

CHAPTER 11

EMPLOYMENT

1. The terms of reference require us to examine employment and training services for Indigenous people. For ease of analysis, we have addressed each as a separate function, but we recognise that there are important links between employment, training and education.

SCOPE OF THE EMPLOYMENT FUNCTION

2. We have taken the employment function to refer to those funding programs that are targeted to actively helping individuals to move to paid employment. Services to improve employment outcomes are generally Commonwealth programs, and its assistance strategies are provided separately or packaged together in various ways. They typically include:

- (i) job referral services;
- (ii) balancing uncompetitiveness in the labour market with wage subsidies;
- (iii) personal assessments and counselling for job seekers;
- (iv) training, including training in skills for searching for work;
- (v) grants paid to individuals to facilitate their transition to ongoing work;
and
- (vi) funding job creation directly.

3. We have excluded passive assistance such as unemployment compensation or schemes associated with encouraging early retirement. We have also excluded:

- (i) self employment or business development assistance — because it typically depends on financial or commercial viability criteria for funding, rather than employment assistance criteria;

- (ii) regional development grant programs — because they are primarily economic rather than employment assistance programs (the Regional Assistance Program specifically excludes funding of job or training assistance to individuals); and
- (iii) apprenticeship support programs — because they are directed principally to the skills requirements of industry.

4. Many areas of government expenditure can generate employment opportunities for Indigenous people as a by-product of their key purpose. For example, capital outlays on housing and infrastructure development in Indigenous communities can provide employment and vocational training opportunities for community residents. Allied to this, Commonwealth purchasing policies in response to the Royal Commission into Aboriginal Deaths in Custody require agencies to consider promoting employment opportunities for local Indigenous people when framing specifications for major tenders in areas where significant numbers of Indigenous people live. Direct recruitment into public sector workforces is also an important way in which the employment needs of Indigenous people can be met. The potential impact of these activities on the employment of Indigenous people is noted but has not been examined.

EMPLOYMENT AND UNEMPLOYMENT OF INDIGENOUS PEOPLE

Relative Disadvantage

5. **Indigenous people face greater disadvantage in employment than any other population group.** The following statistics, drawn from the 1996 Census, highlight this. Further information is provided in the Supporting Material to this Report.

- (i) The unemployment rate for Indigenous people was 23 per cent compared to 9 per cent for other Australians — the Indigenous figure would be up to 40 per cent if Community Development Employment Projects (CDEP) scheme participants were treated as unemployed¹.
- (ii) A smaller proportion of Indigenous people than other Australians participated in the labour force — 53 per cent compared to 62 per cent.
- (iii) Indigenous people are more reliant than non-Indigenous people on employment in the public sector — about 28 per cent compared to 18 per cent of non-Indigenous people.

¹ We have followed ABS practice and treated CDEP as an employment generating program. The CDEP scheme provides mostly part time work paid at rates equivalent to unemployment allowances.

- (iv) The Indigenous labour force is typified by a low level of skill — nearly 25 per cent of the Indigenous labour force worked as labourers in unskilled jobs, compared to 10 per cent of non-Indigenous people.
6. We also know the following.
- (i) Nearly 30 per cent of the Indigenous population live in rural and remote areas, where the labour market is poor, compared to 13 per cent of non-Indigenous people.
 - (ii) CDEP employment represents almost one third of total Indigenous employment. During 1999-2000, a ceiling of 34 900 participants applied to the CDEP Scheme.
 - (iii) Indigenous community organisations provide a large share of all Indigenous jobs. Up to 70 per cent of Indigenous employment relies on public funding².
 - (iv) With a rate of growth in the Indigenous working age population more than twice that of the non-Indigenous population, Indigenous employment status is likely to decline if demand for labour or the mobility of the Indigenous people does not increase.

INDICATORS AND NEEDS

7. Indigenous people are less likely to have a paying job than non-Indigenous people because:

- (i) they have lower levels of general education and relevant work skills; and**
- (ii) they are more likely to live where jobs are fewer.**

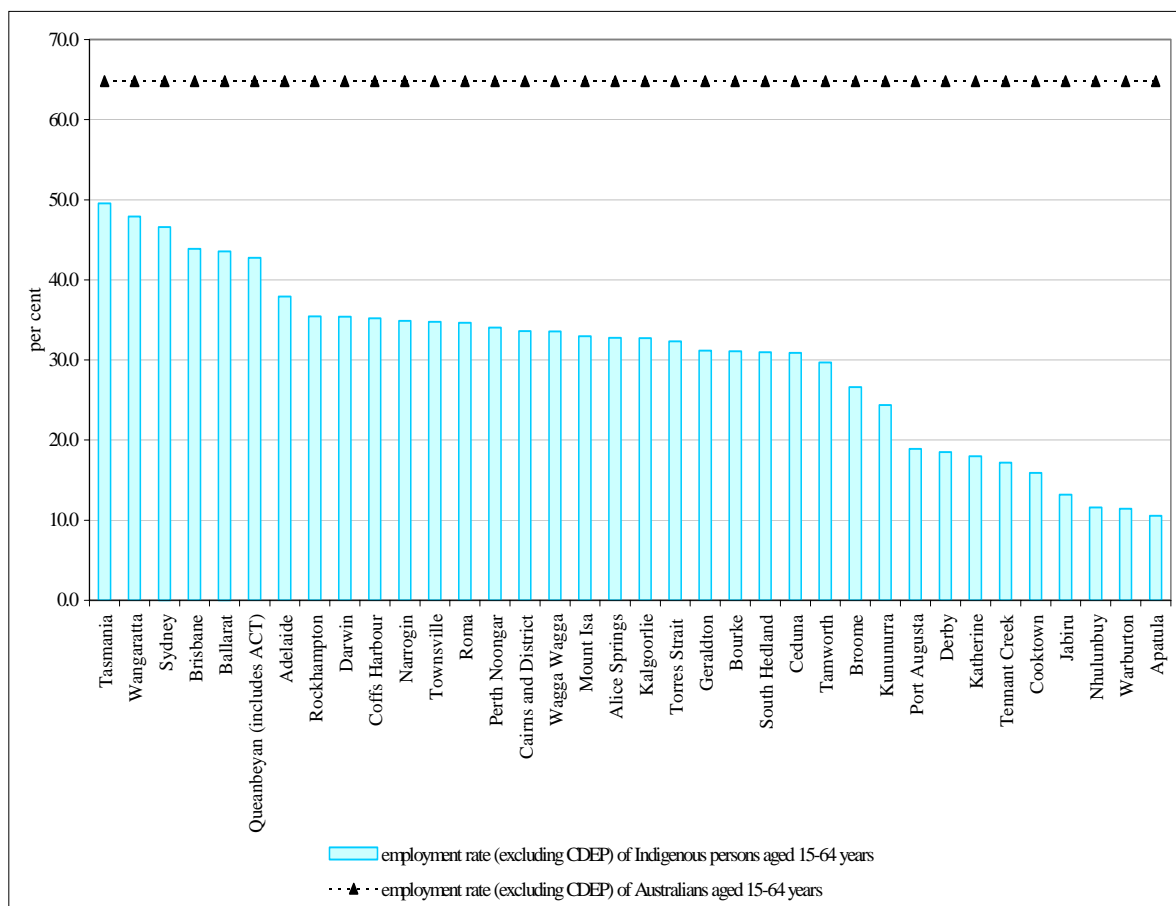
We decided that the simplest way to gauge the relative need of Indigenous people for employment was to compare, for each ATSI region, the proportion of Indigenous people aged 15-64 who were in employment, with the proportion of all Australians aged 15-64 who were in employment. This comparison was made in two ways — first excluding CDEP participation, and then including CDEP participation. All calculations were based on 1996 Census data.

8. Figure 11-1 sets out the results of the comparison excluding CDEP. It implies that in 1996 the greatest Indigenous needs for employment were in the most remote ATSI regions, because the gap between the Australian average employment rate (64.8 per cent) and the Indigenous employment rate was greatest in remote regions. The

² Department of Employment, Workplace Relations and Small Business, Commonwealth Conference, June 2000.

figure also indicates that there were levels of Indigenous need in all regions, but the level of need among the Indigenous population was lower in capital city and east coast regions.

Figure 11-1 EMPLOYMENT RATES OF INDIGENOUS PEOPLE AND ALL AUSTRALIANS AGED 15-64 YEARS (EXCLUDING CDEP), 1996



Source: ABS, Census of Population and Housing, 1996.

