



Australian Government
National Indigenous
Australians Agency



NIAA

Indigenous skills, engagement and employment Program (ISEP)

Discussion Paper

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Foreword from the Minister for Indigenous Australians, the Hon Ken Wyatt AM MP

I am pleased to present this public discussion paper on the new Indigenous skills, engagement and employment Program for your consideration.

The Australian Government is delivering substantial reforms in the 2021–22 Budget to secure Australia’s recovery, by helping Indigenous Australians into quality and long-lasting jobs, strengthening Indigenous businesses and community organisations, and backing its commitment to transform the way governments work with Aboriginal and Torres Strait Islander people. These reforms will help meet our collective commitment to strong economic participation and development of Aboriginal and Torres Strait Islander people and their communities.

As part of the Budget I announced an Indigenous Skills and Jobs Advancement package to improve economic, social and education outcomes for Indigenous Australians. A key part of that package is the commitment of \$42.8 million per annum, building to \$60 million in future years, for a new Indigenous skills, engagement and employment Program.

As labour markets evolve and Government introduces new mainstream employment services for remote and non-remote Australia from mid-2022, the Australian Government’s investment in Indigenous-specific employment programs to complement other Government investment needs to evolve. The National Agreement on Closing the Gap commits the Government to a new way of working in partnership with Indigenous communities.

These changes present an exciting opportunity to develop a local approach to supporting Indigenous employment, designed to respond to the unique needs, strengths and interests of local Indigenous communities.

The new program will build on the most successful elements of the current Indigenous-specific employment programs, which will be phased out over 2022, and focus on skilling Indigenous Australians for in-demand jobs and supporting them to gain employment through a targeted engagement program.

Consultations will inform the final design of the package that will provide tailored, local investment, suited to local labour markets and able to respond to emerging employment opportunities in collaboration with states and territories, Indigenous communities, industry and business.

I strongly encourage you to consider this discussion paper and provide your views on how a new, targeted program can best create economic opportunity for Indigenous Australians across Australia. I look forward to reading your submissions.



The Hon Ken Wyatt AM MP
Minister for Indigenous Australians



Introduction

On 11 May 2021, the Australian Government announced in the 2021-22 Budget a commitment to develop a new Indigenous skills, engagement and employment Program (ISEP) to replace the Vocational Training and Employment Centres (VTEC), Tailored Assistance Employment Grants (TAEG) and Employment Parity Initiative (EPI) from 1 July 2022. More information about the ISEP is available on the National Indigenous Australian Agency (NIAA) website at this link: <https://www.niaa.gov.au/indigenous-affairs/employment/indigenous-skills-and-employment-program-isep>.

The Australian Government is committed to strong and sustained economic recovery and creating quality engagement and long-lasting jobs to increase economic participation for all Australians and Aboriginal and Torres Strait Islander communities. Supporting individuals to achieve their employment aspirations creates financial and economic security, self-determination, and purpose.

The NIAA is seeking feedback on what is working well and what are the areas of need that Indigenous-specific employment investment can address. This feedback will inform the design of a new Indigenous skills, engagement and employment Program (ISEP). This program will complement the Government's reforms to mainstream employment services in remote and non-remote Australia. It will contribute to closing the gap in employment through flexible, locally informed investment, across both remote and non-remote Australia.

The National Agreement on Closing the Gap commits governments, including the Australian Government, to a new way of working in partnership with Indigenous communities through a co-design process. The new ISEP will be shaped by the experience of stakeholders whose insights will help ensure that ongoing investment is informed by local knowledge, expertise and opportunities.

In addition, the new program will be backed by evidence about local barriers and opportunities to local engagement, employment and career advancement for Indigenous Australians. This includes findings from evaluations of existing programs, findings from the House of Representatives Standing Committee on Indigenous Affairs (HORSCIA) Inquiry into Pathways and Participation Opportunities for Indigenous Australians in Employment and Business Final Report once released,¹ as well as consultation and feedback from communities, experts and Industry groups.

NIAA welcomes your response to this discussion paper. Please see the final section How to provide feedback for information on how to provide a submission in response to the issues and questions raised in this paper. You can read Minister Wyatt's recent media release about the proposed new program and proposed reforms to Community Development Program (CDP) here: <https://ministers.pmc.gov.au/wyatt/2021/jobs-and-education-secure-future-indigenous-australians>. Please note we are not seeking views on the proposed changes to CDP in this discussion paper. More information about consultation regarding CDP is available on the NIAA website at this link: <https://www.niaa.gov.au/indigenous-affairs/employment/cdp>.

