

Aboriginal Executive Council (AEC)

Submission – Indigenous Skills and Employment Program

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More Information

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Acknowledgment and Background

The AEC acknowledges Aboriginal Traditional Owners of Country across Victoria and their rights as sovereign Aboriginal Nations, the AEC pays respect to their Elders, past and present, and to all Aboriginal and Torres Strait Islander people in Victoria.

The purpose of the Aboriginal Executive Council (AEC) is to provide an independent self-determining co-ordination, collaboration, policy development and advocacy mechanism for Victoria's peak, lead and state-wide Aboriginal Community Controlled Organisations.

The functions of the AEC include, but are not limited to:

1. Promoting and pursuing the rights and interests of Aboriginal people in Victoria including the right to self-determination
2. Acknowledging and extending the legacy of Aboriginal community members who established and developed the Victorian Aboriginal Community Controlled Sector
3. Providing strategic leadership to further develop and sustain the Aboriginal Community Controlled Sector
4. Coordinating public policy and advocacy from across its membership
5. Working collaboratively with other Aboriginal Community Controlled bodies including the First Peoples Assembly of Victoria
6. Engaging with the Victorian Government and Parliament to provide expert advice and set the direction for government commitments to Aboriginal self-determination
7. Monitoring and providing publicly available reports on government policy frameworks and commitments including the Victorian Aboriginal Affairs and Closing the Gap frameworks
8. Working with the Victorian Secretaries' Leadership Group on Aboriginal Affairs (SLG) and Senior Officers' Group on Aboriginal Affairs (SOG) to achieve measurable outcomes in support of self-determination and implementation of the Victorian Aboriginal Affairs Framework
9. Encouraging mutual support and collaboration across the AEC's members
10. Communicating and engaging with the Aboriginal community through AEC members
11. Participating on behalf of the Victorian Aboriginal Community Controlled Sector in processes relating to the Closing the Gap framework
12. Influencing other stakeholders with an interest in issues impacting Aboriginal people including the broader community services sector, public entities and authorities and Commonwealth Government Ministers, Departments and agencies.

1.0 Introduction

The AEC welcomes this opportunity to make a submission to the National Indigenous Australians Agency's (NIAA) consultation on development of the Indigenous Skills and Employment Program (ISEP). The focus of this submission is upon the AEC's view of how the ISEP can best meet the needs of the Aboriginal community in Victoria.

Many Aboriginal people in Victoria will, over the course of their lives, require supports and training to enter or re-enter the workforce. There are historical factors that underpin the current levels of unemployment and underemployment impacting Aboriginal people in Victoria. These historical factors include the forced removal of Aboriginal people from their lands - their primary economic base. Throughout much of the nineteenth and twentieth century this was accompanied by the deliberate exclusion of Aboriginal people from the broader labour market through government 'welfare' legislation, policy and practices that restricted and forced Aboriginal families, including children, into low skilled roles and occupations. Taken together, these acts of exploitation and exclusion are known as the Stolen Wages and were a mechanism through which governments sought to control the lives of Aboriginal peoples under the guise of 'protection'.¹ Aboriginal people removed to missions or otherwise controlled by Aboriginal welfare authorities were not excluded from work; they were required to perform arduous forms of work to suit the needs, and to the financial benefit of the colonising State. They were also excluded from education, training, from free movement, from the awards and conditions that applied to other people, and from the broader labour market. The wages and savings that were owed to Aboriginal people for their labour were controlled by Commonwealth and state and territory governments and often paid into trust accounts that were not accessible to Aboriginal people, were very rarely paid to them, and often stolen by their 'protectors'.² In addition, Aboriginal people were excluded from most social security payments, including maternity allowances, child benefits and old-age pensions.³ In Victoria, these practices continued throughout most of the state's history from the 1830s to the 1970s.⁴ Currently, class action lawsuits to recoup stolen wages are underway in Western Australia, Queensland, and the Northern Territory.

