

How do we get Australian companies to employ more indigenous workers? How do we ensure they are educated, trained and job ready? What part should government and the private sector play in supporting indigenous people trying to start their own operations? We put a series of questions to those who are working to change the narrative on indigenous success



Andrew Forrest
Non-executive chair
Fortescue Metals Group
Chair
Munderoo Foundation

1. All forms of bigotry are reprehensible, but I would absolutely agree with Noel Pearson in saying the “racism of low expectations” presents a greater challenge to creating parity between indigenous and non-indigenous Australians.

I am a firm believer in the power of employment and have often called on the business community to actively engage in providing indigenous Australians with work.

This is one of the core reasons I founded GenerationOne and made it our mission to get the private sector to pledge more than 50,000 jobs guaranteed for suitably trained indigenous people.

I’ve said before that one of the best ways to truly appreciate the talent, ambition and drive of an indigenous Australian is to work with them. This not only has the potential to change “soft” prejudices, but also to build a newly employed person’s sense of agency

and self-determination. I’ve also called on our government to abandon the numerous failed policies of the past. It is very clear that our welfare system, in which indigenous Australians are grossly overrepresented, needs serious and urgent reform.

2. The training and employment services system needs a complete overhaul. It focuses on “training for training’s sake”, which only serves the interests of the training provider and not the employer or the job-seeker.

Through our Vocational Training and Employment Centres partnership with the Australian government, we have placed more than 6000 indigenous Australians into long-term and meaningful employment. This demonstrates the success of demand-led training.

In Creating Parity – The Forrest Review

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Question 1.

Noel Pearson recently sparked a debate when he claimed that a “soft bigotry of low expectations” was a greater obstacle to indigenous reform than hard bigotry. Do you agree?

Question 2.

Just 48 per cent of adult Aboriginal and Torres Strait Islander people are employed. What is needed to help indigenous people enter the workforce or start their own business?

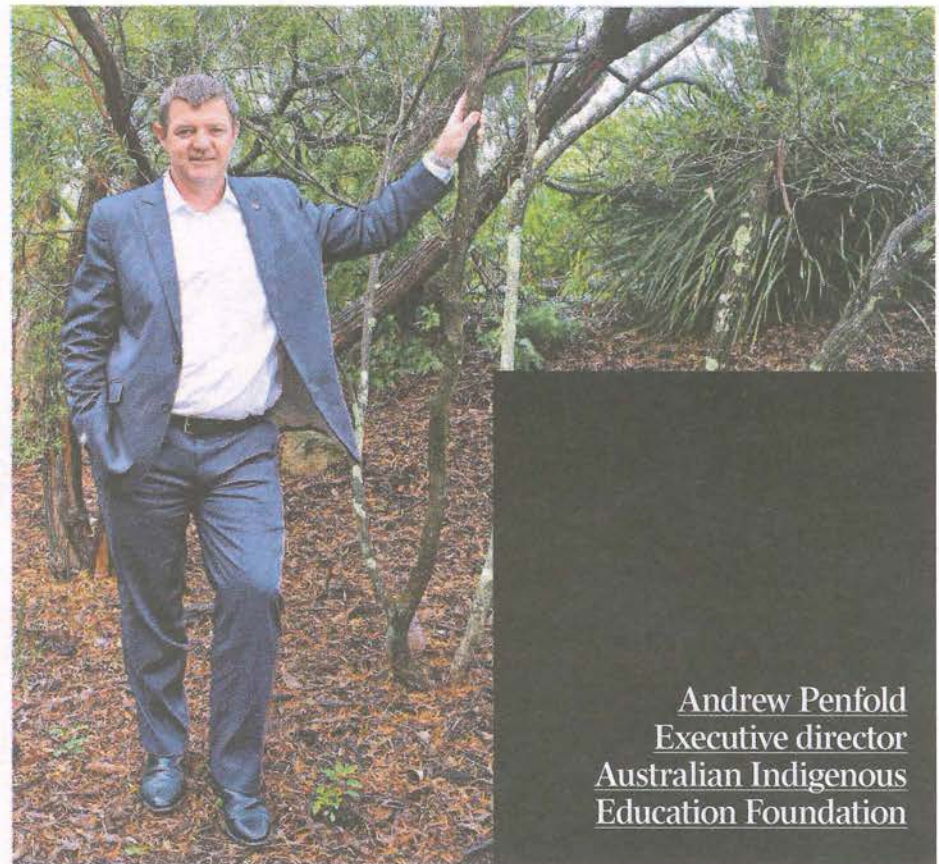
Question 3.

