

# A review of Indigenous employment programs

*A Michael Dockery  
Nicola Milsom*  
Curtin Business School,  
Curtin University of Technology







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The views and opinions expressed in this document are those of the author/project team and do not necessarily reflect the views of the Australian Government, state and territory governments or NCVER

## Publisher's note

Additional information relating to this research is available in *A review of Indigenous employment programs: Support document*. It can be accessed from NCVER's website <<http://www.ncver.edu.au/publications/1729.html>>.

To find other material of interest, search VOCED (the UNESCO/NCVER international database <<http://www.voced.edu.au>>) using the following keywords: Indigenous; Aboriginal and Torres Strait Islander; labour market; employment policy; evaluation; community development.

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Level 11, 33 King William Street, Adelaide SA 5000  
PO Box 8288 Station Arcade, Adelaide SA 5000, Australia

ph +61 8 8230 8400 fax +61 8 8212 3436

email [ncver@ncver.edu.au](mailto:ncver@ncver.edu.au)

<<http://www.ncver.edu.au>>

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# Foreword

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This research was undertaken over 2005–06 as part of the National Vocational Education and Training Research and Evaluation program, a national research program managed by the National Centre for Vocational Education Research (NCVER) and funded by the Department of Education, Science and Training on behalf of the Australian Government and state and territory governments. Between 2000 and 2005 the national Aboriginal and Torres Strait Islander vocational education and training (VET) strategy, *Partners in a learning culture* (ANTA 2000), guided activity for Indigenous people in VET. In 2003 progress against the strategy was reviewed, indicating areas where improvements had occurred and where insufficient progress had been made.

As a result of the mid-term review, NCVER developed a national Indigenous research strategy for VET in partnership with the former Australian Indigenous Training Advisory Council and this report was commissioned under the strategy.

The report sets out to comprehensively analyse major reviews and evaluations of programs relevant to Indigenous labour market outcomes, including national mainstream and Indigenous-specific policies. The main evaluations covered relate to the Aboriginal Employment Development Policy, the Indigenous Employment Policy, the Community Development Employment Projects scheme, *Working Nation* programs and the Job Network. The aim of the project was to differentiate between the measures of effectiveness used to evaluate varying objectives of the policies, which range from standard labour market outcomes, such as employment rates and income, to self-determination and community capacity-building. The project also sought to describe these programs and policies and identify those that have been most effective in achieving their objectives.

The findings of this report will be of particular interest to policy-makers and program developers, particularly as they relate to ensuring that programs are clearly evaluated directly against their stated objectives. The report also highlights the need to ensure that objectives are relevant to the specific locations in which programs are delivered.

Readers are referred to other projects in this area:

- ✧ Kemmis, S, Atkinson, M, Brennan, R & Atkinson, C 2004, *Partners in a learning culture: Blueprint for implementation: Mid-term review final report*, ANTA, Brisbane.
- ✧ Miller, C 2005, *Aspects of training that meet Indigenous Australians' aspirations: A systematic review of research*, NCVER, Adelaide.
- ✧ O'Callaghan, K 2005, *Indigenous vocational education and training: At a glance*, NCVER, Adelaide.

Tom Karmel  
Managing Director, NCVER



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# Key messages

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This report critically reviews evaluations of the major post-1985 labour market assistance measures for Indigenous Australians, with a view to helping shape future policy in addressing Indigenous disadvantage.

- ✧ In terms of achieving short-term employment outcomes, Australia's major Indigenous-specific programs appear to have been highly successful. A mix of on-the-job work experience, achieved through wage subsidies or brokered placements, combined with other appropriate support, such as mentoring, offers a successful approach. Involvement of Indigenous people in the provision of assistance can also improve program effectiveness.
- ✧ However, despite considerable public investment in labour market programs and other forms of assistance for economic development, Indigenous Australians remain significantly worse off on all major measures of economic and social wellbeing, relative to non-Indigenous Australians.
- ✧ From the 1980s, government policy towards Indigenous economic development, as embodied in the Community Development Employment Projects scheme and the Aboriginal Employment Development Policy, stressed the importance of self-determination and cultural preservation in promoting Indigenous wellbeing.
- ✧ Indigenous employment policies and programs are products of specific political philosophies, and policy and program objectives are shaped by those philosophies. At evaluation stage, objectives such as self-determination and choice have been ignored or have been replaced by more easily quantifiable objectives, such as increased numbers of Indigenous people in mainstream jobs. Policy-makers need to pay greater attention to how programs are evaluated.
- ✧ The primary objectives of the main labour market programs now accessed by Indigenous Australians, encompassing the Indigenous Employment Policy and the Job Network, are the achievement of mainstream employment outcomes, and for many Indigenous Australians this is consistent with their own aspirations. Our view is that it is also likely to result in a more rapid pace of social and cultural assimilation.

# Executive summary

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Against the backdrop of severe and persistent social and economic disadvantage facing Indigenous Australians, this report reviews evaluations of the major labour market assistance measures for Indigenous Australians since the pivotal Miller Report of 1985. It highlights what are seen as failings in the evaluation of Indigenous programs over this time.

## History

European settlement and subsequent capitalist economic development in Australia resulted in widespread destruction of the traditional economic and cultural activities of Indigenous Australians. Yet, as recently as the 1960s and 1970s, significant institutional barriers inhibited Indigenous integration with the mainstream economy. To the extent that Indigenous Australians do aspire to integration with the mainstream economy, they face the disadvantages inherent in being in the early phase of a profound cultural and economic transition while, at the same time, the ‘safety net’ of their customary way of life and their attachment to it are steadily vanishing.

A major review of Indigenous employment and training programs delivered in 1985 (the Miller Report) challenged the assumption underlying early programs—that integration with the mainstream or market economy was the best strategy for Indigenous people. Programs that followed contained an uneasy mismatch between the objective of respecting Indigenous choice and self-determination on the one hand, and pursuing equality as measured by mainstream indicators of labour market achievement on the other. The most enduring program embodying the concept of self-determination is the Community Development Employment Projects scheme, first established in 1977. The second major Indigenous-specific program has been the Training for Aboriginals Program. A range of other programs have been implemented under the ‘umbrella’ policies of the Aboriginal Employment Development Policy and the Indigenous Employment Policy.