A genuine commitment to addressing entrenched disadvantage and economic exclusion must meaningfully acknowledge these injustices and work to repair the ongoing harms that were a direct result of, and in benefit to, Commonwealth and state and territory governments. These policies established the lower levels of educational attainment, intensified family caring responsibilities, poorer social and emotional wellbeing, and concentration of Aboriginal populations in locations where there are fewer economic opportunities that Aboriginal people experience today. Another factor passed from previous generations is racism and discrimination which is now institutionalised and acts as a barrier to equal opportunity and economic independence.⁵

It is difficult to assess the current state of Aboriginal employment in Victoria as most recent data available is from the 2016 Census. In 2016, 57.3% of Aboriginal people aged 25-65 years were employed in Victoria, in comparison to 51.0% across Australia. In 2016, 65.4% of Aboriginal youth were engaged in education, employment, and training. This is above the national proportion of 57.2%. However, employment data on its own is a relatively blunt indicator of economic opportunity and prosperity, and overall quality of life. The available data also does not enable an assessment of whether individuals are employed in positions that match their educational level, skill set, or aspirations.

The Victorian Government Aboriginal Affairs Report (VGAAR) provides further detail on the current state of Aboriginal employment and wealth equity in Victoria. Despite some positive gains in relation to employment for Aboriginal

¹ Parliament of Australia. (2019). *Compensation Payments to Aboriginal and Torres Strait Islander Australians*. Retrieved from: https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2019/August/Compensation_payments_to_Indigenous_Australians

² Gunstone, A. (2012). Indigenous Peoples and Stolen Wages in Victoria, 1869-1957. In *Indigenous Participation in Australian Economies II* (pp. 181-195). Canberra: ANU Press.

³ Ibid.

⁴ Ibid.

⁵ Australian Institute of Health and Welfare. (2012). *Increasing Indigenous employment rates*. Retrieved from: <https://www.aihw.gov.au/getmedia/71bb346a-1b83-4038-a2f7-647e65a21445/ctg-ip03.pdf.aspx?inline=true>

women, there are still concerning rates of unemployment for individuals living in regional areas and young people, and the proportion of Aboriginal people who are employed is still vastly below that of non-Aboriginal people.⁶

In relation to income, between 2006 and 2016, the median household income increased from \$40,000 to \$60,000. However, this means that half of Aboriginal households in Victoria earn less than \$60,000 annually. By comparison, the median household income for non-Indigenous families rose from approximately \$50,000 to \$75,000 over the same period. Whilst it is positive to see gains in household income, figures from the 2015-16 ABS Survey of Income and Housing demonstrate that poverty is still a major issue for Aboriginal people. In Victoria, 25.4% of Aboriginal people lived below the poverty line, in comparison with 13.0% of non-Aboriginal people. Based on this analysis, undertaken by VCOSS, 11,200 Aboriginal people were living in poverty in 2015-16, with 6,200 being in regional Victoria and 5,000 in Melbourne.⁷

Whilst these figures suggest some positive trends in relation to employment and income, these are likely to be placed at risk due to the economic impacts of COVID-19. Evidence indicates that communities who are already experiencing financial hardship are likely to be most impacted by the economic recession facing Australia, this includes Aboriginal communities.⁸ For Aboriginal and Torres Strait Islander people experiencing joblessness, supports must be founded on the principles of Aboriginal self-determination and Aboriginal community control and commit to restoring social and economic justice for Aboriginal and Torres Strait Islander people. To date, this has not been the case, with a targeted, disproportionate use of punitive income management measures within Aboriginal and Torres Strait Islander communities.⁹

2.0 Response to selected consultation questions

How could IAS investment be designed to be more flexible and responsive at the regional level, and better meet the needs of the community for Indigenous job seekers and employers?