The government’s Indigenous Procurement Policy has increased demand for indigenous businesses, goods and services. What other strategies are needed to encourage the private sector to directly invest in indigenous companies?

(2014), I also highlight the importance of government adopting indigenous employment and contract targets. The public sector, being one of the country’s biggest employers, manages billions of dollars’ worth of salaries and contracts, and needs to join with the private sector in creating employment parity.

3. More and more, the private sector is discovering a business case for engaging with indigenous-owned businesses, which goes beyond corporate social responsibility. I believe that this is critical to ensure the sustainability of any endeavour to engage with indigenous business.

FMG has more than \$1.5 billion dollars’ worth of contracts with indigenous businesses. We do not just do this to generate a social licence to operate, we do it because it makes good business sense and we are getting great value.



Andrew Penfold
Executive director
Australian Indigenous
Education Foundation

1. Unlike hard bigotry, which is easy to spot, the “soft bigotry of low expectations” is insidiously racist. And many who would not consider themselves to be bigots or racists are guilty of this. Soft bigotry manifests in paternalistic racism when people say things like indigenous kids “don’t belong” in big city boarding schools, or that they should stay in their community to go to school.

Nobody tells a white miner, farmer or country politician that it’s wrong for them to send their kids to boarding school in the city. But the soft bigots try to tell Aboriginal parents where they should and shouldn’t send their kids to school. Many of these hypocrites also send their own kids to boarding schools in cities but argue that indigenous mothers shouldn’t have that same choice, and at the same time protest about paternalistic policies when their own arguments are paternalistic in the extreme.

Their vapid message is clear – if you are rich and white you are free to choose what school to send your kids to but if you are indigenous you should stay where you are and just accept your lot rather than having higher aspirations for your kids.

I left my career as a lawyer and banker nearly 15 years ago because I absolutely believe from my first-hand experience that quality education is the silver bullet to enable anyone to empower themselves. Since setting up AIEF, I’ve seen nearly 1000 young indigenous kids reject the status quo by working unbelievably hard to gain a quality education at schools with high expectations of all of their students. They show the same determination in work and further study and for these young people, as our results show, social and economic advancement is pretty much guaranteed.

Young indigenous Australians who refuse to be held back by low expectations – like our scholarship students, 94 per cent of whom stay at school and complete Year 12 – will do more than anyone to change perceptions in the broader community, and empower and encourage the social and economic advancement of their fellow indigenous Australians. Organisations such as AIEF and the companies and individuals who support us help by opening the doors of quality education to them, by making sure that nothing stands in the way of an indigenous child who wants to pursue their education at a great school, and that once there, students are supported to make the most of the opportunity.

2. ABS data shows there is no employment gap between indigenous and non-indigenous Australians who are well educated. The fact that 94 per cent of our scholarship graduates are productively engaged in the workforce, businesses and tertiary education provides further evidence that quality education and wrap-around career support are the most effective measures to close the employment gap. Right now, there are more business and employment opportunities available than there are indigenous candidates to take them up. The demand is prodigious but there is a big shortage of well-educated indigenous Australians to meet that demand. So if you want to help indigenous people enter the workforce or start their own business, you’ve got to build the supply side, by providing opportunities for indigenous kids to access high-quality education. Not in 20 years when state and territory governments and all the soft bigots might get around to doing something, but now!

3. The Government’s Indigenous Procurement Policy is good policy because, as this government knows, governments are much better off putting policy settings in place, funding proven and scalable programs, and providing leadership and imprimatur while enabling nimble, innovative and efficient organisations to do the implementing. Many leading Australian companies are taking this a step further by building the capacity of their indigenous suppliers so they’re equipped to grow and compete with other businesses in their sector. They do this because they can see the two outcomes of creating shared value in the community and creating superior financial returns for shareholders as symbiotic and mutually inclusive.



Josephine Cashman
 Managing director,
 Riverview Global Partners
 Member of the PM's
 Indigenous Advisory Council

1. I agree with the sentiment of Noel's comments, but I think the underlying issue is really about cultural competency or the lack thereof for people working in indigenous affairs across Australia.

There is actually very limited experience and knowledge of indigenous affairs within the respective bureaucracies, especially in relation to remote Australia. Most Australians have no idea about indigenous Australia, and this leads to those in the bureaucracies, and also the NGO sector being disproportionately impacted by the negative narrative of the mainstream media.

There are very few positive articles in the media, so people quickly develop a negative stereotype of indigenous people, and this affects their thinking when they work in policy development and program delivery. The key issue is then for Australians to become much more aware of indigenous Australia.