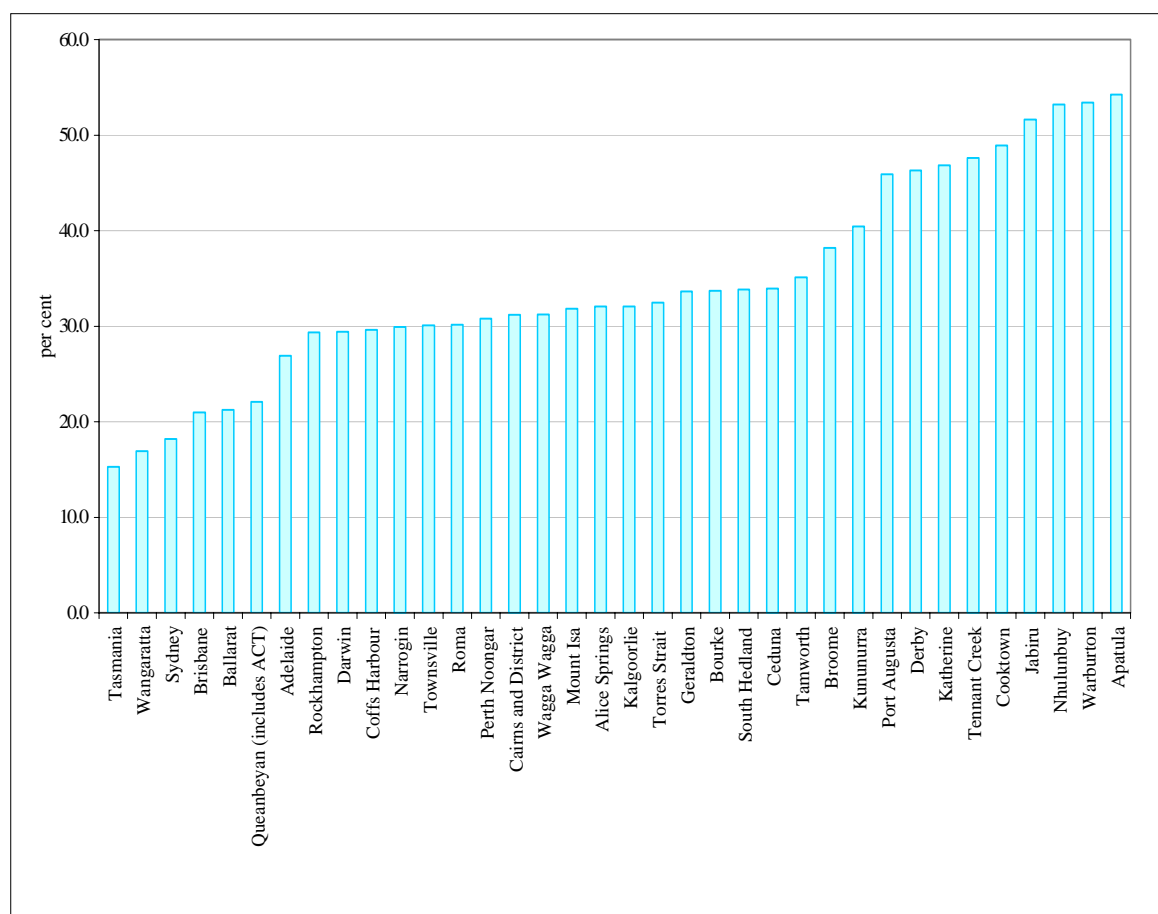
9. Figure 11-2 sets out illustrative measures of unmet need for Indigenous employment, excluding CDEP participation. In particular, it shows the gap between the Australian employment rate and the employment rate of Indigenous people for each region implied in Figure 11-1.

10. Figure 11-3 sets out the results of the comparison if CDEP participation is treated as employment. Like the preceding figures, it is based entirely on 1996 Census data.

11. In major urban areas, CDEP participation is relatively small. As a result, the employment rates of Indigenous people in these areas, when they include CDEP participants differ only slightly from those calculated previously. Thus, for example, employment rates of Indigenous people in regions which contain the capital cities are much

the same with or without CDEP participation. This means that the employment need for Indigenous people who live in major urban areas will be about the same, whether CDEP is counted as employment or not.

Figure 11-2 UNMET NEED FOR EMPLOYMENT BY INDIGENOUS PEOPLE (EXCLUDING CDEP), 1996



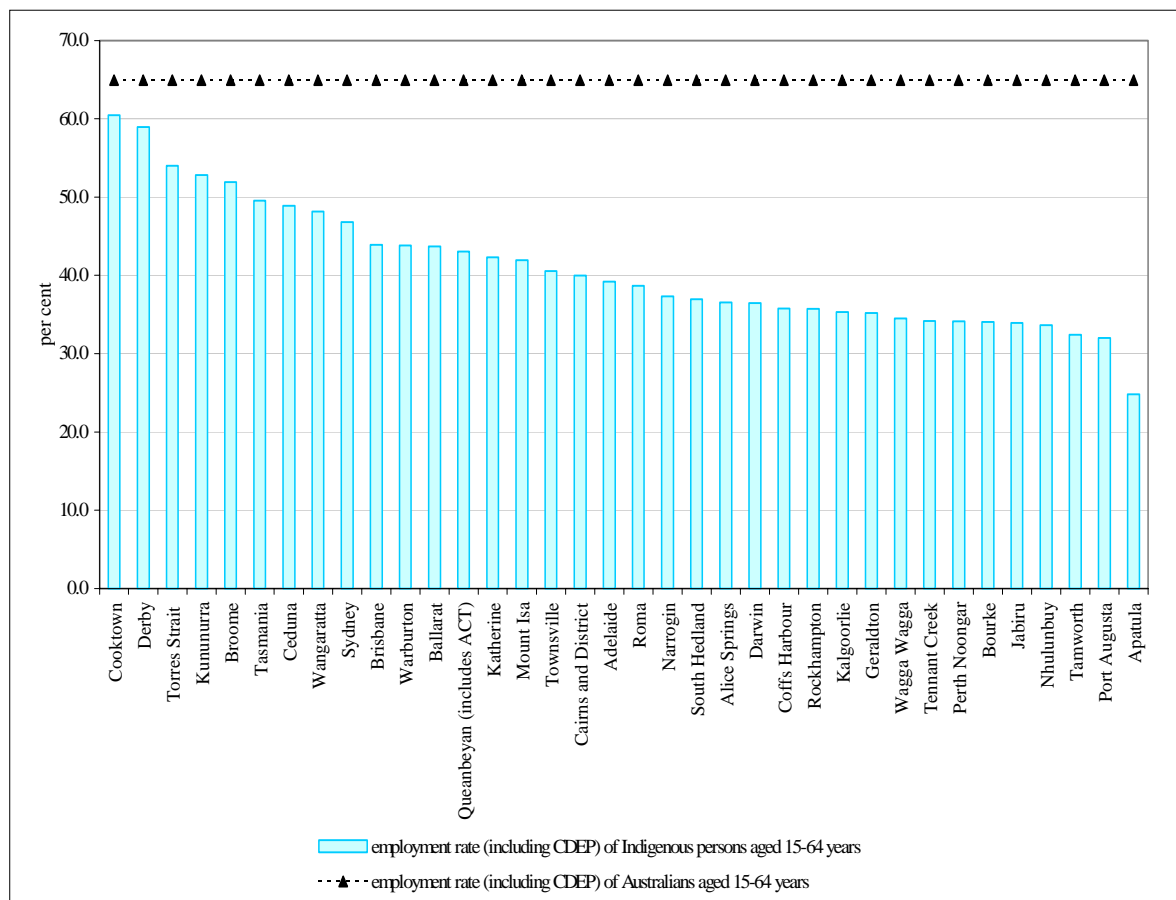
Note: Unmet need for employment by Indigenous people is the difference between the proportion of Australians aged 15-64 in any employment (excluding CDEP participation) and the proportion of Indigenous persons aged 15-64 in any employment (excluding CDEP participation).

Source: ABS, Census of Population and Housing, 1996.

12. But this change in pattern does not always apply to remote regions, because the relative size of CDEP projects varies across the nation. For example, a comparison of Figures 11-1 and 11-3 indicates that the Indigenous people living in the Apatula region remain in most need of employment assistance — irrespective of whether CDEP is included in the definition of employment or not.

13. Figure 11-4 sets out corresponding illustrative measures of unmet need for Indigenous employment, when CDEP participation is treated as employment.

Figure 11-3 EMPLOYMENT RATES OF INDIGENOUS PEOPLE AND ALL AUSTRALIANS AGED 15-64 YEARS (INCLUDING CDEP), 1996



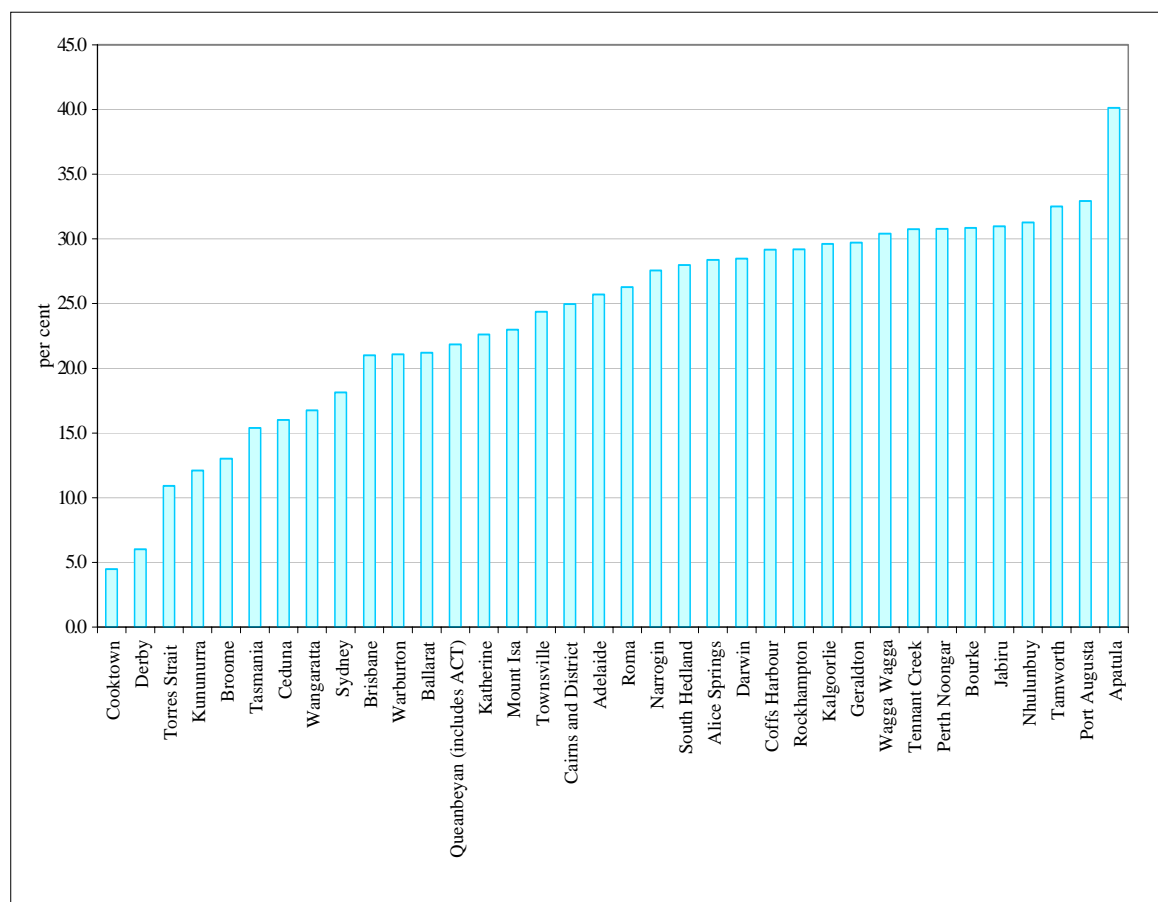
Source: ABS, Census of Population and Housing, 1996.