The AEC is disappointed that the discussion paper fails to mention the vital role that Aboriginal Community-Controlled Organisations (ACCOs) and Traditional Owners have in employing Aboriginal people in sustainable, rewarding jobs in culturally safe working environments, as well as providing the kinds of holistic, wrap-around supports that address barriers to employment. This is a significant oversight given that the new National Agreement on Closing the Gap includes specific commitments that relate to building the community-controlled sector. Priority Area Two of the National Agreement, *Building the Community-Controlled Sector*, commits to developing Sector Strengthening Plans in the following four initial sectors: Early Childhood Care and Development, Housing, Health and Disability. Clause 45(b) of the National Agreement recognises that a “dedicated Aboriginal and Torres Strait Islander workforce” is an element of a strong community-controlled sector, and the parties of the Agreement will identify actions for enabling elements within the Sector Strengthening Plans.¹⁰

The Commonwealth’s Closing the Gap Implementation Plan acknowledges that the preferencing of Aboriginal and Torres Strait Islander service providers in service delivery funding has important “downstream outcomes such as better employment outcomes for Aboriginal and Torres Strait Islander people.”¹¹ Whilst the discussion paper references the National Agreement, the AEC contends that the proposed approach to the ISEP does not reflect its spirit or intent. The AEC is of the opinion that there is an opportunity for Indigenous-specific employment investment to build on the

⁶ Aboriginal Executive Council. (2020). *Analysis of the Victorian Government Aboriginal Affairs Report 2019*. Author: Thornbury.

⁷ Victorian Council of Social Services. (2018). *Every suburb, every town: Poverty in Victoria*, available at: <https://vcoss.org.au/wp-content/uploads/2018/11/Every-suburb-Every-town-Poverty-in-Victoria-VCOSS.pdf>

⁸ O’Sullivan, D., Rahamathulla, M., & Pawar, M. (2020). The impact and implications of COVID-19: An Australian perspective. *The International Journal of Community and Social Development*, 2(2), 134-151.

⁹ Marston, P., Mendes, P., Bielefeld, S., Peterie, M., Staines, Z., & Roche, S. (2020). *Hidden Costs: An independent student into income management in Australia*. The University of Queensland: Brisbane. Retrieved from: <https://core.ac.uk/download/pdf/287788494.pdf>

¹⁰ Commonwealth of Australia and Coalition of Peaks. (2020). *National Agreement on Closing the Gap*, p. 9-10. Retrieved from: https://www.closingthegap.gov.au/sites/default/files/2021-05/ctg-national-agreement_apr-21.pdf

¹¹ Ibid.

successes that ACCOs and Traditional Owners have had in employing community members. Clause 55 of the National Agreement requires “Government parties to implement measures to increase the proportion of services delivered by Aboriginal and Torres Strait Islander organisations, particularly community-controlled organisations” (p.10). The AEC anticipates that implementation of Clause 55 will lead to increased funding to ACCOs in Victoria, as well as a greater proportion of grants being awarded to our organisations.

In relation to the ISEP being responsive to local labour market conditions, we wish to highlight projected demand for the ACCO sector. The AEC contracted Social Ventures Australia (SVA) to forecast current and future demand for eight priority sectors in metropolitan and regional Victoria. The report found that the Aboriginal population is expected to rise by 48%, with population growth highest in Central Highlands, Ovens Murray, Barwon, and Western Melbourne. This population growth will be accompanied by a heightened demand for essential social services. ACCOs will need to increase their organisational capacity and expand service delivery to meet the demand. Indeed, the SVA report highlighted that:

- demand for the range of family and child services is projected to increase significantly over the next decade, particularly in prevention services to reduce the need for out-of-home care and intensive services;
- demand for culturally safe and connected services in the family violence, homelessness and justice sectors is projected to grow;
- the need for culturally safe mental health and AOD services will remain high, with 31,000 Aboriginal people projected to require mental health services, and 9,506 people projected to require AOD services in 2028; and
- by 2028, around 3,000 Aboriginal young people between the ages of 15-24 will be disengaged from work and study and will likely benefit from support to increase the likelihood of engagement.

This service demand modelling is a very useful starting point to understand the role of NIAA in working in partnership with the ACCO sector in Victoria to address gaps in employment outcomes for Aboriginal people. Importantly, these areas for projected growth align with sectors where there is already a substantial Aboriginal workforce, suggesting that there is an existing interest and platform for success for Aboriginal people in the social services sectors. According to the 2016 Census, the most popular occupation amongst Aboriginal people in Victoria was Community and Personal Service Worker, which accounted for 16% of the employed population. Importantly, this occupation also accounted for the largest increase in employment, with 689 Aboriginal people becoming employed as Community and Personal Service Workers between 2011 and 2016.