2. The number-one measure is to understand this issue in detail by being able to differentiate the economic circumstances of indigenous people in urban, regional and remote Australia. Up front, it needs to be acknowledged there are a lot of great public, private and community sector organisations making significant inroads in this area. But it is true that the

efforts of Reconciliation Australia and Career Trackers targets mostly urban indigenous people, whereas unemployment is highest in regional and remote Australia, with many discrete remote indigenous communities having unemployment above 80 per cent.

The second measure is therefore to increase the percentage of indigenous people in work in remote Australia.

This is a challenge that has very specific solutions around employment and procurement policies, and the establishment of enabling environments in remote Australia, – it can be done!

The third measure is to ensure that a fully integrated approach is provided to support children in school and adults in work.

3. The Government's Indigenous Procurement Policy was actually introduced in May 2011 by the Department of Treasury and Finance. In its first four years of operation, only one contract of \$6 million was awarded.

There are two other strategies that need to be introduced. First, a more effective indigenous employment policy that operates in a similar way to the Northern Territory's Indigenous Employment Provisional Sum; and second, a much more effective way of providing professional services support to

indigenous businesses. The current grants program regimes across all jurisdictions, including through the Department of Prime Minister and Cabinet and Indigenous Business Australia (IBA) at the national level, do not meet the needs of indigenous business operators. The present model of business support lacks agility and customer focus.

IBA estimates that there are more than 5000 indigenous businesses. Most are small and not able to seek traditional financing options. Traditionally, Australia does not have a culture of investment in start-up companies.

The major issue affecting investment in small business is that the regulatory and tax environments have not been geared towards investment in riskier small businesses. The Turnbull government has taken steps to address this discrepancy. Further tax incentives should be examined for investment in indigenous businesses if we are to become an all-encompassing innovative nation.

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We need to ensure that indigenous businesses aren't set up to fail, or worse, create greater disadvantage through failed ventures that lead to bad debt or bankruptcy



Sean Gordon
CEO
Darkinjung Local Aboriginal
Land Council
Chair
Empowered Communities
National Leaders Group

1. I absolutely agree. What Noel said is not new; he has been saying it for decades. The foundation of his thinking – the centrality of personal responsibility – is rooted in the soft bigotry narrative. While we are disempowered, not able to take responsibility, we will always end up being the victims of low expectations, be it by the media, politicians, governments or the general public.

I am sure Noel would share my frustration when asked about how to overcome the social and economic disadvantage of our people. More than two years ago, we and other indigenous leaders put forward a comprehensive plan for exactly that. The Empowered Communities – Empowered Peoples report details a wide-ranging strategy for empowerment, which is the key to indigenous success. So governments should revisit the Empowered Communities report and support, in full, all the recommendations.

That will go a long way to empower and encourage the social and economic advancement of indigenous Australians.

2. Look, this is a very complicated issue. There is no use sugar-coating it. I know of indigenous communities where there are jobs and there are unemployed people. But the jobs can't be filled because the people are not capable or

don't have the capacity. I am not talking about skills – these are low-skill jobs with training. I am talking about things such as turning up every morning on time and committing long term. We have much work to do in helping many indigenous people to be job ready and job steady. We need to help them overcome generational welfare dependency, addictions and the like.

Going back to your first question, how to help these people needs to come from empowering indigenous communities. The right responses will always come from the community.

I think the top measure needed to help indigenous people enter the workforce is the empowerment of communities to enable them to put in place the fundamental support for people to become job ready and job steady. Without that, I can't see how we will have most indigenous people in jobs as the gap keeps widening, both within indigenous communities and between indigenous people and other Australians.

3. The Indigenous Procurement Policy is good; it certainly helps with the supply and demand of work. But that is only one factor in running a solid business. I think that the private sector, and the public sector, can help

by working with the suppliers to develop good safeguards and risk-management plans. These will help the supplier adjust their governance and systems to become better businesses.

The purchasers should also look at things such as shorter payment terms. Many indigenous businesses are dealing with unique issues such as the social need to develop a lower-skilled workforce, which might lead to longer project completion times and high staff turnover. The ensuing drop in profit can be somewhat mitigated by enabling policies and steadier cash-flow. We need to ensure that indigenous businesses aren't set up to fail, or worse, create greater disadvantage through failed ventures that lead to bad debt or bankruptcy.

For investors, the same sort of thinking is required. It is all about cash and expertise. When investing financially, they should ensure that the business has the expertise in place to ensure success. If they are up for that, I can assure them that there are many great indigenous businesses ready for investment out there.

Beyond that, I have noticed there are many young indigenous people looking to make their way in the world of start-ups and as entrepreneurs. That is exciting. Imagine if investors came in and gave them their hand up. In a generation, we could really shift the dial. **D**