STRUCTURE OF EMPLOYMENT ASSISTANCE ARRANGEMENTS

14. Broadly, the purpose of employment programs is to work within labour markets to achieve more equitable levels of participation for disadvantaged job seekers. This is done by balancing deficits in demand for target groups, and by taking maximum advantage of opportunities.

15. Assistance directed to facilitating mainstream labour market participation is provided through the Commonwealth's Department of Employment, Workplace Relations and Small Business (DEWRSB). Specialist assistance programs for people with disabilities, also targeted to labour market participation, are provided through the Department of Family and Community Services (DFaCS). Assistance directed to supporting work activities in Indigenous communities, where mainstream labour markets tend not to be available, is provided by ATSIC. In this sense, ATSIC provides an economic and social safety net for Indigenous people through its employment program. Conceptually at least, the programs fit together to meet the employment assistance needs of Indigenous people in all locations.

Figure 11-4 UNMET NEED FOR EMPLOYMENT BY INDIGENOUS PEOPLE (INCLUDING CDEP), 1996



Note: Unmet need for employment by Indigenous people is the difference between the proportion of Australians aged 15-64 in any employment (including CDEP participation) and the proportion of Indigenous persons aged 15-64 in any employment (including CDEP participation).

Source: ABS, Census of Population and Housing, 1996.

Classification of Programs

16. **Mainstream employment programs.** DEWRSB administers the Job Network arrangements under which job seekers are referred by Centrelink to contracted service providers, according to the job seeker’s level of disadvantage in the labour market. There are four key strands of employment assistance, with the largest and the most relevant to Indigenous job seekers being Intensive Assistance. The other programs (Community Support Program (CSP), Return to Work program and the Work for the Dole program) are outlined later in this Chapter.

17. DFACS has a number of employment support programs for job seekers with disabilities. They are available to all groups in the community.

18. **Indigenous-specific employment programs.** The Indigenous-specific programs of DEWRSB and ATSIC have different focuses. DEWRSB’s Indigenous Employment Program (IEP) is aimed at Indigenous participation in the general labour market, focussing on the private sector. It supplements Job Network and can provide

assistance in locations where Job Network either does not operate or is not sufficient to meet local needs.

19. ATSIC administers the CDEP scheme, which focuses on Indigenous communities and their organisations. It is the Commonwealth's largest Indigenous-specific employment program. CDEP provides grant funding at a basic part time rate for creation of jobs in communities. Participants in CDEP are eligible for assistance under Job Network and the IEP.

20. Figure 11-5 shows the employment programs we considered.

21. Table 11-1 shows Commonwealth expenditure on employment assistance in 1999-2000. It shows total employment assistance funding for Indigenous people was around \$527 million, and that Indigenous-specific programs make up most of this funding. However, a large component of the Indigenous-specific funding is CDEP wages, a direct substitute for unemployment allowance entitlements. The total reduces to around \$260 million when this component of CDEP is excluded.

Table 11-1 FUNDING FOR COMMONWEALTH EMPLOYMENT ASSISTANCE PROGRAMS, 1999-2000

Programs	Administered by	Expenditure	Estimated funding for Indigenous participants	Share of funding
		\$m	\$m	%
Mainstream				
Job Network	DEWRSB	754.1	26.3 ^(a)	3.5
Work for the Dole	DEWRSB	76.6	3.24	4.2
Community Support Program	DEWRSB	15.3	0.26	1.7
Return to Work Program	DEWRSB	1.0	< 0.1	0.7
Disability Employment Assistance Program and Employer Incentives Strategy	DFaCS	220.4	3.7 ^(b)	1.7
Jobs, Education and Training (JET) – training funds only	DFaCS	2.8	< 0.1	3.3 ^(c)
Indigenous-specific				
CDEP	ATSIC	423.8	436.0 ^(d)	100.0
Indigenous Employment Program	DEWRSB	35.3	57.2 ^(d)	100.0
Total		1 529.3	526.7	34.4

(a) Estimate of funds available (provided by DEWRSB). Job Network members are not bound to spend funds on particular job seekers. What is actually paid depends on outcomes achieved.

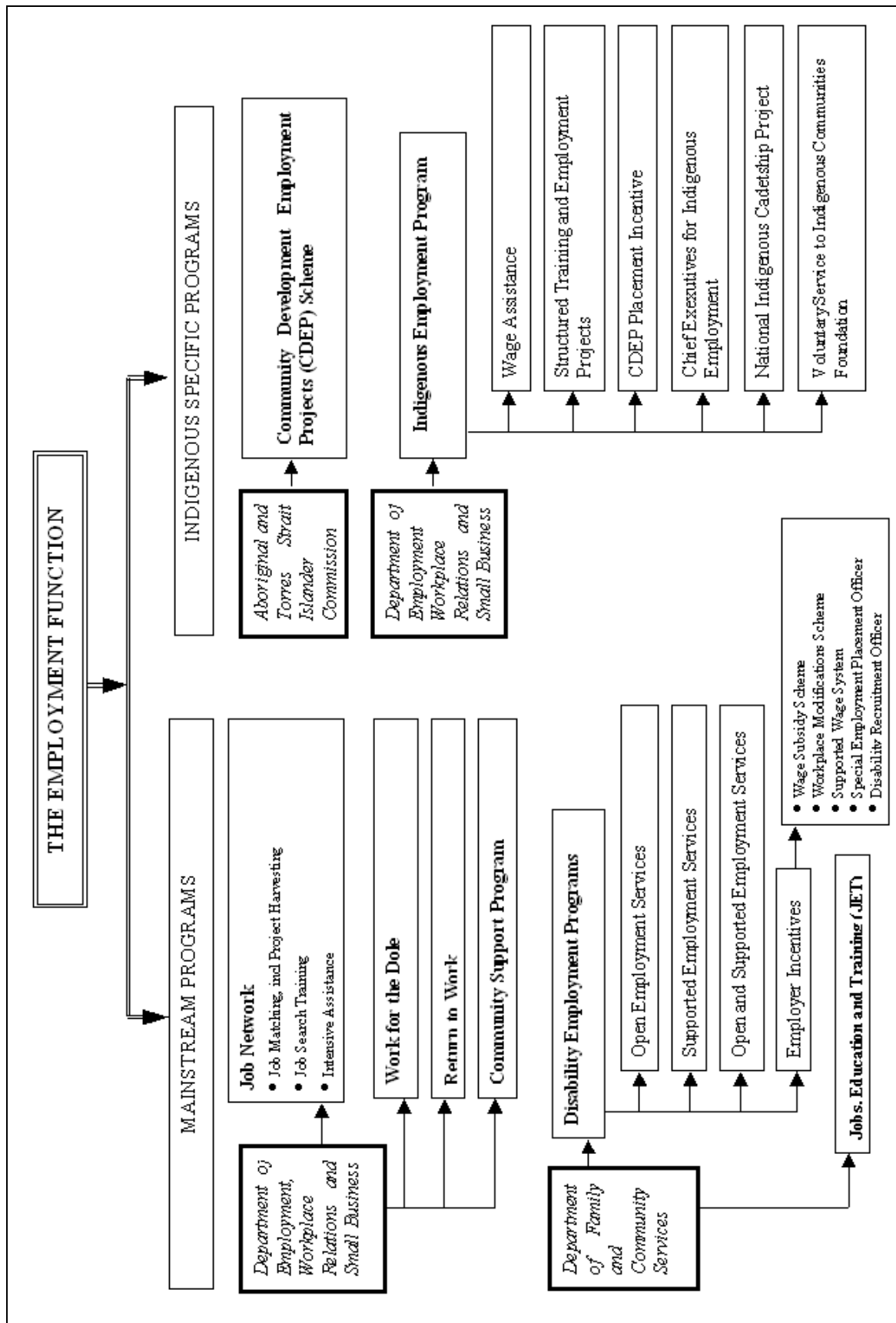
(b) Commission estimate based on proportion of Indigenous persons participating in Disability Employment support programs during 1999-2000, derived from preliminary data from *Commonwealth Disability Services Census 2000*. Program funding is in form of block grants, not on cost per place basis.

(c) Estimate based on proportion of JET clients recorded as being Indigenous Australians in the Program census, 9 February 2001.

(d) Indigenous-specific programs reflect budget estimates.

Source: DEWRSB, ATSIC and DFACS submissions; Annual Reports and supplementary data.

Figure 11-5 THE EMPLOYMENT FUNCTION



MAINSTREAM EMPLOYMENT PROGRAMS

Government Employment Assistance Policy

22. In August 1996, the Ministerial statement, *Reforming Employment Assistance — Helping Australians into Real Jobs*, was released. The primary objective of the reforms was to ensure that labour market assistance had a clear focus on job outcomes. The first round of resulting Job Network contracts commenced in May 1998.

23. Special arrangements were announced for Indigenous Australians. They were:

- (i) the retention of an Indigenous-specific labour market program, the Employment Strategies element of the Training for Aboriginals and Torres Strait Islanders Program; and
- (ii) funding allocation and selection for assistance would ensure an equitable share of total assistance available under the Intensive Assistance Employment stream.³

Job Network

24. Job Network consists of around 200 private, community and government organisations contracted by DEWRSB to find jobs for unemployed people, particularly the long term unemployed. They operate from around 2000 locations across Australia. A large part of the payments to Job Network members is made on the basis of employment outcomes achieved.

25. Employment services available under Job Network are:

- (i) Job Matching — including canvassing for jobs, matching unemployed people with jobs, and preparing resumes for job seekers;
- (ii) Job Search Training — training in job search techniques to prepare unemployed people to apply for jobs and give them the skills and confidence to seek and obtain employment;
- (iii) Intensive Assistance — individually tailored assistance for job seekers who are more disadvantaged in the labour market; and
- (iv) New Enterprise Incentive Scheme — support and training for eligible job seekers who wish to pursue the option of self-employment.

³ Department of Employment, Education, Training and Youth Affairs, *Reforming Employment Assistance — Helping Australians into Real Jobs*, August 1996, p41.