## Community Development Employment Projects scheme

The story of the Community Development Employment Projects scheme provides ample demonstration of the failure of the evaluation effort to genuinely support the notion of self-determination and to value the preservation of Indigenous culture. The scheme’s objectives, as originally stated and restated through the 1980s and 1990s, were to reduce the adverse effects of unemployment and welfare dependency, to strengthen communities, and to promote self-determination and cultural maintenance. In recent years government policy has increasingly refocused the objectives of the scheme onto unsubsidised employment outcomes.

A central tenet of any program evaluation methodology must be to link objectives, implemented processes and measured outcomes. However, evaluations of the Community Development Employment Projects scheme over the years have focused upon paid employment outcomes as the measure of success. The objectives of self-determination, community capacity-building and cultural maintenance have never received appropriate support through the normal processes of policy development and refinement, informed through evaluation. Some studies have identified a number of positive effects of the scheme for communities, including improved social and cultural cohesion,

reduced incidences of alcoholism and incarceration, and greater capacity for self-management; others argue that the scheme represents a poverty trap.

## Aboriginal Employment Development Policy

A similar story can be told about the Aboriginal Employment Development Policy, introduced in 1987 in response to the Miller Report. The language of the policy implied that promotion of self-determination and cultural preservation were key objectives. Accordingly, Indigenous people themselves were to exercise significant influence in formulating the objectives of labour market programs to ensure their alignment with Indigenous values and aspirations. Despite this, the formal statement of objectives consisted of a series of targets more consistent with those of assimilation. Again, the broader strategy was undermined or neglected through a failure to offer any outcome measures aligned with its stated principal objectives of self-determination and cultural maintenance.

## Current policy environment

The current Australian Government's political agenda now openly pursues the integration of Indigenous people and communities into the market economy, and indeed this is a legitimate and important objective for some Indigenous people. The Indigenous Employment Policy emphasises employment, and mainstream employment in particular, as the primary objective, with little discussion of the limited applicability this must have for Indigenous people in remote communities or those who wish to pursue traditional lifestyles. A number of Indigenous-specific programs have been surprisingly effective in boosting employment.

The Training for Aboriginals Program, along with the main Indigenous-specific labour market programs that replaced it, appears to have been very successful in promoting employment opportunities when considered in the context of the effectiveness of labour market programs more generally. Patchy as it is, evidence suggests that a mix of on-the-job work experience, achieved through wage subsidies or brokered placements, combined with other appropriate support, such as mentoring and training, offers the most successful approach to achieving market employment outcomes for Indigenous job seekers.

In terms of participation in mainstream labour market programs, Indigenous clients were well represented in referrals for assistance to labour market programs by the Commonwealth Employment Service prior to *Working Nation*, a policy introduced in 1994 to tackle long-term employment. However, little information is available on outcomes from these programs. The approach to evaluation improved markedly with the implementation of *Working Nation*, and experience with these programs continued to support wage subsidies as one of the more effective means of assisting Indigenous job seekers. While the competitive employment services market, the Job Network, initially failed to deliver adequate assistance for Indigenous Australians, measures to address this have been put in place in the most recent contract periods, including the introduction of more specialist providers. On available evidence, the Job Network appears to be as effective in assisting Indigenous clients as non-Indigenous clients, assuming that their intentions are to enter mainstream employment.

## Implications for evaluating labour market programs for Indigenous people

Due to data limitations, our knowledge of what does and does not work in overcoming Indigenous disadvantage in the labour market is very limited. There is evidence of superior outcomes in a range of contexts when Indigenous personnel are involved in program or service delivery, but this is not a necessary condition for success. To avoid repeating mistakes of the past, it is critical that future evaluations of programs differentiate between participants' aspirations, particularly those relating to cultural attachment and geographic remoteness, when attempting to connect the sources of disadvantage to processes and outcomes. Evaluations of Indigenous outcomes in the areas of education and vocational education and training (VET) have made a far more concerted effort to account for the range of aspirations and to more rigorously assess outcomes against stated objectives than has been the case with evaluations of labour market programs.

# Introduction and methodology

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Indigenous people remain among the most severely disadvantaged groups in the Australian labour market and in relation to many other dimensions of socioeconomic wellbeing. The extent of the overall disparity in socioeconomic status of Indigenous Australians is perhaps demonstrated most vividly through data on life expectancy. According to the United Nations' Human Development Indicators, Australia ranks twelfth in terms of real gross domestic product (GDP) per capita, with a per capita income of US\$25 370 in 2001. In that same year the United Nations ranked Australia equal ninth with Switzerland in terms of life expectancy at birth. By contrast, the life expectancy of Indigenous Australians is on a par with that of the people of the Himalayan country of Bhutan, which ranks number 124 of the 175 countries in terms of life expectancy and has a per capita income of less than 8% of Australia's, putting it in the poorest one-fifth of countries. Addressing Indigenous disadvantage in Australian society is an issue of the utmost importance, and improving employment policy and labour market outcomes is a necessary condition for progress.

The extent of Indigenous disadvantage within the labour market has been well documented in a range of publications, particularly those of the Centre for Aboriginal Economic Policy Research at the Australian National University, and more recently by the Productivity Commission. The unemployment rate among Indigenous Australians is almost three times that of non-Indigenous Australians, despite an already markedly lower participation rate. The employment rate for the Indigenous working-age population is barely more than 50%. These relative disadvantages are accentuated when only work in the private sector is considered. Many of the Indigenous unemployed are long-term unemployed (see Productivity Commission 2003, p.3.19).

