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Education and Workforce Training Study
Productivity Commission
LB2 Collins Street East
Melbourne VIC 3008

28 March 2011

Dear Sir/Madam

VOCATIONAL EDUCATION AND TRAINING WORKFORCE DRAFT RESEARCH REPORT

ANZ welcomes the opportunity to respond to the Vocational Education and Training Workforce (VET) Draft Research Report. As a host employer of close to 350 Trainees participating in VET courses nationally, ANZ is well placed to provide feedback on student and industry experience as well as expectations of the VET Workforce. Our Indigenous Traineeship program has been in place since 2002. In that time we have recruited over 400 Indigenous Trainees. We can also provide feedback in relation to experiences and possible improvements to VET to support Indigenous participation and positive outcomes.

ANZ's Indigenous Commitments

In 2007, ANZ became the first major Australian company to make public commitments via Reconciliation Australia's Reconciliation Action Plan (RAP) program to helping reduce the disadvantage of Indigenous Australians through:

- Employment,
- Financial Literacy and Inclusion,
- Cultural Recognition and Awareness, and
- Capacity Building.

Our commitments align with ANZ's overarching Corporate Responsibility strategy, in the following areas:

- **Individual Prosperity** - Creating pathways to prosperity – innovative education, employment, financial skills development and wealth building programs, with a particular focus on disadvantaged and vulnerable communities.
- **Thriving Communities** - Strengthening employee engagement, championing the development of local leaders and contributing skills and resources to address local issues aligned with our priorities.
- **Responsible Growth** - being a role model for responsible business growth and business behaviour and making decisions that balance economic, social and environmental considerations in every market across our 'super-region'.

Our RAP objectives are further supported through our Local Reconciliation Action Plan program which allows for place based commitments to be driven by local branch network staff working in partnership with local communities.

Local Reconciliation Action Plan (LRAP) Case study

Owned at ANZ District Managers level and implemented at a Branch level, the LRAPs encourage staff development, cultural awareness and community engagement. ANZ has committed to LRAPs across 15 regional areas. We recognise that Indigenous communities are highly diverse and that opportunities to assist these communities are often more effective when they're identified, designed and executed by ANZ staff who have local knowledge.

LRAPs enable ANZ to avoid the pitfalls inherent in a 'one-size-fits-all' approach. The success of this localised approach is demonstrated through the work of Karl McLean, a District Manager on the New South Wales mid-north coast. Karl established a mutual mentoring relationship with Neil Davies, a senior representative of the local Indigenous community who has strong links to the local Aboriginal land councils.

The relationship was built around regular meetings and a commitment by Karl to provide financial information and assistance to Neil, who in turn provided an entry into local Indigenous knowledge and networks. The relationship has flourished to the point that Karl began providing advice and expertise to local Aboriginal land councils, assisting them to manage a range of highly valuable assets and develop sustainable solutions for some local issues. Karl brought in ANZ Advisors to help.

As Karl's appreciation of the challenges facing his local Indigenous clients grew, he introduced other initiatives to assist, including mutual mentoring programs, networking initiatives, and cultural awareness programs. Karl says the most effective local programs ANZ has introduced are the mentoring and employment programs. By offering mentoring, traineeships and permanent employment to local Aboriginal people ANZ has boosted their skills and confidence, and in turn boosted ANZ's capacity to serve the local Indigenous community through a new and talented Indigenous workforce.

"One of the best aspects to what we've done on the mid-north coast is gain access to a pool of amazing talent. We now have some absolute stars working for us," Karl says.

ANZ Traineeships Experience

- Both school-based and full time traineeships are available for Indigenous young people across Australia.
- Full time traineeships are available to non-Indigenous people across Australia.
- 420 Indigenous trainees have been recruited by ANZ to date (100 per year since 2007)
- ANZ recruits considerably more Indigenous trainees than any of our competitors, and is considered the leader in this space.

Traineeship benefits to ANZ include:

Workforce efficiency – Developing a talent pool in local areas supports ANZ in addressing labour shortage challenges particularly in regional areas and supports better succession planning. Investing in traineeships can help us reduce turnover rates which lead to reduced recruitment costs.

Improved customer relationships and compliance – Employing a workforce that is representative of the communities in which ANZ operates helps to develop trust and allows ANZ to better engage Indigenous as well as younger customers. Banks are obliged to understand customers' needs and offer them appropriate products. Indigenous Traineeships enable ANZ to increase the number of Indigenous staff and in conjunction with providing cultural awareness training to frontline staff at ANZ. This enables us to better understand and serve Indigenous customers.

Staff engagement and satisfaction – Staff involved supporting trainees at ANZ report higher levels of engagement and satisfaction through the opportunity to help develop young people within their role.