26. Job Matching and Job Search Training are for job seekers whose depth of need does not require a high degree of intervention. Intensive Assistance is for those with greatest needs, and it has by far the largest part of Job Network funds associated with it⁴. The overwhelming majority of Indigenous job seekers are assessed as eligible for Intensive Assistance. The Supporting Material to this Report provides further information on the assessment and referral processes for Intensive Assistance.

27. **Allocation mechanism.** The geographic distribution of Job Network contractors is generally based on the distributions of unemployed people and vacancy opportunities. Intensive Assistance, however, is the exception with allocations closely matching the location of eligible clients, regardless of local labour market conditions.

28. **Performance.** There are several important aspects to assessing the extent to which Intensive Assistance arrangements meet the needs of Indigenous people. We examined:

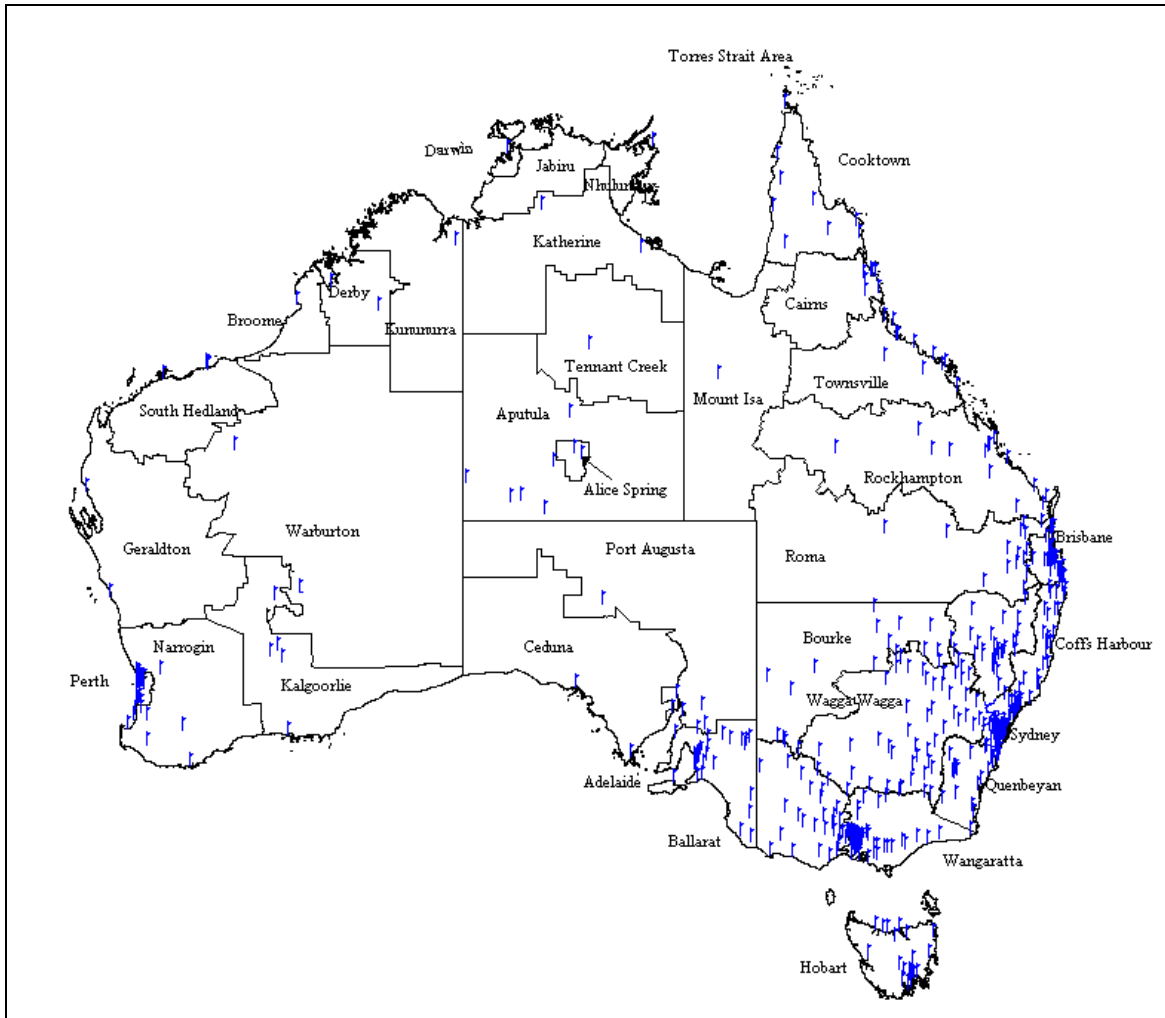
- (i) the locations of service outlets relative to the Indigenous population;
- (ii) commencements of Indigenous people in assistance during 1999-2000;
- (iii) trends in the Indigenous share of commencements over time;
- (iv) trends in Indigenous share of total outcomes over time; and
- (v) the post-assistance outcomes achieved for Indigenous people.

29. **Overall, these show a mixed pattern of performance. There is a high degree of variability in the access of Indigenous people to services, with fewer in more remote regions. While Indigenous people now seem to be accessing an equitable share of places overall (assuming the benchmark used is appropriate), employment outcomes remain poor.**

30. Figure 11-6 maps the locations of the approximately 1140 service sites for Intensive Assistance. This shows a bias to metropolitan and major regional areas, with the strongest concentration in south-eastern Australia, consistent with the distribution of the general population. Data on the numbers and types of Intensive Assistance outlets by ATSI region are provided in the Supporting Material to this Report.

⁴ Chart 9.2 at p60 of the *Reforming Employment Assistance* policy statement indicates that 89 per cent of funds for the new employment services, of about \$1 billion, were expected to be delivered as Intensive Assistance.

Figure 11-6 JOB NETWORK INTENSIVE ASSISTANCE PROVIDER SITES



Source: DEWRSB.

31. Table 11-2 ranks ATSIC regions on the basis of access to Intensive Assistance outlets. The ranking was based on the ratio of Intensive Assistance providers per head of Indigenous population in each region, relative to the Australian average number of providers per head. While a high relative rating is not an indication that the needs of the Indigenous population in that region are being met, the calculations show that:

- (i) the ATSIC regions in Victoria enjoy a strong relative advantage in terms of access to Intensive Assistance, followed by the Adelaide, Sydney, Wagga Wagga⁵, Queanbeyan and Coffs Harbour regions;
- (ii) ATSIC regions in Queensland containing significant centres of Indigenous population such as Cairns, Townsville and Rockhampton, have relatively low levels of access; and

⁵ Significant numbers of part time and outreach sites are the source of the relatively high levels of coverage evident in the Adelaide, Wagga Wagga and Coffs Harbour regions.

- (iii) the more remote regions have very low relative levels of access to services, with the exception of Bourke.

32. Mismatches between the distributions of Job Network service sites and the Indigenous population are no surprise. Job Network has an underlying commercial need for job placement volumes, and the Indigenous population is much more widely dispersed than the general population. The index takes no account of the relative volumes of places available within the regions.

Table 11-2 JOB NETWORK INTENSIVE ASSISTANCE PROVIDER SITE COVERAGE, FEBRUARY 2001

ATSIC Region	Rate	ATSIC Region	Rate	ATSIC Region	Rate	ATSIC Region	Rate
Ballarat	4.16	Bourke	1.00	Townsville	0.51	Warburton	0.10
Wangaratta	3.89	Tasmania	1.00	Cairns	0.47	Mount Isa	0.09
Adelaide	2.03	Roma	0.91	South Hedland	0.36	Tennant Creek	0.09
Sydney	1.44	Ceduna	0.87	Apatula	0.27	Katherine	0.09
Wagga Wagga	1.42	Perth	0.84	Darwin	0.26	Kununurra	0.07
Queanbeyan	1.39	Kalgoorlie	0.78	Geraldton	0.26	Torres Strait	0.05
Coffs Harbour	1.17	Rockhampton	0.73	Broome	0.18	Cooktown	0.05
Brisbane	1.05	Narrogin	0.71	Derby	0.16	Nhulunbuy	0.04
Tamworth	1.02	Port Augusta	0.53	Alice Springs	0.13	Jabiru	0.00

Note: The rate is calculated as Intensive Assistance providers (full time, part time and outreach) per capita, to Australian average Intensive Assistance providers per capita. Australian average rate = 1.00. Population figures used in calculations include CDEP participants.

Sources: ABS Experimental Projections of Indigenous Population; DEWRSB and ATSIC data.

33. Table 11-3 gives data on the distribution of Indigenous commencements under Intensive Assistance. The data on commencement numbers are provided in the Supporting Material to this Report. Overall, the data indicate a high level of variability in service levels. There are several important differences between this and the previous view of access to Intensive Assistance.

- (i) The take-up of Intensive Assistance places in the Victorian regions is below the national average, despite their above average access to sites.
- (ii) The same is true for Sydney and Adelaide.
- (iii) An above average share of commencements from a below average share of sites is evident in other urban and remote areas, including South Hedland, Townsville, Geraldton, Darwin, Rockhampton, Cairns and Kununurra.

Table 11-3 JOB NETWORK INTENSIVE ASSISTANCE COMMENCEMENTS, 1999 –2000

ATSIC Region	Rate	ATSIC Region	Rate	ATSIC Region	Rate	ATSIC Region	Rate
Tamworth	1.65	Kununurra	1.34	Adelaide	0.96	Tennant Creek	0.62
South Hedland	1.64	Roma	1.33	Warburton	0.92	Broome	0.60
Townsville	1.56	Ceduna	1.24	Coffs Harbour	0.92	Tasmania	0.55
Geraldton	1.55	Brisbane	1.21	Mount Isa	0.89	Derby	0.46
Darwin	1.51	Perth	1.18	Wangaratta	0.85	Nhulunbuy	0.32
Rockhampton	1.47	Alice Springs	1.15	Ballarat	0.81	Torres Strait	0.16
Cairns	1.43	Port Augusta	1.07	Sydney	0.77	Cooktown	0.04
Bourke	1.43	Kalgoorlie	1.06	Katherine	0.74	Jabiru	0.02
Wagga Wagga	1.41	Queanbeyan	1.01	Narrogin	0.67	Apatula	0.00

Note: The rate is calculated as the ratio of Intensive Assistance commencements per capita, to Australian average Intensive Assistance commencements per capita. Australian average rate = 1.0. Population figures used in calculations include CDEP participants.