Recommendation: That NIAA align its service investment and growth with projected Aboriginal population growth and service demand.

The AEC stresses that Traditional Owners have a significant and unique role to play in supporting economic development, particularly in Regional Victoria. Traditional Owners are increasingly involved in collaborative land management in Victoria, where they have ongoing legal interests in large public estate and statutory responsibilities for heritage protection and land management. According to the Federation of Victorian Traditional Owner Corporations (FVTOC), “Traditional Owner Corporations have a growing asset base, a commitment to their regions, and are looking for ways to invest for growth through market activity which at the same time creates employment and skills development opportunities for their members.”¹²

Recommendation: That NIAA include a specific ACCO and Traditional Owner objective and associated investment target under the ISEP.

¹² FVTOC. (2015). *Review into Regional Economic Development Strategy and Service Delivery Model*, p. 4. Retrieved from: <https://static1.squarespace.com/static/5b337bd52714e5a3a3f671e2/t/5b3ec6798a922d476f277271/1530840700881/Regional-Economic-Development-Strategy-and-Service-Model.pdf>

The AEC holds that the design of the ISEP should reflect the unique role that ACCOs and Traditional Owner Groups have in supporting economic viability and building the Aboriginal workforce. This must be balanced alongside industry needs and partnerships, which appears to be a major focus of the design of the ISEP. The grant rules and guidelines that apply to the ISEP will be critical for enabling our members to play an active role in the delivery of the program and more broadly, in supporting implementation of the National Agreement on Closing the Gap. Therefore, the AEC's position is that in addition to utilising evidence from evaluations of existing Indigenous-specific employment programs to inform its approach, NIAA should also look more broadly at the multiple performance audits, parliamentary inquiries and reviews that have identified shortcomings in the administration of the Indigenous Advancement Strategy (IAS).

The AEC recently undertook an analysis of Commonwealth funding in Victoria, based on the "Indigenous" category on GrantConnect which publishes grants awarded by an Australian Government entity within 21 days of the grant taking effect and is mandatory for all grants that take effect from 31 December 2017. Most of the grants were awarded under the IAS program, which accounted for 80% (n=167) of the total grant number. Based on our assessment of the funding allotted to Victoria, 342 or 62% of grants were awarded to ACCOs. The remaining 38% (n=208) of Commonwealth grants were awarded to mainstream non-governmental organisations (NGOs), businesses, educational institutions, primary health networks, and local government councils.

52% (n=108) of the grants awarded to mainstream institutions were closed non-competitive, meaning that applicants were invited by government entities to submit applications and not assessed against other applicants' submissions but assessed against other criteria. Another 8% (n=16) of grants were selected through a targeted or restricted competitive process, which is used when there are limited numbers of providers in the market due to "the highly specialised skills or expertise required, geographical considerations or time constraints", whilst the selection process is competitive, applicants must be invited to apply. The National Agreement on Closing the Gap contains specific clauses that relate to the funding of mainstream institutions. Through Clause 66 under *Priority Reform Three: Transforming Government Organisations*, all jurisdictions have agreed that "Government Parties investment in mainstream institutions and agencies will not come at the expense of investment in Aboriginal and Torres Strait Islander community-controlled services" (p. 12). The AEC is concerned by the significant number of grants in Victoria that were awarded to mainstream organisations through closed and/or non-competitive applications processes. Currently, NIAA's prioritisation policies mean that Aboriginal and Torres Strait Islander organisations are the preferred service delivery provider or grant recipient in instances where there is equal ranking with a non-Indigenous organisation in a competitive grant round through the IAS.¹³ However, this would have meant limited opportunities for ACCOs to be considered for the substantive portion of funding delivered through closed processes.

It is not possible for the AEC to determine whether open application processes would have resulted in proportions of this funding being allotted to ACCOs. Nor does this suggest there are not cases in which the funding of mainstream services is appropriate. However, the high number of closed non-competitive grants suggests a lack of transparency around the allocation of funding. We look forward to working with the Commonwealth Government to implement Clause 59 of the National Agreement. This clause requires Government Parties to "improve transparency of resource allocation to, and distribution by, mainstream institutions in relation to dedicated Aboriginal and Torres Strait Islander service-delivery" (p. 11). This will ensure that ACCOs have the information they require to assess how Governments are tracking against the above commitments.