This situation continues, despite a considerable level of public support for Indigenous economic development and labour market assistance made available through an array of programs and policy approaches over the years. Taken collectively, these policies and programs have not achieved a state of Indigenous wellbeing over which Australia as a nation can be satisfied. Furthermore, little progress seems to have been made towards reaching a consensus on how best to address ongoing Indigenous disadvantage. Some of this failure can be attributed to the lack of formal rigorous effort specifically evaluating the effectiveness of various education and training activities and other programs designed to improve Indigenous outcomes. In turn, this is partly due to a lack of data amenable to rigorous econometric evaluation, given the (typically) small numbers of observations on Indigenous people in surveys representing the general population. More importantly, however, it is argued here that this failure reflects the lack of an overarching evaluation framework that matches inputs and outputs to policy objectives. Moreover, it is important to assess the effectiveness of programs and policies in a framework that links the actual nature of Indigenous labour market disadvantage, the program 'treatment' and the policy objectives.

This report reviews the major programs concerned with Indigenous labour market outcomes. As such, its scope is not limited to programs targeted to Indigenous Australians, but includes 'mainstream' programs and activities, such as vocational education and training (VET), in which Indigenous people participate along with non-Indigenous Australians. The focus is not so much upon processes and outcomes, but on the evaluation framework and approach. It is vital that any evaluation distinguishes between the objectives relating to Indigenous self-determination and community capacity-building and those which relate to employment and earnings outcomes in the

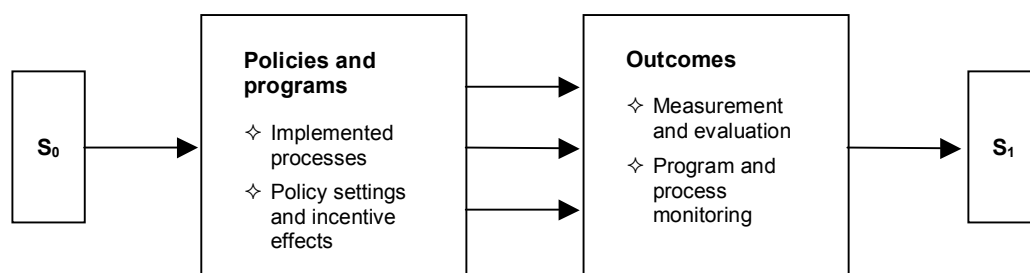
non-traditional (or ‘mainstream’) labour market.<sup>1</sup> Conventional measures of success in the labour market, such as employment rates and market wages, may apply to the latter, but have limited relevance to remote communities and traditional Indigenous lifestyles.

## An evaluation framework

Despite the range of programs that have been implemented and the considerable financial commitment made to Indigenous programs, the continuing disadvantage faced by Indigenous people can leave no doubt over the imperative for Australian governments and for all Australians to do more to improve the wellbeing of the Indigenous population. An important part of this is learning from past efforts—to review existing and previous programs and policies to identify characteristics of the more successful programs, thereby ensuring that resources allocated to improving Indigenous wellbeing are used as effectively as possible. That is to say, present-day policy must be informed by evaluation of current and past programs.

Since the focus of this report is on critical assessment of earlier evaluations, adopting a basic and broadly applicable evaluation framework is a good starting point; for this project we are using a framework developed by Dockery and Milsom (2004, pp.164–5). Figure 1 postulates an initial state of the world,  $S_0$ , which is perceived as being problematic in some way. At the end of the continuum sits the desired state of the world,  $S_1$ , which policy-makers want to achieve by some later time period, or at least progress towards. In order to achieve  $S_1$ , a program or policy is implemented. The program will establish processes (or parameter settings to create incentives to drive processes) that are assumed to achieve outcomes. There must be some theoretical foundation to link the processes to the outcomes. It is quite likely that some of the desired differences between  $S_1$  and  $S_0$  will not be directly measurable, and in this case it is necessary to use outcome indicators or measures believed to be associated with the desired change in the state of the world. For example, we may wish to increase the wellbeing of a particular target group. Wellbeing is a broad and elusive goal, but there are many indicators that are assumed to be associated with improved wellbeing and are straightforward to measure, such as lower unemployment rates, higher incomes and better health status.

**Figure 1 Policy evaluation framework**



In order to be able to assess whether or not a certain policy or program is effective, the following elements would therefore be essential:

- ◇ a clear view of what is being redressed and the overarching objective, that is, a clear view of what differentiates  $S_1$  from  $S_0$
- ◇ a statement of the outcome measures to be used as indicators of whether or not progress has been made in moving from  $S_0$  and towards  $S_1$

<sup>1</sup> Throughout this report we refer to the ‘traditional’ economy as outputs associated with the traditional activities and culture of Indigenous peoples, such as hunting and gathering, as opposed to the ‘non-traditional’, ‘mainstream’ or ‘market’ economy. Other authors also use the term ‘customary sector’ to describe the traditional economy.

- ✧ a theory of how the outcome measures relate to the achievement of the desired state, or to the differences between the desired and initial states
- ✧ a theory of how the program processes or policy settings that are being established will generate the intended outcomes.

For many programs, it is sufficient that evaluations are concerned only with the links between program parameters and outcome measures. For labour market programs in Australia, for example, the main outcome indicator used in departmental evaluations is the proportion of participants in employment. There is an implied assumption that a higher proportion is a better outcome, and that the higher the proportion, the more the program contributes towards a wider goal of promoting full employment. In other instances, sometimes termed ‘process evaluation’, even the links between the processes and outcome measures are not explicitly explained. A job search assistance program, for example, may encourage job seekers to apply for advertised vacancies under the assumption that this will increase their exit rate from unemployment. Process evaluation is concerned with the number of job seekers who meet their target number of job applications. Process evaluations also often compare the ratios of outputs to inputs to measure the cost-efficiency with which processes are implemented, such as ratios of job seeker registrations or vacancies collected to the number of staff employed by the agency.