¹ Refer to the House of Representatives Standing Committee on Indigenous Affairs Inquiry into Pathways and Participation Opportunities for Indigenous Australians in Employment and Business available at: https://www.aph.gov.au/Parliamentary_Business/Committees/House/Indigenous_Affairs/Indigenousopportunities. The Joint Submission by the National Indigenous Australians Agency; the then Department of Employment, Skills, Small and Family Business (now the Department of Education, Skills and Employment); the Department of Social Services; and the Australian Public Service Commission – January 2020 is publically available at the following link: <https://www.aph.gov.au/DocumentStore.ashx?id=0930c823-a789-45b0-9eb0-66ae39fe4bab&subId=678228>.



Case for change

In the last ten years, labour markets have changed - there has been a decline in manufacturing jobs and a growth in services sectors and labour market flexibility. The labour market is more diverse with more people self-employed, working in part-time jobs or casual jobs. The Government has announced that mainstream employment services are undergoing transformational change, with the new employment services model to begin on 1 July 2022 and the Community Development Program (CDP) piloting changes in 2022. These changes present an exciting opportunity to co-design a locally informed approach to supporting Indigenous engagement and employment, designed to respond to the distinct needs, strengths and interests of local Indigenous communities.

IAS investment in Indigenous-specific programs makes up a small proportion of government investment in Indigenous employment services

There are a range of programs currently supporting Aboriginal and Torres Strait Islander people into employment.² The majority of Indigenous job seekers receive support through mainstream employment services, including jobactive, Disability Employment Services and the CDP. A small proportion of Indigenous job seekers receive support through complementary, Indigenous-specific employment programs funded through the IAS.

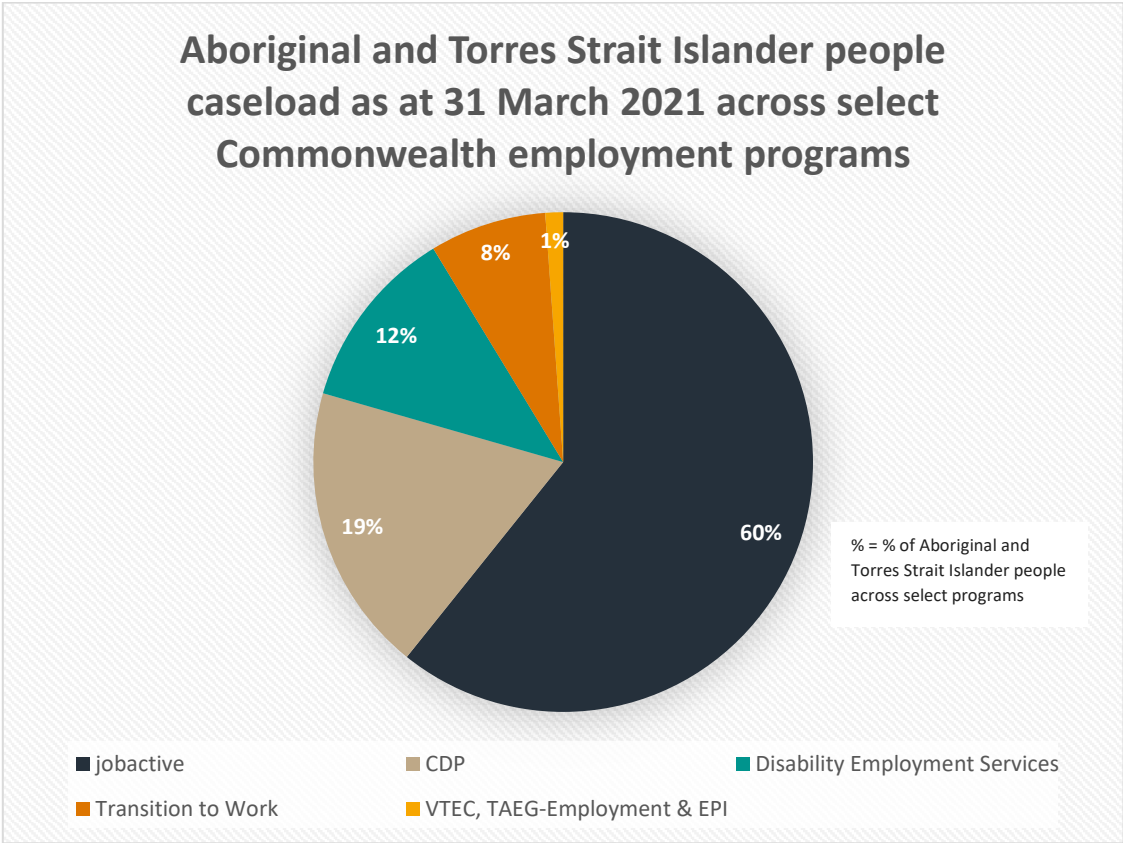
These programs are Vocational Training and Employment Centres (VTEC), the Employment Parity Initiative (EPI) and Tailored Assistance Employment Grants (TAEG).

