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PRESS RELEASE

VTECs – 5,000 Jobs Filled

Perth, 05 October 2016

The Minderoo Foundation is proud to acknowledge the announcement made today by the Prime Minister the Hon Malcolm Turnbull MP and the Minister for Indigenous Affairs Senator the Hon Nigel Scullion; that over 5,000 people have been placed into long term employment through the Minderoo Foundation's GenerationOne Vocational, Training & Employment Centres (VTECs).

The VTEC model connects Indigenous job seekers with guaranteed jobs and provides a support network to prepare them for long-term employment. The defining feature of the VTEC program is the commitment by employers to provide a guaranteed job before the commencement of industry specific training. VTECs have a target of 70% retention at 26 weeks which is vastly above typical industry benchmarks.

The concept of linking Government sponsored training providers with business, and only providing subsidies after the sustained employment of Indigenous Australians, was envisaged by the current Chairman of the Minderoo Foundation, Andrew Forrest in the late 1990s. The Hon Peter Reith, a Minister in the Howard Government was strongly supportive of the idea and by 2008 the former Prime Minister, the Hon Kevin Rudd launched the successive Australian Employment Covenant (AEC) at Kirribilli House.

The AEC symbolised an agreement between employers who would guarantee jobs, and the Australian Government, who committed to funding training to employer specifications, with the goal of securing 50,000 sustainable jobs for Indigenous Australians. The business community rose to the challenge and pledged to fill over 60,000 positions. The AEC was the precursor to the VTEC model, which has enabled employers to fulfil their pledges. To date, more than 28,000 jobs have been filled, and the VTEC model has assisted in training, linking and supporting additional Indigenous job-seekers with partner employers.

“The success of the VTEC model is a concrete example of the type of positive strategies that the Government should continue to invest in,” said Matt O’Sullivan, Chief Operating Officer of GenerationOne.

The results of the VTEC trial strongly support the effectiveness of a model that can be used to address systemic unemployment. Minderoo calls on the Government to take the learnings from VTEC to scale, reforming how employment services are delivered for all vulnerable Australians. Equally, we invite businesses across all industries to continue to commit employment opportunities for Indigenous people and be part of the generation to end disparity. The VTEC model was created following a ground-breaking initiative by Fortescue Metals Group that introduced guaranteed job training.

“We offer our sincere gratitude for the commitment of VTEC providers and applaud the business community for making this success possible. When we refuse to accept the plight of vulnerable Australians, when we push back against the status quo, have the courage of our convictions and are willing to have a go, we can create parity,” said Mr Forrest.

“Unless additional training providers engage in risk and reward behaviour, the Government will continue to fall short of their targets,” concluded Mr Forrest.

Mr Forrest will be addressing this and the broader issue of welfare reform and education at the National Press Club next week on Wednesday, 12 October 2016.

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