

10 December 2013

Mr Trevor Rowe
Committee Secretary
Standing Committee on Health, Ageing,
Community and Social Services
Legislative Assembly for the ACT
GPO Box 1020
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Dear Mr Rowe,

Inquiry into ACT Public Service Aboriginal and Torres Strait Islander employment

Thank you for the invitation to the Centre for Aboriginal Economic Policy Research (CAEPR) at The Australian National University (ANU) to provide a submission to the Inquiry into ACT Public Service and Torres Strait Islander Employment.

Although CAEPR has not undertaken work specifically into Indigenous in the ACT public service, CAEPR has produced a substantial body of research into the determinants of employment and what works in increasing employment rates of Indigenous employment. CAEPR papers which are particularly relevant to the work of the inquiry include:

- Gray, M., Hunter, B. and Howlett, M. (2013), "Indigenous employment: A story of continuing growth", Topical Issue No. 2/2013, Centre for Aboriginal Economic Policy Research, The Australian National University, Canberra.
- Gray, M., Hunter, B. and Lohar, S. (2012), *Increasing Indigenous Employment Rates*, Issues Paper No. 3, Closing the Gap Clearinghouse, Australian Institute of Health and Welfare, Canberra.
- Hunter, B. and Gray, M. (2013), "Workplace agreements and Indigenous-friendly workplaces", *Indigenous Law Bulletin*, 8(8): 7-13.

CAEPR research has found that there have been substantial increases in Indigenous employment since the mid-1990s and while much of the increases in employment has been in the private sector, the public sector has also made an important contribution to the increases in Indigenous employment (Gray, Hunter and Howlett, 2013).

A comprehensive overview of what works in increasing Indigenous employment is provided by Gray, Hunter and Lohar (2012). This paper summarises our state of knowledge as follows:

What we know

- Indigenous Australians have much lower employment rates than other Australians.
- Reasons for the lower employment rates include lower levels of education, training and skill levels (human capital), poorer health, living in areas with fewer labour market opportunities, higher levels of arrest and interactions with the criminal justice system, discrimination, and lower levels of job retention.
- There has been a substantial increase in Indigenous employment over the period 1994 to 2008, especially in the private sector.

- It is important to have policies that both increase the demand for Indigenous workers and increase the number of Indigenous people who want paid employment and have the necessary skills to fill available vacancies.

What works

- Increasing the skill levels of Indigenous Australians via formal education and training.
- Pre-employment assessment and customised training for individuals in order to get Indigenous job seekers employment-ready.
- Non-standard recruitment strategies that give Indigenous people who would be screened out from conventional selection processes the opportunity to win jobs.
- The provision of cross-cultural training by employers.
- Multiple and complementary support mechanisms to improve the retention of Indigenous employees is crucial. These may include:
 - ongoing mentoring and support
 - flexible work arrangements to allow Indigenous employees to meet their work, family and/or community obligations
 - provision of family support
 - dealing with racism in the workplace via initiatives such as the provision of cross-cultural training
- Wage subsidy and other labour market programs can be effective for Indigenous job seekers.
- A strong macro-economy, which creates a range of new jobs.
- Having explicit Indigenous employment goals for government programs that deliver goods or environmental or personal services.

What we don't know

There is only a limited understanding of the causes of Indigenous labour market disadvantage. In particular, relatively little is known about the following:

- What influences whether Indigenous people seek paid employment and whether these influences are different from the non-Indigenous population?
- The effects on Indigenous Australians of changes to the income support system designed to encourage work force participation.
- The role played by employer practices and policies.
- The effectiveness of labour market programs that are not specifically aimed at Indigenous job seekers at increasing employment rates of Indigenous Australians.
- Why more Indigenous Australians are not moving to areas with better employment opportunities.
- The extent of labour market discrimination against Indigenous Australians and how to reduce the levels of discrimination.
- Whether, for some Indigenous people, there is a tension between cultural practices and maintaining paid employment.

Yours sincerely,



Professor Matthew Gray