with not only wage support but a range of other supports, including but not limited to training. Hence, the model must also include funding for comprehensive, culturally appropriate prevocational training that covers both soft skills (e.g. life skills and cultural identity) and hard skills (e.g. technical, job-related skills).

### *Element 4. Enhanced case management to improve Jobseekers’ work-readiness*

The SEED model proposes offering time-limited, full-time CDP Supported Jobs to the 25% of jobseekers that have low and mild barriers to employment and ongoing, part-time CDP supported community development jobs to a further 10-15% of jobseekers interested in part-

time work. At the commencement of the program, this of course leaves about 60-65% of jobseekers on the current Centrelink unemployment benefits (the Jobseeker payment). These are likely to be jobseekers classified as having moderate to extreme barriers to work. As indicated in Figure 1, the SEED model is premised on jobseekers from this pool over time taking up the time-limited supported jobs vacated by the first cohort who have gone on to non-CDP supported employment with third parties (i.e. private sector and service sector jobs).

Watching fellow community members succeed in the CDP Supported Jobs and graduate into well-paid permanent jobs is expected to strongly incentivise individuals in the 'Centrelink pool' to pursue the SEED pathway. Nevertheless, to succeed in employment, these jobseekers will need intensive, individualised planning and case management to address their more significant barriers to employment. The SEED provider will need to employ case managers to provide more intensive, targeted support in areas such as:

- Work conditioning programs to build concentration and attention skills, increase physical stamina and fitness, promote good sleeping habits, and provide education about strategies to manage/enhance physical and psychological stamina in the workplace.
- Activities that build confidence through cultural strengthening and cultural history sessions. This may incorporate information about the history of work amongst indigenous people to help job seekers identify transferable skills and practices for today's workplace.
- Self-care programs which incorporate education about healthy eating and cooking practices, personal hygiene strategies and exercise programs.
- Interventions to assist with tackling substance misuse and gambling addictions.

In addition, case management should focus on addressing practical barriers such as driver's licences, identification documents, bank accounts and outstanding SPER fines.

#### *Element 5. Employment, Training and Business Development Roundtable*

A significant barrier to creating seamless pathways to train and employ residents in Indigenous communities is the lack of coordination between the various government and non-government agencies who deliver programs and services in this space. The most successful approach is to regularly bring relevant agencies together with a place-based or project-based focus. This provides a forum for agencies to better collaborate with each other and the Indigenous community, to deliver more integrated funding and support, driven more by the outcomes desired by the community rather than the agencies.

Implementing the SEED model in an Indigenous community therefore requires the support of an Employment, Training and Business Development Roundtable comprising relevant agencies that can contribute to the success of the model. For example, participants in the Roundtable would include the SEED program provider, relevant federal, state and local government representatives,

and training organisations. The Roundtable would assist the SEED program provider to access available funding for vocational training and business development and identify government agency jobs and contracting opportunities for Indigenous people.

#### *Evaluation of the SEED model*

The CDP has not led to demonstrable improvements in employment rates in Aboriginal and Torres Strait Islander communities. Despite placing a heavy emphasis in the payment model on 26 consecutive-week employment outcomes, an evaluation in 2018 estimated it had led to only a one percentage point increase in 26 week outcomes under CDP, from a very low base of around 5.7% under the previous RJCP model.

Like the CDP, the SEED model will be judged largely on its success in increasing the number of Aboriginal and Torres Strait Islander people in non-subsidised employment. It is important that implementation of the SEED model is supported by robust data collection to measure its employment impact.

Key indicators regarding *employment* will include:

- Net impact on employment rate in the community, especially youth and school leavers
- Number of jobseekers transitioning from the Jobseeker pool to CDP Supported Jobs
- Number of workers transitioning from time-limited CDP Supported Jobs to non-CDP supported jobs with other employers
- Proportion of workers in time-limited CDP Supported Jobs transitioning to non-CDP supported jobs after the expiry of the SEED wage support (a target of 80% conversion rate seems appropriate)
- Number of workers transitioning from the ongoing CDP Supported 'Community Development' Jobs to non-CDP supported jobs with other employers

Key indicators regarding *enterprise development* include:

- Number of CDP Supported Enterprises established with assistance from the SEED business incubator
- Number of CDP Supported Jobs created within CDP Supported Enterprises
- Number of CDP Supported Jobs converted into non-subsidised jobs in the CDP Supported Enterprises (i.e. jobs fully funded by revenue from the enterprise)
- Growth in turnover and profit of the CDP Supported Enterprises

For the ongoing CDP Supported 'Community Development' Jobs, a set of community development and community capacity indicators will be relevant. The SEED provider will work with the participants in these jobs to develop a set of meaningful indicators of the impact of their work in the community. For example, the success of the Home Helper jobs might be

measured in terms of the number of households visited and an improvement in housing condition reports or environmental health indicators (e.g. incidence of scabies) – the appropriate indicator will depend on what issues the community development jobs have been targeting. Collecting and reporting relevant data is important because it will create pride and motivation amongst the workers themselves while also helping demonstrate the value of these CDP created jobs to the wider Australian community.

Evaluation of the impact of the community development jobs should quantify the financial benefits of the Government underwriting these jobs. For example, evaluations of government funded Indigenous ranger programs have found significant measurable value to the community, not just in caring for country, but also in health, wellbeing and life outcomes for the employed rangers and their families (including lower rates of contact with the justice system). An evaluation of the Giringun rangers program, on the Queensland coast near Palm Island, found that the Social Return on Investment (SROI) ratio of 2.2:1.<sup>38</sup> That is, for every \$1 invested, approximately \$2.2 of social, economic, cultural and environmental value has been created for stakeholders.

By creating sustainable jobs and businesses in Indigenous communities, the SEED model would not only contribute to individual and community wellbeing, but also save taxpayers considerable money in the longer-term.

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<sup>38</sup> Social Ventures Australia, 2015. *Giringun Indigenous Protected Area (IPA) Social Return on Investment Analysis*.