Sources: ABS Experimental Projections of Indigenous Population; DEWRSB and ATSIC data.

34. The data suggest that many of the regional and remote sites have been more successful than capital city sites in providing services for Indigenous people. Many factors could contribute to this, including:

- (i) differences in Indigenous people's rates of registration for employment assistance;
- (ii) numbers of funded places allocated by DEWRSB to different areas;
- (iii) rates of referral of Indigenous people to the places; and
- (iv) differences in take-up rates among those who obtain a referral.

35. The relatively small size of the Indigenous commencements data is likely to accentuate the variations.

36. Performance can also be considered in terms of the Government's stated aim of an equitable share of Intensive Assistance for Indigenous people. A target of 6.2 per cent of all commencements in Intensive Assistance is used as a benchmark by DEWRSB⁶. During 1999-2000, 5.1 per cent of commencements were Indigenous⁷, indicating the target was difficult to achieve. However, as shown in Table 11-4, it has been achieved consistently since June 2000.

⁶ DEWRSB Final Submission, December 2000.

⁷ DEWRSB Annual Report 1999-2000, Appendix 7, Table 34.

Table 11-4 INDIGENOUS SHARE OF INTENSIVE ASSISTANCE COMMENCEMENTS, JULY 1999 TO DECEMBER 2000

Month	All commencements	Indigenous commencements	Indigenous share %
July 1999	23 278	1 180	5.1
September 1999	27 870	1 188	4.3
December 1999	17 620	981	5.6
March 2000	50 835	2 296	4.5
June 2000	27 736	1 844	6.6
September 2000	20 793	1 336	6.4
November 2000	23 547	1 819	7.7
December 2000	19 392	1 441	7.4

Source: DEWRSB.

37. **The figure of 6.2 per cent of commencements under Intensive Assistance is used by DEWRSB as a target in their arrangement with Centrelink. In effect, this is the measure by which to test achievement of the Government's policy commitment to an equitable share of total assistance under the Intensive Assistance element. This figure was based on the level of assistance achieved for Indigenous people under the labour market program arrangements operating before Job Network⁸. Given the evidence of employment outcomes, the adequacy of this benchmark must be questioned. After nearly three years of Job Network operations, it may be that the target should be changed to focus on a more equitable share of the outcomes.**

38. Commencement in assistance is a measure of input, not an end in itself. An equitable share of the outcomes achieved from Intensive Assistance would be a better test of performance. This is a more difficult target and does not seem to be achieved. Table 11-5 shows the number of job seeker outcomes for which a Job Network member has received payment. Comparing Table 11-5 with Table 11-4 shows that:

- (i) the number of outcomes being achieved for Indigenous people from Intensive Assistance are small relative to the number commencing in assistance; and
- (ii) their share of total paid outcomes achieved from Intensive Assistance in more recent months is about half the share of commencements.

⁸ DEWRSB, Commission Conference, June 2000.

Table 11-5 INTENSIVE ASSISTANCE INTERIM PAID OUTCOMES^(a) FOR INDIGENOUS CLIENTS

Month	Indigenous outcomes	Indigenous outcomes as proportion of total %
June 2000	16	5.54
July 2000	56	3.52
August 2000	94	3.16
September 2000	187	3.35
October 2000	161	3.44
November 2000	159	3.25
December 2000	203	3.27

(a) An outcome fee is paid to a Job Network provider when their Intensive Assistance client finds and retains paid work, either full time or part time, or completes a period of education.

Source: DEWRSB, *Job Network evaluation Stage One – implementation and market development, Evaluation and Program Performance Branch Report 1/2000*, February 2000, p81.

39. A relatively low rate of retention of Indigenous job seekers in Intensive Assistance appears to be a factor here⁹.

40. Program outcomes based on survey findings of participants three months after they have left assistance are published by DEWRSB. The data in Table 11-6 shows that, after leaving Intensive Assistance, Indigenous job seekers obtain employment at a lower rate than other job seekers.

41. Finally, performance can be considered in terms of Indigenous job seekers' perceptions of the Job Network arrangements. The evaluation of Job Network Stage One indicated that Indigenous clients were concerned about the quality and type of assistance being delivered¹⁰. Changes in requirements for Job Network 2 contracts (operative from February 2000) were aimed at improving service quality for Indigenous people.

42. Views expressed to us suggest the situation has not changed much, but comprehensive data on service quality performance are needed to make informed assessments. It is understood that this information is collected under DEWRSB's Service Quality Monitoring Program¹¹, but was not provided to us. ATSIC considers that the publicly available data on outcomes for Indigenous people accessing Job Network is poor¹².

⁹ According to Dr Peter Shergold, Secretary of DEWRSB, address to CAEPR National CDEP Conference, November 2000.

¹⁰ DEWRSB, *Job Network evaluation Stage One – implementation and market development, Evaluation and Program Performance Branch Report 1/2000*, February 2000, p125.

¹¹ DEWRSB Annual Report 1999-2000, pp45-46.

¹² ATSIC Final Submission, December 2000.

Table 11-6 POST ASSISTANCE OUTCOMES ^(a) — JOB NETWORK

	Employment ^(b)	Education and training	Positive outcomes ^(c)
	%	%	%
June 2000 Quarter Report			
Indigenous job seekers			
Intensive Assistance	27.3	11.4	36.5
Job Matching	55.7	13.4	59.7
Job Search Training	23.6	11.8	33.8
All job seekers			
Intensive Assistance	35.0	7.7	41.3
Job Matching	68.2	14.6	72.1
Job Search Training	37.9	12.5	46.5
September 2000 Quarter Report			
Indigenous job seekers			
Intensive Assistance	26.5	11.0	35.3
Job Matching	50.0	10.5	55.3
Job Search Training	28.2	11.8	39.0
All job seekers			
Intensive Assistance	34.2	8.6	41.1
Job Matching	69.7	10.0	72.9
Job Search Training	40.5	12.7	49.0

(a) Based on the survey responses of participants who left assistance any time during a period of twelve months up to three months prior to date of report. Participants are surveyed three months after leaving assistance.

(b) Includes some Indigenous job seekers who proceed to a CDEP after leaving labour market assistance. Data on employment outcomes excluding the effect of returns to CDEP are in the Supporting Material for this Report.

(c) Includes employment and education/training outcomes, but are less than the total of both because job seekers can achieve both types of outcomes.

Source: DEWRSB Labour Market Assistance Outcomes quarterly reports.

43. **The recent changes to the Job Network Arrangements should be of benefit to Indigenous people. However, there is evidence that the Job Network does not yet have broad acceptance within the Indigenous community. Concerted efforts must be made to reduce access barriers to facilitate equitable participation by Indigenous people.**

OTHER MAINSTREAM PROGRAMS

44. **Community Support Program (CSP).** CSP provides special assistance for unemployed with personal barriers to employment. Assistance is delivered through a network of 330 sites, focussed mainly on urban and major regional areas. There are no specific provisions for Indigenous people under CSP guidelines but a small number of them participate, estimated at around 1.7 per cent of total. CSP is not likely to impact significantly on the employment assistance needs of Indigenous people.

45. **Return to Work Program.** Return to Work is a voluntary program that provides assistance to those seeking to re-enter the workforce after an extended absence for

family care reasons. There are no specific provisions for Indigenous people. Assistance is delivered by about 130 sites, with a strong urban focus. The program is small, with about 800 persons assisted in 1999-2000. Less than one per cent were recorded as Indigenous.

46. ***Disability Employment Programs.*** These programs provide specialist employment services for people making a transition to open employment or within supported work settings. Under a trial of funding modelled on case based arrangements, a study is currently looking at service provision in rural and remote areas. The needs of Indigenous people will be assessed under the study.

47. Disabilities are important factors in the disadvantage faced by Indigenous people because they discourage labour force participation and, anecdotally, are widespread in the Indigenous community. The available data suggest that Indigenous people probably do not receive a share that is consistent with their level of disability.

48. ***Jobs, Education and Training (JET).*** The JET program aims to assist sole parent pensioners and other people on allowances to enter or re-enter the work force. In February 2001, 3.3 per cent of participants were Indigenous.

49. ***Work for the Dole.*** This program provides funding for projects that offer work experience for up to six months in activities of broad community benefit, in fields such as heritage and environment, tourism and community services.

50. DEWRSB estimates that Indigenous people take up about five per cent of places under Work for the Dole. However, the post assistance outcomes survey data show that the rate of employment outcomes achieved by Indigenous people from participation in Work for the Dole is significantly below the rate for other job seekers.

INDIGENOUS-SPECIFIC EMPLOYMENT PROGRAMS

The Indigenous Employment Policy

51. In recognition of the disadvantage faced by Indigenous people, and the early difficulties faced by Job Network in helping them, the Government announced its Indigenous Employment Policy in May 1999. Its aims are to increase employment opportunities for Indigenous people that can lead to an improvement in participants' economic status.

52. As such, it focuses on:

- (i) increasing Indigenous participation in private sector employment;
- (ii) assisting CDEP organisations to place their work-ready participants in open employment;

- (iii) supporting the development and expansion of Indigenous small business; and
- (iv) improving outcomes for Indigenous job seekers.

53. The policy has three components — the Indigenous Employment Program (IEP), Job Network, and the Indigenous Small Business Fund. Further information on the policy and programs is in the Supporting Material to this Report.

Indigenous Employment Program

54. The IEP is designed to provide additional assistance that recognises the characteristics of the Indigenous unemployed. It aims to complement the assistance available to Indigenous people under Job Network. The three main elements of IEP are as follows:

- (i) *Wage Assistance* — which pays \$4400 over 26 weeks to employers providing ongoing full time job opportunities to eligible job seekers, or \$2200 for ongoing part time jobs.
- (ii) *Structured Training and Employment (STEP)* — which comprises a series of projects with large employers or regionally significant organisations to provide a set number of jobs for Indigenous people over a period of time, focussing on traineeships and apprenticeships. Funding is negotiated with project sponsors.
- (iii) *Corporate Leaders for Indigenous Employment* — which comprises a series of partnership arrangements between private enterprises and the Commonwealth, where companies commit to making job opportunities available and the Department provides access to flexible support funding.