ANZ VET Experience and Expectations

- VET is a good fit in regard to our School Based Traineeship program. The work related skills the Trainees are exposed to make them highly employable within or outside our industry (team work, customer service, cash handling, prioritising etc). The Trainee is learning on the job whilst undertaking more theoretical learning through school and their cert 2 studies. This a good mix for them and us. For those VET students relying on work placements not under a Traineeship, it may be difficult for them to gain the required exposure to the work place to acquire skills at the level required to make them immediately employable.
- People who are "job ready" and able to learn are attractive to employers. Having VET opportunities allows students to gain exposure to work places that help with future career choices and & develop on the job skills which are transferable across many industries/work places.
- Course requirements across Australia are inconsistent. This can affect the relevance of the study components at school and through TAFE. Relevance is essential i.e. Cert 2 business is very general where as Cert 2 financial services is more relevant to our work place.
- Establishing better relationships between the VET workforce and secondary school workforce could allow for easier transitions from school to work and better outcomes for employers and students. An ANZ staff member is participating in the NSW Board of Curriculum for high school studies to provide feedback on high school curriculum and direct links to School Based Traineeships and Full Time Traineeships. We highly recommend creating further opportunities for employers, VET and secondary school participants to work together to improve VET.
- In our experience there is a varied level of support for VET programs in different States education departments. Schools need to be encouraged to promote VET as a viable pathway rather than an alternative to university. Pathways that promote access to uni (via school or the employer as a mature age entrant) need to be presented to students & parents when making career/subject choices. Currently some perceptions of VET programs are for students interested in trade based non-university education/career options. As a business employer successfully utilising VET to develop new staff, VET options need to be seen in school and promoted to parents as a potential pathway to university as opposed to an opt out of university education.

Feedback on the Draft Report

- ANZ believes many of the benefits described above can be replicated in the VET sector by engaging the VET workforce through similar commitments, programs and strategies
- ANZ has found it useful to participate in Reconciliation Australia's Reconciliation Action Plan program to set, achieve and monitor our progress in commitments to Indigenous Australia. VET organisations including RTOs could be encouraged to participate in the Reconciliation Action Plan program to track and monitor their progress to improving VET outcomes for Indigenous Australians.
- We recommend the Productivity Commission refers to Reconciliation Australia's "Keeping Up – Strengthening transitions from education into workforce for young Indigenous Australians" report to further inform this VET research paper.

- We support the recommendations that the training of additional Indigenous staff in the VET workforce would encourage and support the participation and successful completion of VET programs by Indigenous Australians.
- A key aspect to improving retention and the experience of Indigenous trainees has been the inclusion of Indigenous mentors. We therefore recommend the VET workforce makes provision for Indigenous mentoring support.
- VET training could support Indigenous Australians by creating pathways to university in areas of the workforce where Indigenous Australians are under represented. Partnerships between the Indigenous community, professional bodies, employers and education sectors can help support students as they transition from the VET and other sectors into a profession.

Indigenous Professional Participation

Prosperity for Indigenous people is enhanced with increased Indigenous participation in areas including the economy, governance and leadership. Opportunities for full participation will require building Indigenous capabilities and participation rates in professions like law, engineering, medicine, psychology, dentistry, commerce and accounting.

The VET workforce will require increasing capabilities to interact with business, government, professional bodies and tertiary institutions as demand for Indigenous participation in professions grows.

ANZ recognises entry level VET qualifications and employment programs like Traineeship and Cadetships play an important role in identifying people with an interest, natural aptitude or ability for particular professions. With support initiatives like mentoring, short term professional placements and career planning, interested candidates can be helped to achieve their professional aspirations.

We believe closing the gap in professional participation rates is a necessary condition for Indigenous prosperity. With this in mind, ANZ's Traineeships and Indigenous Employment Team has begun to explore how ANZ can work more effectively to promote professional participation rates.

Initial focus is on the accounting profession, including working with some of ANZ's own professional accountants to explore opportunities to support Indigenous trainees with aspirations of being an accountant. Eventual VET workforce participation in programs such as this would be desirable to develop and integrated, well co-ordinated approach to increasing the supply of Indigenous professionals.

ANZ Traineeships and Indigenous Employment is planning to bring together representatives from professional bodies, education, government and business to understand the issues specific to the accounting profession and develop recommendations to address the gap.

Conclusion

ANZ supports initiatives that will improve outcomes for both Indigenous and non-Indigenous VET students. The Productivity Commission is welcome to discuss ANZ's experiences with the VET sector in further detail.

Kind Regards,

Bruce McQualter

Senior Manager, ANZ Traineeships and Indigenous Employment