When addressing Indigenous economic status, there is added complexity, in that there is considerable uncertainty over the precise nature of the ‘desired’ world,  $S_1$ , and whom should determine it. The self-determination approach stresses the importance of Indigenous people deciding this for themselves. In this context, there are two major concerns if the links between processes, outcome measures and broader policy objectives are not clearly set out. The first is simply that, without a statement of what measurable outcomes the program is expected to achieve, there is no way to assess whether or not the program is effective. Second, ambiguity of outcome measures or of the link between outcome measures and wider policy objectives leaves open the possibility for unintended policy outcomes. Pickering (2000, p.149) points to the adoption of employment for wages as the principal outcome for the Temporary Assistance for Needy Family program in the United States as an example of how the objective of cultural assimilation of American Indians on remote communities is covertly promoted as a ‘hidden solution to poverty’.

In practice, the evaluation of labour market programs is highly complex. The accompanying support document (available at <http://www.ncver.edu.au/publications/1729.html>) contains a brief note on evaluation methodology to define formally some key terms used in this report. Typically, the main parameter of interest in a program evaluation is the impact of the program on the target population. In the context of microeconomic evaluation, ‘gross outcomes’ refers simply to the observed outcomes for participants, such as the proportion in employment after completing the program. The impact of the program, however, is more adequately measured as the difference between the outcomes the target group achieves and those they would have achieved in the absence of the program. Of course, only one of these can be observed at any point in time. Approaches to estimating this ‘net impact’ include:

- ✧ comparing gross outcomes before and after participation in the program
- ✧ comparing gross outcomes of the participants with those of a similar group who did not participate in the program (a ‘control group’)
- ✧ comparing the ‘before and after’ change in outcomes for participants with the change in outcomes observed for a control group over the same period.

Sophisticated econometric methods have been developed over the years to isolate the ‘net impact’ of programs from other factors that may have influenced the participants’ outcomes, such as differences in observable and unobservable individual characteristics between those in the target group who enter programs and those who do not (‘selection effects’). ‘Selection bias’ occurs when individuals from the target group who already possess a greater likelihood of achieving positive

outcomes are also more likely to enter into the program and this is not controlled for by the evaluator. See Riddell (1991) for a useful overview and Schmid, O'Reilly and Schomann (1996) for an extensive collection of applied studies.

Unfortunately, the lack of appropriate datasets containing sufficient sample numbers of Indigenous people largely precludes the application of best-practice econometric methods in the evaluation of Indigenous programs. Instead, the following sections draw upon the framework described earlier to assess previous evaluations. In particular we will attempt to determine:

- ✧ whether clear objectives have been set and how they have been formulated
- ✧ what outcome measures have been used and how they relate to policy objectives
- ✧ what outcomes have been achieved and the appropriateness of the methodology to measure the outcomes.

For Indigenous-specific programs and policies, at least, it seems clear that wider policy objectives relating to the degree of eventual assimilation between the Indigenous and non-Indigenous lifestyles and the importance placed upon self-determination should be critical parameters of any evaluation.

## The plan of the report

The following section provides a brief background to the history of Indigenous people's engagement with the non-traditional economy and labour market following European settlement, including an overview of post-1985 developments in employment programs for Indigenous Australians. Two sections then apply the generic evaluation framework set out above to review and critically assess the evaluation of the effectiveness of programs in addressing Indigenous disadvantage. The first of these provides a review of the major post-1985 Indigenous-specific labour market programs and their evaluation, including the Community Development Employment Projects scheme, the Aboriginal Employment Development Policy and the Indigenous Employment Policy. The second then considers Indigenous participation in mainstream labour market programs and in VET for this period. The final section highlights the salient implications to be drawn from the review and offers some concluding observations.

Additional information relating to this research is available in *A review of Indigenous employment programs: Support document*. It can be accessed from NCVER's website at <<http://www.ncver.edu.au/publications/1729.html>>. This document contains information on the research methodology, the Community Development Employment Projects scheme, the Training for Aboriginals Program, the Indigenous Employment Policy and Job Network.

# Indigenous employment programs: The context

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The role of labour market programs for Indigenous Australians cannot be fully understood unless placed in the context of Indigenous engagement with European settlers and subsequent policies relating to the Indigenous population. Colonisation had a substantial impact upon the Indigenous people; the introduction of farming and the clearing of land reduced the economic resources used to support traditional Indigenous lifestyles. Introduced diseases also took their toll. Many who resisted dispossession of their land were killed, while others were forced to develop economic relationships with the settlers (Miller 1985, pp.27–8). In some instances Indigenous people proved useful as a source of cheap labour; others were systematically killed by poison and shooting. Although there is some debate over the nature and extent of the physical violence against the Indigenous population (see, for example, Windschuttle 2002), it cannot be disputed that, as a result of European settlement, the economic relationship that Indigenous people had with the land has been progressively destroyed, along with much of their traditional cultural and social structures.

The approach taken by authorities to Indigenous populations reflected that typically adopted as Western nations expanded and ‘colonised’ during the nineteenth and twentieth centuries (Dockery & Milsom 2004; Bodley 1988). The initial approach was to treat the Indigenous people as savages or a source of cheap labour from a ‘backward’ civilisation; this was followed by a ‘protection and uplift’ policy devised by the House of Commons Select Committee in the 1830s and included the formation of missions, cattle stations and reserves for Indigenous people, whereby they also provided a valuable source of labour. Church and state encouraged a ‘positive policy’ towards what was seen as the inevitable assimilation into Western society. In the attempts to ‘civilise’ the Indigenous population, government policy facilitated many children being forcibly removed from their families and settlements and sent to schools and missions where they were taught the ways of European culture. These children became known as the ‘Stolen Generation’. As recognition of the rights of Indigenous Australians as equal citizens and respect for the legitimacy and value of their culture slowly grew, the approach to dealing with Indigenous peoples progressed to integration and then to the concept of self-determination.

Genuine self-determination requires both an adequate economic resource base and freedom for Indigenous people to decide upon the goals for their economic and social development, as well as the process to reach those goals. The need for an economic resource base to support self-determination was met in part by the legal recognition of land rights, notably through the *Aboriginal Land Rights (Northern Territory) Act 1976* and the High Court decision in *Mabo v Queensland No. 2 (1992)*, which established the doctrine of Native Title. The major institutional embodiment of the self-determination approach was the Aboriginal and Torres Strait Islander Commission, established by the Hawke Government in 1989, which took responsibility for delivery of a significant number of Commonwealth programs directed to Indigenous Australians.