55. DEWRSB has a national network of about 50 Indigenous Employment Officers (IEOs) located in regional centres and capital cities. They facilitate opportunities for IEP funding, promote the program within the Indigenous and mainstream communities in urban and remote areas and provide advice to funding proponents. From our experience during consultations, however, the level of knowledge of the IEP is not high in Indigenous communities, with concerns expressed that visits by IEOs especially in remote areas are not frequent enough to meet needs. Access to employment services on a more equitable basis is enhanced where remote areas are exposed to mainstream service delivery approaches which are well funded and appropriately resourced, and where continuity of service and personnel are recognised.

56. ***Allocation mechanism.*** The distribution of Wage Assistance funding is driven by the job search efforts of participants. It reflects the availability of jobs and possession of appropriate job search skills. Many clients also participate in Intensive Assistance and it is intended that their provider will make referrals to job vacancies using Wage Assistance eligibility as a tool. Placements of Wage Assistance clients attract

outcomes payments for the Intensive Assistance provider under the normal Job Network payment arrangements.

57. STEP funding is allocated in an opportunistic way, targeting organisations that can provide ongoing employment opportunities. There is no expectation that STEP will deliver comprehensive geographic coverage. Participating organisations can be:

- (i) enterprises implementing Indigenous-specific recruitment strategies for business related and workforce policy reasons;
- (ii) public sector, mainstream community and non-government organisations targeting Indigenous people for policy reasons; or
- (iii) Indigenous communities undertaking economic development activities and generating employment opportunities.

58. The allocation of funding under the Corporate Leaders initiative is entirely dependent on the locations at which participating organisations generate opportunities.

59. ***Performance.*** **There is a highly varied pattern of assistance among the regions. This is expected given the opportunistic nature of the allocation of funding under the STEP element. The numbers of commencements recorded under the Corporate Leaders initiative are very small at this stage, but we consider that the partnerships approach can make an impact in the longer run. A significant proportion of IEP assistance is being delivered to remote regions, and the employment outcomes being achieved under IEP seem to be good relative to outcomes for Indigenous people from mainstream assistance programs.**

60. Table 11-7 gives a ranking of regions based on the distribution of commencements under the Wage Assistance and STEP programs (calculated as the ratio of commencements per head of Indigenous population in each region relative to the Australian average per capita commencements). The ratio is based on the relatively small number of commencements achieved in the early stages of the implementation of new programs. Thus the distribution patterns are likely to vary over time. In absolute terms, the regions so far receiving most assistance are Perth, Coffs Harbour, Wagga Wagga, Brisbane, Cairns, Tasmania, Sydney and Adelaide (refer to the Supporting Material to this Report). Table 11-7 shows that, relative to population:

- (i) the Western Australian regions of Kalgoorlie, South Hedland, Broome and Geraldton received relatively high levels of assistance (the mining industry is likely to be a key driver);
- (ii) others with high assistance levels are Alice Springs, Torres Strait, Bourke and Mt Isa (the high proportion of total IEP assistance going to remote regions may be associated with the focus of STEP on maximising training opportunities from community infrastructure capital expenditures); and

- (iii) relatively low levels of assistance are provided to Darwin, Sydney, Nhulunbuy, Kununurra, Tennant Creek and Warburton.

Table 11-7 INDIGENOUS EMPLOYMENT PROGRAM COMMENCEMENTS, 1999–2000

ATSIC Region	Rate	ATSIC Region	Rate	ATSIC Region	Rate	ATSIC Region	Rate
Kalgoorlie	3.57	Cairns	1.31	Ceduna	0.98	Katherine	0.74
Alice Springs	2.64	Tasmania	1.29	Wangaratta	0.97	Cooktown	0.60
South Hedland	1.77	Wagga Wagga	1.24	Ballarat	0.96	Roma	0.57
Broome	1.77	Queanbeyan	1.20	Townsville	0.88	Darwin	0.53
Geraldton	1.50	Adelaide	1.13	Tamworth	0.87	Sydney	0.46
Torres Strait	1.45	Rockhampton	1.05	Jabiru	0.86	Nhulunbuy	0.44
Bourke	1.43	Port Augusta	1.04	Apatula	0.85	Kununurra	0.42
Mount Isa	1.43	Narrogin	1.02	Derby	0.77	Tennant Creek	0.19
Perth	1.38	Coffs Harbour	1.01	Brisbane	0.75	Warburton	0.18

Note: The rate is calculated as the ratio of IEP commencements per capita, to Australian average IEP commencements per capita. Australian average rate = 1.0. Population figures used in calculations include CDEP participants.

Sources: ABS Experimental Projections of Indigenous Population; DEWRSB and ATSIC data.

61. Table 11-8 presents data on the outcomes of Wage Assistance and STEP. It indicates that a significant proportion of those participating in these programs are in employment three months after their assistance has ceased. The rates being achieved under the IEP seem favourable compared to the outcomes shown in Table 11-6 for Indigenous people assisted under Job Network (however, DEWRSB warn that caution may be needed regarding the comparability of the programs). It is not possible to make considered assessments of the performance of IEP without information from a thorough evaluation, including on Indigenous people's perceptions of the program. It would be beneficial if DEWRSB published detailed information from the IEP evaluation.

Table 11-8 POST ASSISTANCE OUTCOMES ^(a) — INDIGENOUS EMPLOYMENT PROGRAM

	Employed	Unemployed	Not in labour force	Further assistance	Exits
	%	%	%	%	
September 2000 quarter report					
STEP	66.7	24.7	4.6	4.0	2 356
Wage assistance	56.0	35.5	4.8	3.7	881
June 2000 quarter report					
STEP	63.0	25.8	4.8	6.4	2 033
Wage assistance	53.8	36.6	3.5	6.1	495

(a) Based on the survey responses of participants who left assistance any time during a period of twelve months, up to three months prior to date of report. Participants are surveyed three months after leaving assistance.

Source: DEWRSB.

62. The employment outcomes data provide grounds for some optimism that the IEP can help meet Indigenous people's employment needs. However, there seems to have been some difficulty in using all available funds in the first year of the program. The DEWRSB annual report shows an underspend of \$20 million (36 per cent) in 1999-2000.

63. There is a question about the amount of funding set for the IEP. We understand that this was a combination of the on-going funding for the former 'Training for Aboriginals and Torres Strait Islanders Program' (TAP) and an amount of unspent funds from the Job Network¹³. There is substantial scope under Job Network to assist Indigenous people — there are no limits to the amount of funds, which can be directed to this group within the overall budget for Job Network. The decision to establish the IEP, however, recognised that additional forms of assistance are needed for the Indigenous unemployed.

64. In effect, the establishment of the IEP was consistent with a cashing out approach — the extent to which Indigenous people are not able to achieve access to mainstream programs consistent with that of non-Indigenous people should be reallocated to Indigenous-specific programs. This principle may have wider application.

The CDEP Scheme

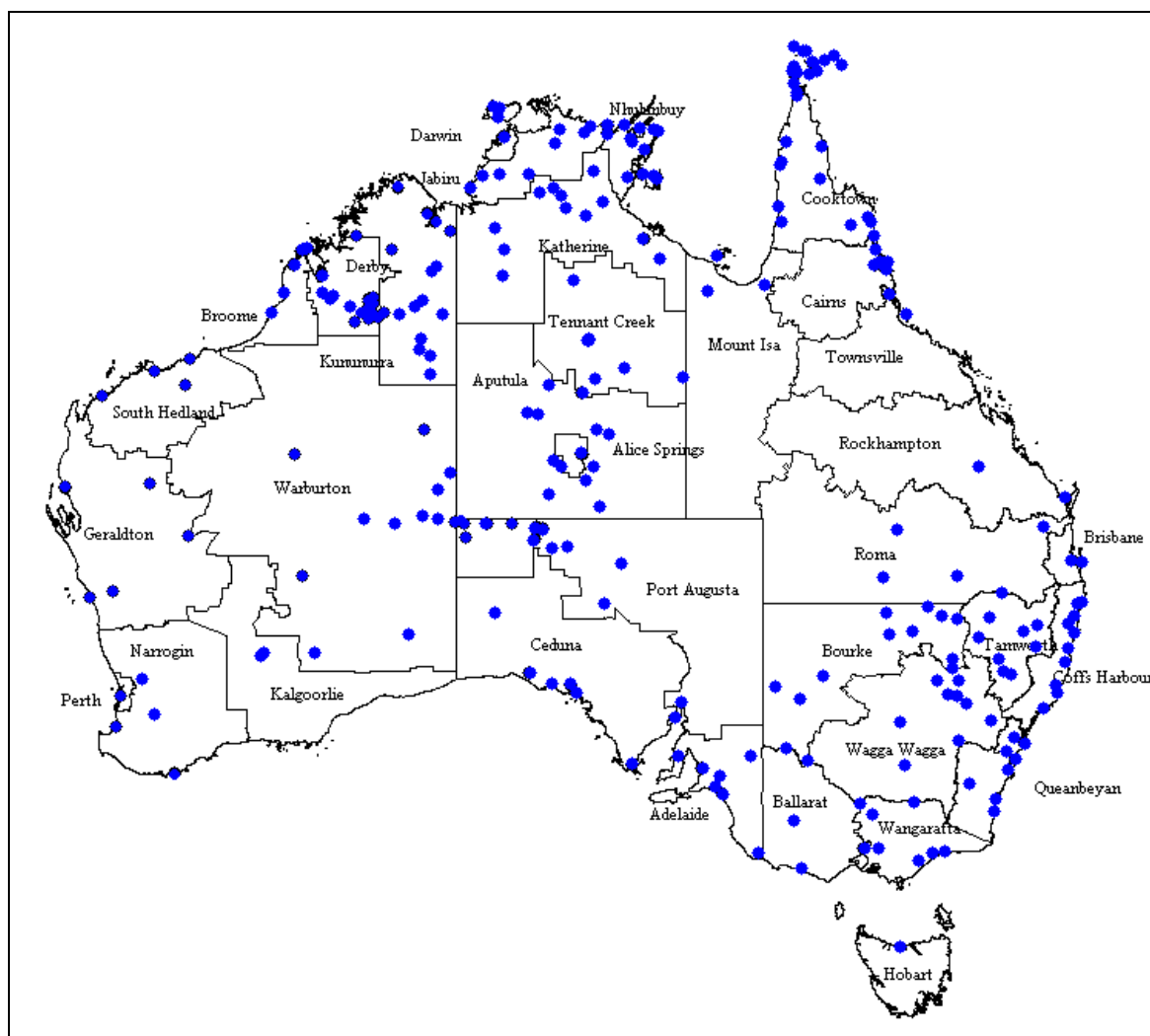
65. The CDEP Scheme provides grant funds for community development and employment projects in Indigenous communities. The CDEP Scheme is ATSIC's largest program, with expenditure in 1999-2000 of over \$410 million, funding 32 000 places. A further 17 projects and 1700 places were funded by the Torres Strait Regional Authority.