If the ISEP is to better meet the needs of the community, it should build in strong processes for ensuring that Aboriginal and Torres Strait Islander service providers are preferenced and minimise the use of closed and/or non-competitive tendering process for mainstream organisations.

Recommendation: That NIAA consider the findings of the Australian National Audit Office's successive audit reports on the administration of the Indigenous Advancement Strategy.

¹³ Commonwealth of Australia. (2021). *Commonwealth Closing the Gap Implementation Plan*, p. 14. Retrieved from: <https://www.niaa.gov.au/sites/default/files/publications/commonwealth-implementation-plan-130821.pdf>

Recommendation: That NIAA commit to minimising the use of closed and/or non-competitive tendering processes in service delivery funding related to the ISEP.

How should the ISEP work alongside the new employment services model and the new remote engagement program to build work-ready skills and connect Aboriginal and Torres Strait Islander people to rewarding, sustainable jobs?

The AEC is pleased that the federal government is embarking on reforms to its employment services model, however it is disappointing that some of the most concerning aspects of the model will remain in place. Successive inquiries have documented the failure of past approaches, particularly the punitive and often counterproductive compliance approach that is embedded within programs such as Jobactive.¹⁴ Whilst the AEC understands that reforms to mainstream employment services are not within the scope of NIAA’s work, we note that the discussion paper asks how the ISEP can work alongside the new model.

In Victoria, Aboriginal people account for a very small percentage of the Jobactive caseload, which in 2018 was 3.8% of the total caseload in Victoria. The AEC wishes to understand how NIAA will assess whether a potential ISEP grant recipient meets the criteria of a “genuine gap or opportunity that IAS investment can appropriately address and where there is no duplication with existing Government investment.”¹⁵ This approach appears to be based on the assumption that mainstream employment services are working well for Aboriginal and Torres Strait Islander people, or at the very least as well as they do for non-Indigenous people. However, evidence suggests the contrary and the notion that Indigenous-specific programs would only be utilised where a mainstream service is unavailable is concerning. Programs such as Jobactive and CDP have strict and inflexible Mutual Obligation requirements that include entering a job plan, applying for 20 jobs per month, and attending provider appointments, and have been labelled as “paternalistic and rigid.”¹⁶ The Senate Education and Employment References Committee has also argued in its review of the program that Jobactive participants:

- did not receive the basic job-readiness services that they were entitled to;
- that providers who delivered the program averaged a caseload of 150 participants; and
- that financial incentives for providers to place individuals in jobs often meant that placement was privileged over supporting participants to be successful in finding work that suited their needs and aspirations.

The above findings suggest that the Jobactive program, in its current form and with such limited resources and a focus on a quick job placement, is unlikely to provide the “wrap-around services and intensive case management strategies that address multi-faceted and complex employment barriers” which many Aboriginal participants require.¹⁷ Indeed, the notion that mainstream services are effective on their own or appropriate runs counter to international evidence. The Organisation for Economic Co-operation and Development (OECD) (2019) has noted that many countries have introduced Indigenous-specific employment services and that research “has highlighted the importance of moving away

¹⁴ Senate Education and Employment References Committee. (2019). *Jobactive: Failing those it is intended to serve*. Retrieved from: https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/024217/toc_pdf/Jobactivefailingthoseitisintendedtoserve.pdf;fileType=application%2Fpdf

Senate Standing Committee on Community Affairs. (2020). *Centrelink’s Compliance Program: Second Interim Report*. Retrieved from: https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/024338/toc_pdf/Centrelink’scomplianceprogram.pdf;fileType=application%2Fpdf

¹⁵ National Indigenous Australians Agency. (2021). *ISEP Discussion Paper*, p. 7. Retrieved from: <https://www.niaa.gov.au/resource-centre/indigenous-affairs/isep-discussion-paper>

