

**JOB COMPACTS
BACKGROUND INFORMATION**

JULY 2008

INTRODUCTION

The Job Compact program is an initiative of the Premier of New South Wales to improve employment opportunities for Aboriginal people in the private sector. The NSW Government has identified improving Aboriginal employment outcomes as a priority of the State Plan and the ten year Aboriginal Affairs Plan, *Two Ways Together*. In particular, Job Compacts is the primary strategy under State Plan Priority F1: *Strengthening Aboriginal Communities* to target improved private sector employment outcomes. It is intended that Job Compacts build on and complement existing NSW Government employment and training related initiatives and programs.

BACKGROUND

Across most socio-economic indicators, Aboriginal people are disadvantaged when compared to the general NSW population. Because employment is a key element of economic independence and has a direct bearing on general wellbeing, improving employment outcomes for Aboriginal people will have a range of positive flow-on effects. According to the 2006 Census, the Aboriginal unemployment rate in New South Wales was more than three times higher than that of the general population (16.2%)¹. ABS Census projections estimated that by 2009 the number of Aboriginal people of working age will increase by 21%,² which makes it all the more important to focus on measures that will boost Aboriginal employment. Just to maintain the current Aboriginal employment rate would require 6,989 new jobs in NSW by 2009. However, to reach an employment rate for Aboriginal people consistent with the general NSW employment rate would require almost 25,000 new jobs by 2009.

In the context where overall unemployment is at its lowest level in 30 years and labour market and skills shortages are predicted to grow in the future, there is strong reason to expect that the unemployment rate experienced by Aboriginal communities would have reached much lower levels. Given this is not the case Job Compacts are an important strategy to link the growing number of Aboriginal job seekers with the growing pool of job opportunities.

A key focus of Job Compacts will be to forge strong relationships between the private sector, industry groups, employment services, training providers and Aboriginal communities. Each Compact will identify how government agencies, business and industry

¹ Aboriginal unemployment is approximately 16.2% compared to 5.1% of the general population in NSW, 2006 Labour Force Survey.

² ABS 2004:53.

groups, key Aboriginal organisations and local government can work together to facilitate greater employment opportunities for Aboriginal people locally.

The following 12 Job Compacts have been established as of 30 June 2008:

Tamworth
Campbelltown/Macarthur
Illawarra
Cobar

Wagga Wagga
Eastern Sydney
Dubbo
Redfern

Blacktown/Mt Druitt
Tweed Heads
Newcastle/Hunter
State-wide MOU

WHAT IS A JOB COMPACT

Job Compacts are two year agreements developed on a location or industry basis to generate local employment opportunities for Aboriginal people. They are an important tool in developing strong partnerships with industry groups, businesses and Aboriginal job seekers. Interested stakeholders can join Job Compacts at any time during the life of the agreement.

Job Compacts have been developed in a flexible manner so that they relate to local or industry specific circumstances. As a result there are a variety of different signatories involved across each compact. As a general rule however, Job Compact agreements include a range of employers, service providers, local government, government agencies and Aboriginal community organisations that have made a broad commitment to the job compact objectives. Signatories have also made the commitment to undertake steps to develop and maintain Aboriginal cultural awareness within their organisation. A number of Job Compact signatories have also committed to specific actions to support employment related strategies.

To support Job Compacts, an information kit has been developed for most site, which includes guides for employers and employees and a local service directory. The guide for employers outlines practical advice on how to successfully recruit and retain Aboriginal staff. The guide to employees provides practical advice on how to get a job and keep it.

How will Job Compacts be coordinated with non-Government stakeholders?

Economic development and employment are areas that extend across both State and Federal jurisdictions as well as across the private and public sectors. Consequently, Job Compacts requires strong partnerships between governments and non-government organisations, industry groups, employment services, training providers and Aboriginal communities to successfully link the growing pool of potential Aboriginal employees with a growing number of employment opportunities.

To support the development of Job Compacts the NSW Government has developed an *Overarching Memorandum of Understanding on Job Compacts* (the MOU) with the NSW Business Chamber, the Local Government & Shires Associations of NSW, Unions NSW and the NSW Aboriginal Land Council.

An action plan accompanies the MOU outlining the undertakings each party will implement to support the development of Job Compacts. This action plan is a living document and will be updated as required.

How do Job Compacts fit into other Government economic development initiatives?

The NSW Government currently spends approximately \$7 billion each year on construction projects and the construction industry is one of the industries targeted under Job Compacts. As such, Job Compacts have a direct link to the *Aboriginal Participation in Construction Guidelines* which promote greater employment of Aboriginal people on NSW Government construction projects. Further information about the *Aboriginal Participation in Construction Guidelines* can be located at www.commerce.nsw.gov.au

Under the *Overarching Agreement on Aboriginal Affairs between the Australian and NSW Governments* (the Bilateral Agreement) entered into in March 2006, both Governments have agreed to work together to promote the participation of Aboriginal people in the mainstream workforce. This joint work is being coordinated through the Inter-Governmental Aboriginal Affairs Group (IAAG) made up of senior officials from both governments established under the Bilateral Agreement. IAAG have listed Job Compacts as a priority for joint action.

The Australian Government plays an important role in assisting people into employment and delivers a range of programs that provide employment, job placements and training. The Federal Departments of Employment, Education and Workplace Relations and Family and Community Services and Indigenous Affairs participate in Job Compacts.

Building business relationships with communities

Improving employment outcomes will require a range of strategies that aim to overcome the barriers currently limiting Aboriginal people's access to jobs, including:

- a lack of Aboriginal cultural awareness among employers;
- a lack of positive role models for Aboriginal young people entering the workforce;
- impact of inter-generational unemployment;
- lower skill and education levels among Aboriginal school-leavers than their non-Aboriginal counterparts;
- significantly higher incidences of poor health;
- higher rates of imprisonment among Aboriginal people when compared with the non-Aboriginal population; and
- a lack of support infrastructure for Aboriginal employees, such as mentoring and suitable transport to access work and training opportunities.

Job Compacts have the potential to develop local partnerships to overcome these barriers by:

- identifying industries and employers which may be able to provide training and employment;
- building trust and goodwill between local businesses, local councils, government agencies and local Aboriginal people; and
- providing an opportunity to make a positive difference in peoples lives noting that employment is a major factor contributing to strong families and communities.

Improving business outcomes

The private sector is facing a growing challenge posed by skill and labour market shortages, with many companies finding it necessary to recruit staff from other locations (sometimes overseas). Consequently, it is becoming increasingly important for companies to develop strategies to attract and retain staff, particularly local staff. Job Compacts presents an opportunity for the private sector to:

- work with government stakeholders to address skills and labour market shortages;
- build relationships with Aboriginal communities in which there is a growing number of potential local employees who are committed to staying in the area;
- increase clarity around the role that employment services, training providers and government agencies can play to support businesses to attract and retain Aboriginal employees;
- build a diverse workforce that is reflective of the client base and expands the cultural perspective of the organisation; and

- build a reputation as a responsible employer that values diversity and supports Indigenous employment, which in turn reinforces customer loyalty and increases business opportunities with Aboriginal organisations/governments.