- VTECs support Indigenous job seekers through provision of job specific training, guaranteed job placement, and post placement support for the first 26 weeks of employment.
- TAEG has three streams targeting specific cohorts to maximise outcomes for current and future Indigenous job seekers:
 - TAEG – Employment: providing training and post-placement support for job seekers to reach 26 weeks sustainable employment.
 - TAEG – Cadetships: assisting students to complete their studies, while at the same time providing practical work experience.
 - TAEG – School-based Traineeships: an educational and employment pathway, combining work-related training or employment with vocational training and senior secondary school studies.
- The EPI aims to increase the proportion of Aboriginal and Torres Strait Islander people working in large companies, supported by culturally appropriate recruitment, retention and career advancement practices.

² Existing approaches to addressing Aboriginal and Torres Strait Islander employment and the role of NIAA and other Government agencies is discussed in the Joint Submission to House of Representatives Standing Committee on Indigenous Affairs Inquiry into Pathways and Participation Opportunities for Indigenous Australians in Employment and Business by the National Indigenous Australians Agency; the then Department of Employment, Skills, Small and Family Business (now the Department of Education, Skills and Employment); the Department of Social Services; and the Australian Public Service Commission – January 2020. The submission is publically available at the following link: <https://www.aph.gov.au/DocumentStore.ashx?id=0930c823-a789-45b0-9eb0-66ae39fe4bab&subId=678228>



As at 31 March 2021 there were approximately 180,000 Indigenous job seekers accessing government financial support through employment programs. Of that total, 99 per cent of participants were in mainstream employment programs with just 1 per cent accessing complementary, targeted Indigenous-specific programs funded through the IAS (VTEC, TAEG and EPI).




While IAS programs have helped over 30,000 Indigenous job seekers into employment over the last 7 years, future IAS investment needs to leverage rather than duplicate mainstream services and make a sustained contribution to closing the gap in employment outcomes. To do this, the Australian Government is reprioritising IAS investment into the new program. VTEC, EPI and TAEG will wind down by 30 June 2022 (or the end of current grant agreements), and the ISEP will commence on 1 July 2022.

The National Agreement on Closing the Gap presents a new way of working in partnership with Indigenous communities

The new National Agreement on Closing the Gap³ commits the Government to a new way of working in partnership with Indigenous communities. The National Agreement on Closing the Gap is a historic Agreement – the first to be negotiated with Indigenous Australians as represented by the Coalition of Peaks.

³ More information about the National Agreement on Closing the Gap is available at: [National Agreement on Closing the Gap | Closing The Gap](#)



The National Agreement centres on four key priority reforms that will transform the way Australian governments work with Aboriginal and Torres Strait Islander people.

The Priority Reforms are:

1. Partnership and shared decision making between Aboriginal and Torres Strait Islander people and governments
2. Building the Aboriginal and Torres Strait Islander community-controlled service sector in agreed outcome areas
3. Transforming mainstream government services to work better for Aboriginal and Torres Strait Islander people
4. Building better data and sharing access to the right data to support Indigenous communities to make informed decisions with us.

The National Agreement also establishes 17 national socio-economic targets to monitor Australia's progress in improving outcomes for Aboriginal and Torres Strait Islander people. The employment targets are:

- By 2031, increase the proportion of Aboriginal and Torres Strait Islander youth (15-24 years) who are in employment, education or training to 67 percent (Target 7); and
- By 2031, increase the proportion of Aboriginal and Torres Strait Islander people aged 25-64 who are employed to 62 per cent (Target 8).