¹⁶ Senate Education and Employment References Committee. (2019). *Jobactive: Failing those it is intended to serve*, p. 105. Retrieved from:

https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/024217/toc_pdf/Jobactivefailingthoseitisintendedtoserve.pdf;fileType=application%2Fpdf

¹⁷ Organisation for Economic Co-operation and Development. (2019). *Indigenous Employment and Skills Strategies in Australia*. Retrieved from: https://www.oecd-ilibrary.org/employment/indigenous-employment-and-skills-strategies-in-australia_dd1029ea-en

from a job-first focus to ensure services can be catered to basic and foundational skills training that addresses the challenges that often prevent Indigenous people from maintaining a job.”¹⁸

In designing the ISEP, NIAA has an opportunity to develop strengths-based, holistic employment supports that are necessary to support individuals in obtaining the skills required to engage in meaningful and sustainable employment. In contrast to the rigid and inflexible guidelines of Jobactive and other mainstream employment services, the AEC believes that considerable improvement in the delivery of services to Aboriginal people in Victoria could be achieved by the provision of long-term, flexible, and integrated funding to ACCOs so they can shape and adjust services and supports in response to the needs of the communities they serve. A key point of difference that needs to be acknowledged in development of the ISEP and the scope of its funding is the fragmented, inadequate, and episodic responses to ACCO and Aboriginal community infrastructure needs, including capital infrastructure and workforce development needs, which often places them at a disadvantage in tendering processes. ACCOs need infrastructure to support economic viability and build and strengthen the Aboriginal workforce.¹⁹

Given the locally-specific needs of each community, this is an area where shared decision-making, through partnerships with local communities is required to genuinely assess what gaps exist and how ISEP funds can best be utilised to support employment. It is important that NIAA clarify what is meant by its commitment to “embed shared decision-making” within the ISEP.²⁰ The discussion paper positions Aboriginal and Torres Strait Islander people as a stakeholder group to be consulted with, amongst industry, employers and small to medium enterprises. This is not genuine shared decision-making. The Commonwealth Government needs to engage with Aboriginal people in Victoria as rights holders and construct relationships and conduct dialogue on a negotiation basis not a consultation basis.

The AEC views this as an opportunity to correct what it views as a disconnect between the Commonwealth Government and the Aboriginal Community-Controlled Sector in Victoria. In our experience, the Commonwealth seems reluctant to engage systematically with Aboriginal community-based leadership, structures, and organisations in Victoria, including the AEC. Victoria has a series of governance structures and organisations that the Commonwealth Government can work in partnership with at the local and regional level, both to develop the ISEP and strengthen the design of the new employment services model to ensure it better suits the needs of Aboriginal people. We note that there are approximately 15 governance structures, associated with a range of portfolio areas that include education, justice, health, family violence, children and whole-of government and have representation from across the state. In addition, there are 39 Local Aboriginal Networks (LANS) which support communities to influence decision-making within their local area. If the ISEP is to “contribute to closing the gap in employment through flexible, locally informed investment”, NIAA will have to proactively engage with and better support the Victorian Aboriginal community.²¹

Recommendation: That NIAA commit to develop in partnership with all parties to the National Agreement on Closing the Gap a long-term Aboriginal employment plan, that includes investment in infrastructure, program development, and service delivery.

¹⁸ Ibid.

¹⁹ Victorian Aboriginal Child Care Agency. (2021). *Victorian Aboriginal Child Care Agency's Submission to Victoria's Draft 30-year Infrastructure Strategy*. Retrieved from: https://www.infrastructurevictoria.com.au/wp-content/uploads/2021/05/S069-Victorian-Aboriginal-Child-Care-Agency_Redacted.pdf

²⁰ National Indigenous Australians Agency. (2021). *ISEP Discussion Paper*, p. 8. Retrieved from: <https://www.niaa.gov.au/resource-centre/indigenous-affairs/isep-discussion-paper>

²¹ National Indigenous Australians Agency. (2021). *ISEP Discussion Paper*, p. 6. Retrieved from: <https://www.niaa.gov.au/resource-centre/indigenous-affairs/isep-discussion-paper>