The pursuit of self-determination inevitably creates trade-offs between desires to maintain traditional Indigenous lifestyles and culture, which are intricately woven into traditional economic relationships with the land, and the integration of Indigenous people into the mainstream economy. In one view, much of the value of the self-determination approach is in the processes themselves, irrespective of outcomes. Recognition of fundamental rights and freedom of self-government for Indigenous people is as important in improving Indigenous wellbeing as are improvements in mainstream indicators of economic and social progress (Rowse 2002). Policy-makers and agencies



which deliver services face difficult decisions between respecting the preferences of Indigenous people and trying to ensure the same services and opportunities are available to Indigenous and non-Indigenous Australians alike, particularly given diversity of preferences within the Indigenous population. Indigenous people themselves may face difficult choices maintaining their traditional culture in instances where it is inconsistent with a desire to engage in the mainstream economy.

As significant as these challenges are, they should not preclude continued pursuit of policies designed to improve Indigenous wellbeing on all dimensions. Despite earlier attempts to address inequities and a considerable level of public financial support for Indigenous economic development, Indigenous Australians as a group continue to face a standard of living markedly lower than the Australian norm. This is the case when 'mainstream' indicators of living standards, such as wealth, income, educational qualifications and employment status, are used, although there is some debate over whether these measured disparities should be taken to imply 'Indigenous disadvantage', as opposed to their reflecting the cultural differences and choices of Indigenous individuals and communities. However, there are also indicators that cut across any cultural divide, such as health status and life expectancy, and the incidence of suicide, substance abuse, arrest and incarceration. There can be no suggestion that the plight of Indigenous Australians revealed by these measures is the intended outcome or even the logical consequence of their choices. Disparity between Indigenous and non-Indigenous Australians on a wide range of measures has recently been documented by the Productivity Commission (2003).

The ongoing plight of Indigenous Australians led the Howard Government to reject elements of the self-determination approach as 'symbolic reconciliation', instead arguing that economic development was the key to success in Indigenous affairs policy, an approach it termed 'practical reconciliation'. In announcing the dismantling of the Aboriginal and Torres Strait Islander Commission, the Howard Government described the commission as a failed experiment in separate representation for Indigenous people and established an Office of Indigenous Policy Coordination to provide advice and monitor the performance of mainstream agencies.<sup>2</sup> Such a policy is likely to markedly reduce the 'Indigenous sector' seen by Rowse (2002) as a legitimate industry sector vital to advancing Indigenous economic outcomes.

## Indigenous Australians and employment programs

As their traditional means of economic production have progressively disappeared, Indigenous people have been faced with a significant transition, involving either integration with the mainstream economy or the establishment of other economic relationships with it. Although the First Fleet arrived over 200 years ago in 1788, it is important to remember that Indigenous people remain in a relatively early stage of that transition since, by and large, institutional barriers have effectively excluded many Indigenous people from full economic participation until very recently. Indigenous Australians were not counted in the census until 1971. For much of the twentieth century they had no access to social security payments or welfare. Legislative changes in 1966 extended coverage of the *Social Security Act* to 'Aboriginal natives'; however, other provisions of the Act, such as the work test and other conditions for eligibility for benefits, effectively continued to exclude many Indigenous people, such as those living in government missions (Human Rights and Equal Opportunity Commission 1997, pp.2–3). Despite this, it has been estimated that, by 1981, around 70% of total Indigenous income, incorporating both monetary income and imputed value of non-traded production, was sourced from government and largely in the form of welfare payments (Fisk 1985 cited in Miller 1985, pp.439–40). The equal wages case of 1965 resulted in many Indigenous people being forcibly removed from pastoral stations, severing a co-existence with pastoralists which had allowed Indigenous workers and their families to maintain attachment to their traditional lands and culture. Instead, Indigenous people were rounded up and dumped in the outskirts of towns, where idleness and substance abuse took their toll (see Bunbury 2002).

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<sup>2</sup> Media release, Senator the Hon. Amanda Vanstone, 30 June 2004.

Thus, in the space of just one to two generations, Indigenous Australians have experienced massive economic and cultural dislocation and face a path of adaptation that will go on for many generations yet. Employment programs play an important role in this transition. They are commonly considered as a means to integration with the mainstream economy and labour market. It is well documented that, when compared with non-Indigenous Australians, Indigenous Australians continue to have:

- ✧ lower labour force participation rates
- ✧ higher incidences of unemployment and longer durations of unemployment when they do participate in the labour market
- ✧ lower average incomes when in employment.

Moreover, Indigenous employment is concentrated in sectors reliant upon government funding rather than on private industry (see Hunter 2004 plus a range of papers from the Centre for Aboriginal Economic Policy Research Working Paper series). However, labour market programs may also play a role in promoting Indigenous self-determination and cultural maintenance by strengthening the capacity of individuals and communities.

In 1969 the Commonwealth employment portfolio developed a program of special measures to assist Aboriginal people in employment for the first time (Miller 1985, p.96). A large number of government programs, agencies and strategies quickly followed. While the Aboriginal and Torres Strait Islander Commission came to represent the main instrument for separate representation and governance for Indigenous Australians, the main embodiment of the self-determination approach in terms of employment programs has been the Community Development Employment Projects scheme. Initiated in 1977, the program provided for unemployment benefits payable to members of a community to be taken collectively by the community's council and distributed in return for work undertaken by individual community members. Described at the time as a substitute for 'sit-down' money, the program closely followed the principles of the Temporary Assistance for Needy Families scheme in the United States in addressing welfare dependency. The Community Development Employment Projects scheme grew to be recognised as one of the more successful schemes and has certainly proved to be the most enduring.