The National Agreement will underpin investment in improving outcomes for Aboriginal and Torres Strait Islander people across governments going forward. This includes IAS investment in Indigenous-specific employment programs.


A new approach

The ISEP will contribute to closing the gap in employment through flexible, locally informed investment. The program will increase economic opportunities for Indigenous Australians and drive actions that connect Indigenous Australians to jobs, targeted skills acquisition and career advancement opportunities. The ISEP will be co-designed with Indigenous Australians, in consultation with key stakeholders.

NIAA is seeking to revise its approach to Indigenous-specific employment investment. This is to ensure any new programs leverage other government investment, take an evidence-based approach to investment and genuinely complement mainstream employment services.

The new program will be informed by evidence from evaluations of existing employment programs

NIAA has been conducting evaluations of our existing Indigenous-specific employment programs. The most successful elements of existing programs will be incorporated in the design of the ISEP. While the TAEG-cadets and TAEG-School-based Traineeships are complete and available online here: <https://www.niaa.gov.au/resource-centre/indigenous-affairs/ics-and-taeg-cadets-programs-evaluation>, the EPI/TAEG/VTEC evaluation is nearing completion.



The interim evaluation findings to date suggest the need for:

- a flexible approach: local approaches are required for effective delivery of Indigenous programs that can adapt to region-specific needs;
- high quality mentoring and wrap around services: mentoring is crucial to overcoming participants' barriers to employment in a supportive manner;
- devolution of decision-making and governance structures: the delivery of services in partnership with the local Indigenous community;
- upfront investment in job readiness: the importance of connections with local services, as well as the need to be responsive to requirements at various stages of the participant's journey and local labour market conditions; and
- culturally appropriate workplaces: employers need to take responsibility for this, not solely the employee, service provider or dedicated Human Resources units.

Mainstream employment services are undergoing transformational change

Mainstream employment services are undergoing transformational change, with a new employment services model commencing on 1 July 2022, and the CDP piloting changes in 2022.

The new model is currently being trialled in two regions, Adelaide South in South Australia and the Mid North Coast region of New South Wales.⁴ From July 2022, a new Digital Employment Services Platform will enable job-ready job seekers to self-manage their job search online through Digital Services. This will allow for increased investment to be targeted to job seekers most in need, including many Indigenous Australian job seekers, who will receive tailored and intensive case management support through Enhanced Services providers. Employment services providers will deliver Enhanced Services through a contractual licence.⁵ Some regions may have specialist licences available to support job seekers from key cohorts, including Indigenous Australians.

The CDP will be replaced with a new remote engagement program in 2023. The revised program will be consulted on and co-designed locally with communities and key stakeholders. The NIAA will commence piloting a new remote engagement program in up to four locations before the end of 2021, following a co-design process. Communities, stakeholders and industry will be invited to share their ideas about the design of the new program as part of a public consultation process. More information will be available on the NIAA website soon.

The ISEP will leverage, but not duplicate, other Commonwealth and state and territory government. Funding under the ISEP will be available where there is a demonstrated genuine gap or opportunity that IAS investment can appropriately address, and where there is no duplication with existing Government investment, including mainstream employment services. As funding under the ISEP will be available across Australia, this includes both the new employment services model and CDP.

⁴ More information about the new employment services model is available at: <https://www.employment.gov.au/new-employment-services-model>

⁵ Refer to Department of Education, Skills and Employment, *Proposed licensing system for the new employment services model: Discussion paper*, published 10 September 2020, <https://www.employment.gov.au/proposed-licensing-system-new-employment-services-model-discussion-paper>.



Principles for a new model

To ensure the most efficient use of IAS funds, the proposed new model would provide tailored, locally informed investment to better suit local labour markets and respond swiftly to emerging skills acquisition and employment opportunities. The ISEP design will be based on the need to:

- address specific barriers to employment at the regional and local levels;
- work with local communities to identify existing and emerging engagement and employment opportunities;
- respond to emerging regional labour market needs and opportunities for both job seekers and businesses;
- target specific cohorts of Indigenous Australians based on data and evidence, supplemented with local knowledge and need; and
- support employers to understand and realise the potential of the Indigenous workforce.