66. The CDEP Scheme commenced in 1977 as an initiative of a remote community seeking an alternative to the deleterious effects of entrenched unemployment. It has grown to over 250 projects, and includes projects in both urban and regional areas.

67. Figure 11-7 shows the location of CDEPs by ATSIC region. A focus on northern and central Australia can be seen, as well as New South Wales.

68. Participants in CDEPs choose to forego their entitlements to unemployment allowances in return for wages paid by their project for work performed. Projects are funded at a rate that provides for part time jobs of about 15 hours per week, but there is scope to operate enterprises and undertake services contracts on commercial terms, which may allow participants to earn extra income. Survey data show that 58 per cent of CDEP participants worked 24 hours per week or less, 19 per cent worked 25 to 34 hours per week, and nearly 23 per cent worked 35 hours per week or more. Thus, CDEP participants are relatively advantaged compared to unemployed Indigenous people in terms of income, though they are still at a disadvantage compared to those in mainstream employment¹⁴.

¹³ DEWRSB, Commission Conference, June 2000.

Figure 11-7 LOCATION OF CDEPs

Source: ATSIIC.

69. Table 11-9 provides a summary of CDEP projects and participants by area in each State. It shows that about two-thirds of projects are located in remote areas, in communities with population less than 1000. Projects in metropolitan areas comprise only four per cent of the total. The figures also indicate that projects in remote areas are smaller on average than those in regional areas, with 66 per cent of projects accounting for only 57 per cent of participants. There is considerable variation among the projects, however, irrespective of remote or non-remote location.

¹⁴ J.C. Altman, M.C. Gray, and W.G. Sanders, *Indigenous Australians Working for Welfare: What Difference Does It Make?* In *The Australian Economic Review*, vol 33, no. 4, pp355-362.

Table 11-9 ATSIC CDEP PROJECTS AND PARTICIPANTS BY SECTION OF STATE, 1999-2000 ^(a)

Section of state	CDEPs		Participants	
	No.	%	No.	%
Metropolitan	11	4.2	1 199	3.9
Regional ^(b)	79	30.2	12 022	39.3
Remote	172	65.6	17 378	56.8
Total	262	100.0	30 599	100.0

(a) Projects and participants funded by ATsIC, 30 June 2000.

(b) Describes areas with a population from 1000 to 99 999 people.

Source: ATsIC Annual Report 1999-2000, p54.

70. Table 11-10 shows the growth in CDEP in remote and non-remote locations. Non-remote participation has increased from 25 per cent of total places in 1994 to 43 per cent in 2000.

Table 11-10 GROWTH OF CDEP, 1990-91 TO 1999-2000

Year ended	CDEP projects	CDEP participants	Remote area participants ^(a)	Non-remote area participants	Non-remote participants proportion
					%
30 June 2000	262	30 599	17 378	13 221	43
30 June 1999	265	31 900	19 788	12 122	38
30 June 1998	254	30 257	19 788	10 469	35
30 June 1997	268	30 100	20 500	9 600	32
30 June 1996	274	28 422	20 737	7 685	27
30 June 1995	252	27 041	19 256	7 785	29
30 June 1994	222	24 098	18 007	6 091	25
30 June 1993	220	22 095	16 792	5 303	24
30 June 1992	185	20 139	n.a.	n.a.	n.a.
30 June 1991	172	18 072	n.a.	n.a.	n.a.

(a) Definition of remote is according to the tax zones applicable under the Income Tax Assessment Act¹⁵.

Source: ATsIC Annual Reports 1990-91 to 1999-2000.

71. Table 11-11 ranks regions based on the distribution of CDEP places (in particular, the ratio of CDEP participants per head of Indigenous population in each region

¹⁵ According to Australian Taxation Office *Taxation Ruling TR 94/28 Income tax: list of points in isolated areas for zone rebate purposes*, Section 79A of the Income Tax Assessment Act 1936 provides for a rebate ... in recognition of uncongenial climatic conditions, isolation and the high cost of living encountered by residents of those areas in comparison with the rest of Australia. The zones incorporate most of the continent excluding eastern Queensland below Mackay, eastern New South Wales, all of Victoria, the southern part of South Australia, and south western Western Australia.

relative to the Australian average CDEP participation rate). In the largely remote Cooktown, Derby, Warburton, Ceduna and Kununurra ATSIC regions, between fifty and seventy per cent of the working age Indigenous population participates in CDEP.

Table 11-11 RATE OF CDEP PARTICIPATION, 30 JUNE 2000

ATSIC Region	Rate	ATSIC Region	Rate	ATSIC Region	Rate	ATSIC Region	Rate
Cooktown	4.95	Port Augusta	2.29	Mount Isa	1.15	Queanbeyan	0.37
Derby	4.63	Tennant Creek	2.29	Alice Springs	1.14	Ballarat	0.35
Warburton	4.28	Jabiru	2.23	Tamworth	1.03	Perth	0.27
Broome	4.14	Narrogin	1.94	Cairns	0.97	Rockhampton	0.24
Ceduna	3.94	Geraldton	1.71	Roma	0.94	Darwin	0.20
Kununurra	3.56	South Hedland	1.65	Coffs Harbour	0.64	Townsville	0.16
Torres Strait	3.00	Bourke	1.65	Adelaide	0.48	Sydney	0.15
Katherine	2.57	Apatula	1.42	Wagga Wagga	0.45	Tasmania	0.07
Nhulunbuy	2.40	Kalgoorlie	1.21	Wangaratta	0.40	Brisbane	0.06

Note: The rate is calculated as the ratio of CDEP participants per capita, to the Australian average CDEP participants per capita. Australian average rate = 1.0.

Sources: ATSIC data and ABS Experimental Projections of Indigenous Population.

72. Current operating policies set by ATSIC strongly reflect the recommendations of the 1997 Spicer Review¹⁶. The review recognised the socio-cultural significance of the scheme but recommended reforms to maximise its economic potential and provide participants with ‘a conduit to other employment options’¹⁷. In response, priorities for the scheme have been re-oriented to business development and employment and training, including through improved links with public sector agencies and the private sector.

73. The objective for the scheme was revised to:

To provide work for unemployed Aboriginal and Torres Strait Islander persons in community managed activities which assist the individual in acquiring skills which benefit the community, develop business enterprises, and/or lead to unsubsidised employment¹⁸.

74. **Allocation mechanism.** CDEP funds are allocated in two stages. ATSIC’s Central Office allocates each Regional Council a ceiling number of participant places and

¹⁶ Spicer, I., *Independent Review of the Community Development Employment Projects (CDEP) Scheme*, December 1997.

¹⁷ ATSIC Annual Report 1999-2000, p48.

¹⁸ ATSIC Annual Report, 1998-99, p50.

they are funded for that number of places within an overall budget set by Government¹⁹. Regional Councils then allocate funds to CDEP organisations according to their view of need.

75. CDEP funds are allocated as two components:

- (i) wages; and
- (ii) operational or on-costs.

76. There are two levels of participant wages — remote and non-remote²⁰, based on but not the same as the Newstart Allowance rates. The wages expenditure is a direct offset against Commonwealth income support funding that CDEP participants would otherwise have received through Centrelink, and accounts for more than 60 per cent of total CDEP resources. Thus, over \$250 million of CDEP funding could be seen as mainstream social security payments rather than Indigenous-specific employment services. Funding for wages is distributed to CDEP organisations on the basis of the number of participants.

77. CDEP on-cost funding is intended to cover capital outlays, the overhead costs of carrying out activities and project administrative costs. It is allocated to Regional Councils on the basis of participant numbers and, in 1999-2000, was paid at two rates:

- (i) remote: \$2891.29 per annum per participant; and
- (ii) non-remote: \$2720.69 per annum per participant.

78. These rates are determined by Government. During 2000, ATSIIC sought an increase in on-cost funding. The main reasons were to enable a reduction in what they consider to be unacceptably high ratios of participants to supervisors, and to provide explicit funding for participant training. In response, the Government asked ATSIIC and the Department of Finance and Administration to review the on-cost funding arrangements. That review found that the current allocation of oncost funding inadequately covers the operational costs of running a CDEP organisation and the scope for the scheme's program administrators to target priority areas, **such as training**, that may lead to employment outcomes²¹. The findings of the review are being considered by the Commonwealth.

79. On-cost funds are allocated by the Regional Councils to individual CDEPs on the basis of need, which they determine through submissions, work plans, community plans and the Regional Council plan.

80. **Performance.** Our assessment of the performance of CDEP concentrated on how well the distribution of CDEP places reflected need. As a broad principle, we think that CDEP funding is best directed at areas where there are least jobs. Consistent with its historical rationale, we see the CDEP scheme as a safety net program. Need for CDEP

¹⁹ ATSIIC is funded for an additional 550 places annually for 'Natural Growth', but these places are generally used to start new CDEPs.

²⁰ Determined by the tax zones applicable under the Personal Income Tax Act.

²¹ ATSIIC submission February 2001.

assistance is thus equal to the employment need remaining after labour market demand and all other employment programs are combined. That is, the distribution of CDEP funds must take account of the other programs.