In 1984, the Committee of Review of Aboriginal Employment and Training Programs provided a landmark shift in the delivery of labour market assistance to Indigenous Australians. Its report of 1985 (the Miller Report) urged a major reconsideration of the whole approach to Indigenous labour market disadvantage, questioning whether the assumption underlying much of the strategy—that employment for wages or salaries was the best means of providing a livelihood for Indigenous people—was in fact appropriate for all Indigenous Australians. As noted, the eventual extension of eligibility for government benefits and other forms of assistance to Indigenous Australians rapidly led to a high degree of welfare dependency. The Miller Report repeatedly stressed the importance of Indigenous people having independence in decisions affecting them, and saw access to an economic base, primarily through ownership of land, as fundamental to achieving that independence and to providing them with the choice to retain elements of their traditional lifestyles. In line with the evaluation framework developed above, the report also pointed to the need to frame Indigenous employment programs within a wider policy context, including 'the whole question of the way in which Aboriginal people can provide for their livelihood in accordance with the life-style they choose ...' (Miller 1985, p.9).

The report found that the Commonwealth's National Employment Strategy for Aborigines, introduced in 1977, had not been implemented as a cohesive strategy and provided, at best, marginal benefit. Major failings in the delivery of labour market assistance to Indigenous people were identified as:

- ✧ an almost exclusive concern for participation in the regular labour market as employees
- ✧ a lack of identification of the barriers to employment in certain circumstances and, therefore, the provision of inappropriate responses

- ✧ an attempt to replicate regular employment conditions in situations which have neither the economic base to support them, nor Aboriginal lifestyles compatible with those conditions
- ✧ a failure to include significant Aboriginal involvement in the decision-making process at all levels, particularly at the local level.

(Miller 1985, pp.181–2)

The Community Development Employment Projects scheme was endorsed by the Miller Report as one program that could support traditional economic activities. It was expanded significantly under the Aboriginal Economic Development Policy, introduced in 1987 as the Hawke Government's response to the Miller Report; this policy was replaced in July of 1999 with the Indigenous Employment Policy. Both these policies consisted of a suite of individual programs, of which the Community Development Employment Projects scheme was an integral component.

Major developments also occurred in the provision of mainstream labour market assistance. In response to rapidly escalating unemployment in the early 1990s, and long-term unemployment in particular, the *Working Nation* package was introduced in 1994. The *Working Nation* strategy provided for a significant expansion in active labour market assistance for the long-term unemployed and other disadvantaged target groups and saw spending on active labour market programs increase to over \$2 billion per annum (see Stromback & Dockery 2000). Two small, but very significant changes were implemented under *Working Nation*. First, the concept of mutual obligation was introduced for the first time, at that time termed 'reciprocal obligation'. Here the long-term unemployed were expected to accept offers of training or work places under the Job Guarantee or risk losing their entitlement to benefits. Second, the Commonwealth Employment Service began to contract-out some assistance to private 'case managers'.

The most radical shift in the delivery of employment services came in 1998 when the government moved to contract-out practically all employment services through a competitive contracting model called the Job Network. The Commonwealth Employment Service was abolished and the funding previously committed to labour market programs was used to tender for employment services, with payments to service providers made according to a combination of job seeker commencements and measured outcomes. The rationale behind the model is that the incentives created by competition and the wider range of providers will generate cost-efficiency in service delivery and greater innovation and responsiveness to job seekers' needs by comparison with those which could be achieved through public delivery of employment services. Services to Indigenous job seekers contracted through the Job Network were to become one component of the Indigenous Employment Policy.

This report reviews the participation of Indigenous Australians in the major labour market programs since 1985 and critically assesses the evaluation of those programs. Programs designed specifically to assist Indigenous Australians in the labour market as well as Indigenous participation in mainstream programs and VET are considered. Employment programs are an area where it is particularly important to recognise cultural differences and choices, and individual programs need to be consistent with broader policy directions for Indigenous people. Over this time, the Australian Government department with responsibility for employment has continued to have carriage of labour market policy and programs for Indigenous people. However, a range of programs were also under the jurisdiction of other departments, such as the Aboriginal Development Commission and the Department of Aboriginal Affairs.

# Labour market assistance for Indigenous Australians, post-1985

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This section applies the evaluation framework developed in the first chapter and critically assesses the Aboriginal Employment Development Policy and the Indigenous Employment Policy, along with their constituent sub-programs. Indigenous-specific programs are considered separately. It is important to identify the objectives of these programs and to assess them against the actual processes or incentives constituting them. In this way it becomes possible to gauge the general philosophy and direction behind Indigenous policy. As a broad generalisation, on the other hand, it can be taken that the motivation for Indigenous people to participate in mainstream programs corresponds with the objectives of those program for all participants, namely the enhancement of employment opportunities and income within the mainstream economy.

As the Community Development Employment Projects scheme was a centrepiece of both the Aboriginal Employment Development Policy and the Indigenous Employment Policy, we discuss it before the two umbrella policies.

## Community Development Employment Projects scheme

### Background

As noted previously, the Community Development Employment Projects scheme has been the nation's longest standing program assisting Indigenous people in gaining work skills and employment and is widely regarded to be one of the most successful. Since the inclusion of Indigenous Australians in the social security system in 1959 and 1966, various commentators have been concerned that this could undermine Indigenous community life (Altman, Gray & Saunders 2000, pp.355–62). As early as the 1970s, a suggested solution was that Indigenous recipients of social security payments undertake work in return for their benefits. The Community Development Employment Projects scheme began in 12 remote Aboriginal communities in May 1977 as an alternative to the passive receipt of welfare payments, with the objective of providing meaningful employment, while also maintaining Indigenous control over community affairs. Morphy and Sanders stress that the scheme initially arose to address increasing reliance on unemployment benefits in remote areas where no formal labour market existed to offer alternative employment opportunities, but later expanded into more populated areas (2004, p.1). Since its inception there have been many changes to the operation of the scheme. Essentially, however, the community council, along with some other Indigenous organisations, receive an amount of money equivalent to the unemployment benefit entitlements of individuals within the community. The community council then establishes projects within the community and individuals are paid 'wages' to work on these projects.