NIAA is particularly interested in views regarding region-focussed and local community approaches that:

- embed shared decision-making in community-based workforce planning;
- address the specific barriers to skills development, engagement and employment at the regional level;
- drive skills acquisition that meets emerging industry needs;
- leverage other Commonwealth and state and territory government investment to increase access to skills acquisition and job opportunities;
- respond to emerging regional labour market needs and opportunities;
- support employers, particularly small and medium-sized enterprises (SMEs), to increase Aboriginal and Torres Strait Islander peoples' representation in their workforce and to sustain safe and culturally appropriate working environments; and
- build on the cultural and community capital of Aboriginal and Torres Strait Islander people to further employment and economic development outcomes.



Discussion questions on the future of IAS funded Indigenous-specific employment programs

How should the Indigenous skills, engagement and employment Program (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?

- NIAA is interested in stakeholders' views on whether Indigenous-specific employment investment should target specific cohorts, transition points, regions, industries, barriers, etc.

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?

- NIAA is interested in stakeholders' views on more flexible investment that builds on success factors and leverages partnerships and other investment at the local level, including partnerships and opportunities for co-investment with industry.

How should results of the new ISEP program be measured, monitored and evaluated to ensure investment contributes to closing the gap in employment outcomes?

- NIAA is interested in stakeholders' views on how Indigenous-specific employment investment should be monitored and meaningful data collected and made accessible to demonstrate clear outcomes.

How can we embed shared-decision making in community-based workforce planning?

- NIAA is interested in identifying the opportunities for partnerships with appropriate stakeholders in the employment space, and how shared decision-making can be best facilitated, for example through community-based workforce planning.

How can the ISEP encourage potential employers of Aboriginal and Torres Strait Islander people to provide safe and culturally appropriate work environments? How can employers better value the skills and perspectives of Indigenous employees?

- NIAA is interested in understanding how all employers, including Indigenous employers and SMEs, can be supported to further employment outcomes for Aboriginal and Torres Strait Islander people.

How should the ISEP consider a local focus?

- NIAA is interested in stakeholders' views on whether defined boundaries required for the ISEP, or whether applicants for funding under the ISEP are best placed to determine the local region within the context of a specific funding proposal?



How to provide feedback

Privacy Notice

The National Indigenous Australians Agency (NIAA) is collecting your personal information in this consultation process for the purpose of considering the future of Indigenous-specific employment investment. For the same purpose, we may provide this information to relevant Ministers and government agencies (including contractors).

Your participation in the consultation responding to the discussion paper is voluntary. If you choose not to provide us with your personal information we may be unable to contact you about the consultation, however we will still consider your comments. Submissions received within the scope of the discussion paper will be published on the NIAA website in the interest of transparency and sharing of views.

Except as indicated above, the Agency will not provide the personal information collected from you to anyone else outside the Agency unless you have given consent for us to do this, or we are authorised or required to do so by law. However, the Agency may disclose or publish your de-identified information for the purposes set out above. The privacy and security of your personal information is important to us, and is protected by law.

The Agency's Privacy Policy can be found at <https://www.niaa.gov.au/pmc/who-we-are/accountability-and-reporting/privacy-policy>, which explains how the Agency handles and protects the information provided by you. The Agency's Privacy Policy also explains how you can request access to or correct the personal information we hold about you, and who to contact if you have a privacy enquiry or complaint. If you require a copy of our Privacy Policy contact the Privacy Officer at privacy@niaa.gov.au

The NIAA welcomes stakeholders' views on these and on any other relevant issues raised in this discussion paper, you can provide your views through making a submission. While submissions may be lodged electronically or by post, electronic lodgement is preferred. For accessibility reasons, please submit responses via email in a Word or RTF format. An additional PDF version may be submitted. If you wish to submit your response in a different format, e.g. video submission, please contact ISEP@niaa.gov.au to coordinate this response. You will receive an email acknowledging receipt of your submission within one business day.

Submissions received be published on the NIAA website in the interest of transparency and sharing of views. If you would like all or part of your submission to either not be published or to be published anonymously, please state this clearly in your submission. Otherwise your providing of a submission to NIAA will be considered consent for NIAA to publish that submission and your name and/or organisation name.

NIAA will use the submissions to inform advice to the Government regarding stakeholder views on future investment in Indigenous-specific employment programs through the IAS. NIAA may contact you to discuss your submission in more detail.

Closing date for submissions is **10 September 2021**

Email submissions to: ISEP@niaa.gov.au

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