81. It is relevant to us that the available evidence indicates that the recent growth in CDEP places has been in non-remote areas. It is in these areas that markets, Job Network, the IEP and their supplementary programs are more likely to operate. There is no one simple explanation for the growth in CDEP in non-remote areas.

82. One explanation may lie in the increasing focus on outcomes in all areas of public administration. The re-orientation of CDEP undertaken by ATSIC in recent years may have accelerated the movement of resources to those projects that are better able to demonstrate outcomes. Grant proponents in the more urbanised areas, with their greater access to infrastructure and mainstream economic opportunities, may have been able to show better prospects for training and employment outcomes.

83. It is also possible that growth of CDEPs in regional and urban areas is partly attributable to the failure of mainstream arrangements, whether managed by Government or more recently by contracted agencies, to provide services in ways that effectively meet Indigenous people's needs. A common theme among the comments made to us was that mainstream providers tend not to recognise the existence and legitimacy of Indigenous culture — for example in their approach to communications with clients. Mainstream providers are widely perceived by Indigenous people as being inflexible in their approach.

84. The situation that has developed in relation to the spread of CDEPs is problematic for two reasons:

- (i) those communities with the greatest need for capacity building must have lost out to some extent; and
- (ii) the presence of the CDEP option in areas that have access to other employment assistance services may reduce the mainstream providers' focus on Indigenous people — shifting responsibility to the Indigenous-specific program.

85. In practice, we recognise that urban CDEPs cannot be closed down, even if they duplicate the mainstream employment assistance arrangements. Part of the reason for existence is their special standing with Indigenous community members and their function as a channel for community aspirations.

86. There is a case for fundamentally different resourcing arrangements for urban CDEPs. These might follow two paths:

- (i) The application of the purchaser-provider model. A significant component of funding could be made dependent on achieving unsubsidised job placements off CDEP. Payment arrangements would need to properly reflect the investment outlays initially required to help participants with their job-relevant skills and**

readiness for work. We are aware that ATSIC and DEWRSB are collaborating on trials of this type of activity.

- (ii) Improving the focus on using CDEP projects to establish businesses, by better linking funding to implementation milestones and employment generation outcomes.**

87. In their submission²² ATSIC indicated that they will be reviewing the allocation of existing and new CDEP participant places during 2001, having regard to unemployment and income support rates, geographic location and existing CDEP participation rates.

88. **Finally, we note the concerns in the ATSIC submission²³ and expressed to us during our consultations that CDEPs have inadequate access to training resources. This detracts from CDEPs' ability to assist their participants take up job opportunities as they become available. If participants are to be better prepared to meet the requirements for jobs in their communities and in the labour market generally, the Commonwealth will need to consider how to provide funds for job-relevant training in CDEPs.**

COMBINING EMPLOYMENT PROGRAMS

89. We have examined the Job Network Intensive Assistance, IEP and CDEP programs separately and within each we have found wide variability between the patterns of population, need, and the funding delivered. We now examine Job Network in combination with the IEP, and the mainstream programs with CDEP.

90. In concept, Job Network and the IEP work in complementary ways to address the employment assistance needs of Indigenous people. Both are directed to the participation of Indigenous people in mainstream employment. Table 11-12 gives data on Intensive Assistance and IEP commencements combined. The data show few variations on the broad pattern of coverage under Intensive Assistance. The addition of the IEP commencements data significantly increases the ranking of Kalgoorlie, Alice Springs and Broome regions, and decreases the ranking of Tamworth, Darwin and Sydney. The other regions remain broadly in the same position. The relative stability of the rankings is not unexpected, with IEP commencements comprising only about one-fifth of the total of mainstream labour market assistance.

91. Labour supply alone appears to be inadequate as a measure of the distribution of employment assistance that is directed to mainstream labour market participation. Labour market demand is a significant consideration, but we have found no easy way of factoring this into assessments of Indigenous people's need for employment services.

²² ATSIC Final Submission, December 2000.

²³ ATSIC Initial Submission, Appendix C, May 2000.

Table 11-12 COVERAGE OF JOB NETWORK INTENSIVE ASSISTANCE AND INDIGENOUS EMPLOYMENT COMMENCEMENTS, 1999 –2000

ATSIC Region	Rate	ATSIC Region	Rate	ATSIC Region	Rate	ATSIC Region	Rate
South Hedland	1.67	Wagga Wagga	1.37	Mount Isa	1.02	Tasmania	0.71
Kalgoorlie	1.62	Darwin	1.29	Adelaide	1.00	Sydney	0.70
Geraldton	1.54	Perth	1.22	Coffs Harbour	0.94	Derby	0.53
Alice Springs	1.49	Ceduna	1.18	Wangaratta	0.87	Tennant Creek	0.52
Tamworth	1.47	Roma	1.16	Broome	0.86	Torres Strait	0.45
Bourke	1.43	Kununurra	1.13	Ballarat	0.85	Nhulunbuy	0.35
Cairns	1.40	Brisbane	1.11	Warburton	0.76	Jabiru	0.21
Townsville	1.40	Port Augusta	1.07	Narrogin	0.75	Apatula	0.19
Rockhampton	1.38	Queanbeyan	1.05	Katherine	0.74	Cooktown	0.17

Note: The rate is calculated as the ratio of Intensive Assistance and Indigenous Employment Program commencements per capita, to the Australian average Intensive Assistance and Indigenous Employment Program commencements per capita. Australian average rate = 1.0. Population figures used in calculations include CDEP participants.

Sources: ABS Experimental Projections of Indigenous Population. DEWRSB and ATSIIC data.

92. Finally, we examine the effect of combining all employment assistance. Table 11-13 gives a ranking of regions based on the data for mainstream programs used above, combined with CDEP. In terms of commencements, the amount of assistance under mainstream programs is trebled by the inclusion of CDEP. The combined results show the following:

- (i) In most cases, the rural and remote regions of South Australia and Western Australia further increase their already high rating under the mainstream programs.
- (ii) The low ratings for Cooktown and the Torres Strait under mainstream programs are reversed with the addition of CDEP.
- (iii) In New South Wales, Sydney rates low for both programs, Bourke rates higher than average.
- (iv) The very low ratings, with the exception of Alice Springs, of the remote Northern Territory regions under mainstream programs are reversed with the inclusion of CDEP, and the rating for Katherine increases significantly.
- (v) Capital cities and regional population centres are all reduced in rating to below the national average. This is as expected given the predominance of CDEP in the mix of employment assistance.

93. **The impact of CDEP is very apparent. Unemployment rates move to about 40 per cent when CDEP participation is removed from employment statistics. CDEP has been critically important in remote regions where the labour market is very limited. CDEP growth should be focussed in such regions.**

Table 11-13 COVERAGE OF MAINSTREAM PROGRAMS AND CDEP COMMENCEMENTS, 1999-2000

ATSIC Region	Rate	ATSIC Region	Rate	ATSIC Region	Rate	ATSIC Region	Rate
Cooktown	3.38	Nhulunbuy	1.72	Tamworth	1.17	Queanbeyan	0.59
Derby	3.29	Tennant Creek	1.71	Cairns	1.11	Perth	0.58
Warburton	3.13	Geraldton	1.66	Mount Isa	1.11	Wangaratta	0.56
Broome	3.07	South Hedland	1.66	Apatula	1.02	Townsville	0.56
Ceduna	3.03	Bourke	1.58	Roma	1.01	Darwin	0.55
Kununurra	2.76	Jabiru	1.57	Wagga Wagga	0.75	Ballarat	0.51
Torres Strait	2.17	Narrogin	1.55	Coffs Harbour	0.74	Brisbane	0.40
Katherine	1.97	Kalgoorlie	1.34	Adelaide	0.65	Sydney	0.33
Port Augusta	1.89	Alice Springs	1.25	Rockhampton	0.61	Tasmania	0.28

Note: The rate is calculated as the ratio of all programs commencements per capita, to the Australian average all programs commencements per capita. Australian average rate = 1.0. Unemployed figures used in calculations include CDEP participants.

Sources: ABS Experimental Projections of Indigenous Population. DEWRSB and ATSIC data.

CONCLUSIONS

94. Indigenous people face greater disadvantage in employment than any other group. Low levels of education contribute to this outcome, as does the lack of employment opportunities in more remote regions. Our main findings relating to each form of employment assistance are as follows.

(i) Job Network

- The Intensive Assistance arrangements show a mixed pattern of performance in meeting the employment assistance needs of Indigenous people. There is a high degree of variability in Indigenous people's access to services, with fewer in more remote regions. While Indigenous people seem to be accessing an equitable share of commencements in Intensive Assistance (assuming the benchmark is appropriate) employment outcomes remain poor.

- While the benchmark for the Indigenous share of Intensive Assistance commencements is being achieved, the relatively low level of paid outcomes currently being achieved suggests a need for an approach, which targets employment outcomes.
- The recent changes to the Job Network arrangements should be of benefit to Indigenous people. However, there is clear evidence that Job Network does not yet have broad acceptance within the Indigenous community. Concerted efforts must be made to reduce barriers to access to facilitate the equitable participation of Indigenous people.

(ii) Indigenous Employment Program

- The early evidence of employment outcomes being achieved under IEP are encouraging relative to the outcomes for Indigenous people from mainstream assistance programs.
- The strategic focus on partnerships with the private sector, and collaboration with Job Network providers and CDEPs, can make a positive impact in the longer term.
- The cashing out principle adopted by funding the IEP from unspent Job Network funds recognises that the measure of Indigenous people's inability to access a mainstream program can be redirected to an Indigenous-specific program. This cashing out approach is also used in health and could have wider application.

(iii) The CDEP Scheme

- The impact of CDEP is very apparent. Unemployment rates move to about 40 per cent when CDEP participation is excluded from employment statistics. CDEP has been critically important in remote regions where the labour market is very limited. CDEP growth should be focussed on such regions.
- A different approach to funding CDEPs should operate in urban and other areas where there are viable labour markets. This could take the form of purchaser-provider or fee for service arrangements, with a substantial component of funds tied to achieving mainstream employment or economic development outcomes.
- The lack of a training component in CDEP funding is restricting the effectiveness of the program and the opportunities for capacity building in some remote areas.