Expansion of the scheme was restricted by budgetary and administrative problems until the mid-1980s, after which the scheme underwent a rapid expansion. Note that the scheme is not an 'entitlement' for all eligible people as is the case for many social security programs. Rather the number of communities and individuals that can participate is constrained by the level of funding available. In 1985, 38 Indigenous communities and 4000 participants had joined the Community Development Employment Projects scheme with a total budget of \$27 million or 9% of the Aboriginal Affairs portfolio annual expenditure. In 1991–92 the scheme involved approximately 200 communities or 20 000 participants and accounted for one-third of the Aboriginal and Torres

Strait Islander Commission budget. The Spicer Review of 1997 put the number of participants at 30 400, but noted that up to a third of participants did not actually work. The review recommended that participant numbers be capped for the next two years while changes were implemented to ensure that places were taken only by those willing to work. By 2000–01 the number of participants had again risen to 35 400 and accounted for 38% of the Aboriginal and Torres Strait Islander Commission's budget. Following the abolition of the commission in 2005, carriage of the scheme has been transferred to the Department of Employment and Workplace Relations. At 30 June 2004 there were approximately 220 Indigenous community organisations active in the scheme and 36 000 participants, with placements on the scheme accounting for around 25% of Indigenous employment in Australia (Aboriginal and Torres Strait Islander Services 2004, pp.145–6).

The Community Development Employment Projects scheme became part of the Aboriginal Employment Development Policy when it was introduced in 1987 and accounted for more than half of the Aboriginal Employment Development Policy program expenditure in the initial years. The scheme was expanded significantly from 1987 and again in 1991 (Aboriginal and Torres Strait Islander Commission 1994, p.6). The scheme was not named as one of the elements of the Indigenous Employment Policy, rather this policy was framed as working in conjunction with other programs, including the Community Development Employment Projects scheme and mainstream services (such as the Job Network and Work for the Dole) as part of a coordinated package of measures. The Indigenous Employment Policy included a Placement Initiative to encourage scheme participants to make the transition into 'open employment' (Department of Employment and Workplace Relations 2002a, pp.7–16).

Technically, participants or employees of the scheme's projects have not been viewed as social security recipients. The link between payments and social security entitlements of the community members was an informal one, only representing, as Biddle (2004) puts it, a 'notional financial offset'. In 1991 the position of the scheme within the welfare system was given legislative standing through the *Social Security Act* by amendments which specifically made participants ineligible for unemployment benefits (Newstart allowance) on the grounds that they were in receipt of other government income support. The scheme's awkward position between being a welfare program on the one hand, and a source of employment on the other has been the major source of contention in relation to its efficacy. In some respects, the Community Development Employment Projects scheme can be seen as Australia's first mutual obligation program, a forerunner to recent reforms in the provision of welfare in Australia (see Morphy & Sanders 2004). Others stress that there are fundamental differences between the objectives of the scheme and mutual obligation (see Martin 2004; Rowse 2004).

## Objectives

The objectives of the scheme, or recommendations for them, have been periodically restated, along with regular reviews and changes in governance. Not surprisingly, different people and interest groups have different ideas on what the scheme should be achieving. The objectives are most often posited in terms of countering the negative effects of reliance upon unemployment benefits in a way that recognises the reality of members of many Indigenous communities having no, or minimal, effective access to the formal labour market. Two other main themes arise from the reviews and policy statements on the Community Development Employment Projects scheme. At a community level, many see an important objective of the scheme as its capacity to enhance the sustainability and social and economic 'strength' of the community, including striking a balance between preservation of cultural traditions and engagement with 'mainstream' economic activity—an instrument to promote self-determination. At an individual level, a major objective is its potential to help community members enter unsubsidised 'mainstream' employment; the relative emphasis placed on this objective has grown over time.

The stated objectives of the scheme upon its introduction, as tabled in the House of Representatives on 26 May 1977 were:

To provide employment opportunities thereby reducing the need for unemployment benefit for unemployed Aboriginals within the community at a cost approximating unemployment benefits.

To include in the employment provided, activities directed at combating the social problems referred to, so as to help reduce their deleterious effects and progressively improve community stability.

To progressively eliminate imbalances in incomes ... [among regions, communities and individual Aboriginals within communities].

To maximise the capacity of Aboriginal communities to determine the use of their workforce.

In 1985, the Miller Report couched the aims specifically in terms of addressing the situation of remote communities and in promoting or preserving self-determination in those communities:

The main objective of the CDEP is to respond to specific requests from remote Aboriginal communities for an alternative to unemployment benefits. Many communities see this as a means to reduce the socially deleterious effects of unemployment benefits. Because there are limited prospects for regular employment in remote Aboriginal communities, other than in the delivery of government services, the CDEP constitutes a major opportunity for Aboriginal communities themselves to determine what constitutes productive employment with the community. (Miller 1985, p.118)

In the introduction to the most recent major review, Spicer describes the scheme as a 'work related response to concerns over the payment of unemployment benefits', and includes strengthening Indigenous communities and promoting self-determination in his description of the objectives:

... its original role was to assist in the development of communities through work programs and thus have them achieve a greater economic, social and cultural strength ... CDEP put in the hands of each community the opportunity to decide for themselves what was necessary to develop their community. (Spicer 1997, p.1)

In reconsidering the objectives, Spicer (1997, pp.24–35) also acknowledges the Aboriginal and Torres Strait Islander Commission's statement of the objectives of the scheme in its draft program statements of 1997–98, which similarly emphasised community development and preservation of attachment to cultural activities:

To provide the opportunity for Indigenous people to voluntarily work in community managed activities which contribute to economic, social and community development and cultural maintenance.

