The Forrest Review – *Creating Parity*
Submission on the review final report
Contents
About RITC ................................................................. 2
General Comments .......................................................... 2
Recommendations .............................................................. 3
  Demand driven approach .................................................. 3
  Efficiency of service delivery ............................................ 3
Education issues .................................................................. 4
Capacity and Capability Building ........................................... 4
Conclusion ........................................................................... 4
About RITC

The Resources Industry Training Council (RITC) is a state government funded joint venture between the Chamber of Minerals and Energy of Western Australia (CME) and the Australian Petroleum Production and Exploration Association (APPEA) providing strategic advice on the workforce development needs of Western Australia’s mining, oil and gas and downstream process manufacturing industries.

Members of these peak organisations account for over 95 per cent of mineral and energy production in Western Australia and over 90 per cent of national oil and gas production.

The RITC’s initial submission to the review highlighted concerns expressed by industry regarding current program delivery, specifically a lack of co-ordination and unnecessary duplication between tiers of government. This results in program inefficiencies and a poor use of available public funds.

From a training and employment perspective, the RITC’s initial submission argued the importance of sustainable employment outcomes for Indigenous Australians, training and skills development that is connected to a clear employment outcome and driven by employers and the importance of career progression for Indigenous Australians as the resources sector transitions to the technology intensive operations phase.

General Comments

The Creating Parity report takes a holistic approach to addressing Indigenous disadvantage. While in doing so, it strays from the original terms of reference set for the review, this reflects some realities regarding the position of Indigenous Australians in the labour market and society. The RITC is supportive of a holistic and inclusive approach to dealing with Indigenous issues and considers the additional areas of policy activity explored in the Creating Parity report will require broader consultation and exploration with interested parties (beyond this submission process) prior to any meaningful consideration of implementation options.

From an employment and training standpoint, the RITC is supportive of the following principles:

- Participation in training by Indigenous Australians needs to be firmly tied to a genuine and sustainable employment outcome prior to commencement.
- Roles, responsibilities and accountabilities of government agencies assisting Indigenous Australians at the state and federal levels need to be clarified to remove duplication of effort and improve performance.
- Parity in educational standards and outcomes be a focus of a shared responsibility model for dealing with Indigenous disadvantage.
- Indigenous communities must be empowered to take a leadership role in driving parity internally.
- Initiatives are needed that build employment capacity and capability in Indigenous businesses.
Recommendations

Demand driven approach

The RITC supports Indigenous employment and training services that are demand driven and shares the view expressed in Creating Parity that Indigenous Australians are among the most trained people in the nation, yet this training is not linked to real and sustainable employment opportunities.

The Australian Government’s announcement supporting implementation of the Vocational Training and Employment Centre (VTEC) model prior to release of the Creating Parity report, while clearly linking training activities to a genuine employment outcome is premature. While it is recognised VTECs are an example of a successful program dealing with employment issues, the model is yet to be proven in a broad range of contexts and environments.

While the Australian Government has commenced implementing certain programs, particularly the Vocational Training and Education Centre (VTEC) model, it is important as this approach is rolled out for consultation to occur to ensure it is able to be responsive to the needs of smaller organisations and does not adopt a “one size fits all” approach. VTEC is one example of a successful program and it is also important to leverage the initiatives within other organisations with existing successful training and employment programs for Indigenous Australians to ensure a tailored response is able to be provided to each community. Outcome payments for service providers under the VTEC model being contingent upon 26 weeks employment retention may raise the level of exposure for service providers to unreasonable levels. This risk to service providers could be offset by either directly funding wrap around services outside the VTEC model or introducing a 13 week outcome milestone payment.

Introduction of a voucher system for employers to purchase services from training providers relies on the presence of accurate and comprehensive market information on the offerings and performance of training providers that is accessible and easily understood by individuals and industry. The MySkills website seeks to provide such information although it is limited by the timeliness of data and the exclusion of provider fee for service activity. A voucher system may also cut across existing state and territory entitlement funding mechanisms currently being implemented across the nation.

There is also a fear moving to a VTEC style model may entrench Indigenous participation in relatively low skill roles effective replacing training for training’s sake with jobs for jobs sake. The RITC believes participation in training by Indigenous Australians needs to be firmly tied to a genuine and sustainable employment outcome prior to commencement. To achieve this, effort needs to be directed towards the career progression of Indigenous Australians.

Efficiency of service delivery

There is a plethora of government agencies, organisations and service providers providing employment and training related services to Indigenous Australians and Indigenous communities across the nation. To address this, roles, responsibilities and accountabilities of government agencies assisting Indigenous Australians at the state and federal levels need to be clarified to remove duplication of effort and improve performance.

This will require changes to the current employment services delivery model and reporting arrangements to introduce greater transparency and accountability in outcomes. Such reforms are likely to be challenging, however with $11.5 billion being spent by the commonwealth alone in 2010/11 on services for Indigenous Australians, the realisation of potential savings for reallocation should be a catalyst for change.
Education issues

*Creating Parity* makes a compelling case for action to improve educational outcomes for young Indigenous Australians:

“whichever way you look at this, only employment will end the disparity, and employment is only possible if we can remove all impediments to parity in education”

Considering there is no employment gap between Indigenous Australians educated to the same level as other Australians, a persuasive argument exists for educational parity to become a principle that underpins and drives our collective efforts.

If **parity in educational standards and outcomes becomes a focus of a shared responsibility model for dealing with Indigenous disadvantage** a positive and far-reaching contribution will be made towards genuinely closing the employment gap. Implementation of such a recommendation will require unparalleled collaboration and policy co-ordination between state/territory governments and the commonwealth government.

It will also require the commitment of Indigenous communities and parents to encourage and actively take responsibility for fulfilling their role in ensuring Indigenous children attend school and supporting their passage through the educational system. Accordingly, **Indigenous communities must be empowered to take a leadership role in driving parity internally.**

Capacity and Capability Building

The resources sector has a rich history in supporting and engaging Indigenous businesses. Just as the RITC supports parity in educational outcomes, so it supports parity in business activities.

**Initiatives are needed that build employment capacity and capability in Indigenous businesses.** Indigenous businesses will be able to compete as equals in the marketplace. It is important such initiatives do not introduce distortions into the market and it is for this reason, proposals around tax concessions for Indigenous businesses are not supported.

In its initial submission to the review, the RITC advocated for support to allow Indigenous businesses to reach critical mass for contracting purposes thereby maximising diversification and sustainability.

Conclusion

The RITC appreciates the opportunity to comment on proposals contained in the *Creating Parity* report. The report proposes a challenging suite of holistic actions for consideration by government. The report’s breadth is considered to warrant careful consideration prior to any implementation decisions (other than VTECs which have already been announced) being made.

If you have any further queries regarding the above matters, please contact Nigel Haywood, Manager RITC on (08) 9220 8538 or n.haywood@cmewa.com