(Aboriginal and Torres Strait Islander Commission cited in Spicer 1997, p.25)

However, Spicer is clearly of the view that the objective of assisting individuals in making the transition to the mainstream labour market should be given greater emphasis. He proposes an alternative statement of 'to provide work for unemployed Indigenous people in community managed activities which assist the individual in acquiring skills which benefit the community, develop business enterprises and/or lead to unsubsidised employment' (1997, p.25). This view is now openly endorsed by the government. Stage 1 of the Department of Employment and Workplace Relations' Indigenous Employment Policy evaluation states:

Increasingly, however, there is recognition that one of the primary objectives of CDEP is that it should lead to unsubsidised employment when the job-seeker is off CDEP.

(Department of Employment and Workplace Relations 2002a, p.13)

Rowse laments that the labour market focus of the Community Development Employment Projects scheme, along with much of the current government effort to improve Indigenous welfare, has overshadowed the role of the scheme's projects as political institutions whose aims are to

perpetuate and increase empowerment to Indigenous communities (Rowse 2004, p.39). Much of the inconsistency in objectives can be attributed to the scheme having been extended beyond the remote communities to which it was originally tailored, and in which the achievement of mainstream labour market outcomes was never a primary intention. In recognition of the wider role the scheme has assumed, recent reforms have created two streams within it. From 2004–05, projects are to be differentiated on the basis of the community's proximity to services and mainstream labour market and economic activity. The Sustainability Community Program applies to remote communities and the Training for Employment stream for communities in non-remote, major regional or urban areas, with the latter having a focus on mainstream employment outcomes (Misko 2004, p.12).

## Evaluation

If a program—in this instance, the Community Development Employment Projects scheme—states its objectives it can be reasonably assumed that the intention is for these to be achieved. Moreover, for evaluation to contribute to the effectiveness of the scheme, as it should, the outcome measures used must be aligned with the objectives. Clearly, a major difficulty in evaluating the Community Development Employment Projects scheme is that there are no universally agreed objectives. Not only do various interest groups differ in what they see as the main objective, but the objectives themselves to some extent conflict. For remote communities where unsubsidised employment opportunities do not exist, making the transition into the mainstream labour market will be at odds with maintaining cultural links, particularly where attachment to the land is a significant part of those cultural traditions. If the scheme is, in any meaningful way, to be accepted as a vehicle for self-determination, then by necessity the objectives must be decided by Indigenous people and will inevitably vary from community to community.

In reviewing existing evaluations of the Community Development Employment Projects scheme, the distinction will be made between three objectives identified as the main underlying motivations of the scheme:

- ✧ promoting self-determination and the social and cultural 'strength' of the community
- ✧ ameliorating the effects of welfare dependency
- ✧ providing a stepping stone to unsubsidised employment.

In 1985 the Miller Report argued that work for wages and salaries was not necessarily the most appropriate basis for earning a livelihood for all Indigenous people, particularly those in remote communities. The report advocated a greater emphasis upon the promotion of self-sufficiency for remote communities, including that realised through non-market production. The Miller Committee considered that, based on visits to a limited number of operating projects, the Community Development Employment Projects scheme was providing 'impressive results' in this regard and constituted a sound future approach for developing a broader economic base for similar communities. The committee recommended expansion of the scheme to all communities seeking participation and additional funding to cover capital and administrative costs (Miller 1985, pp.188, 344). There was little comment made about the scheme's capacity for facilitating transition to mainstream employment, as this was not seen as the main objective. Rather, the committee viewed the scheme as a project where mainstream employment was either an unrealistic goal or was not compatible with the community's aspirations.

Since that time there have been numerous reviews of the program. Some relate to administrative and financial processes and include several undertaken by the Office of the Auditor General. Those more concerned with the effectiveness of the scheme as a means for addressing Indigenous social and economic disadvantage include Altman, Gray and Saunders (2000), Spicer (1997), Biddle (2004) and Misko (2004). While concern about the negative effects of access to social security was perhaps the prime motivation behind the development of the scheme, no studies appear to have evaluated it explicitly against this criterion. While other concerns have been expressed about the effect of

welfare dependency among Australians generally, care is always needed in applying non-Indigenous values and perceptions to Indigenous contexts. What exactly are these negative effects and by what processes does participation in the scheme address them? That is, how does the intended state of the world,  $S_1$ , differ from  $S_0$ , the state of the world in the absence of the scheme? These issues have not been addressed directly. Rather, it has been implicitly assumed that participation in some formal, paid activity will ameliorate the effects of the availability of welfare. That such an assumption is debatable is reflected in the fact that much has been written on the distinction between the Community Development Employment Projects scheme and welfare and the place of the scheme in the context of mutual obligation and other recent directions in welfare delivery (see Morphy & Sanders 2004). Some potential deleterious effects that have been associated with welfare dependency and idleness have included general loss of self-esteem, alcohol abuse, incarceration and associated domestic violence. There is qualitative evidence that the availability of scheme employment does have a positive effect in these regards (Spicer 1997, pp.2–3 & Chapter 11; Misko 2004, p.30). In 2003–04 additional scheme places were made available specifically for projects to address family violence and substance misuse (Biddle 2004).

There is widespread agreement that the Community Development Employment Projects scheme does provide benefits to communities in terms of preserving or strengthening traditional culture and in promoting self-determination. However, justifying this statement with quantitative evidence is made difficult by the absence of outcome measures aligned with this objective. Such measures should be decided by Indigenous people themselves, but conceivably may include subjective, survey-based ratings of individuals' levels of satisfaction with both their input into their community governance and their attachment to their community or involvement with traditional culture. More objective tests of fluency in native languages, traditional knowledge or time devoted to cultural pursuits may also be possible. It would be ideal to observe well-tested and applicable outcome measures for 'like' communities conditional upon the presence of a Community Development Employment Projects scheme or the degree of participation in the scheme. Such an evaluation would require comparable data collected across communities and might also benefit from time-series data (repeat measurement over time for individuals from the same community).

No studies attempting such an approach have been identified, nor data that would facilitate it.<sup>3</sup> The more common evaluative approaches used are case studies and consultations. Evidence on the aspirations of Indigenous people also provides a complex picture. Indigenous leaders have supported mainstream employment as a legitimate objective. Brian Butler, former Aboriginal and Torres Strait Islander Commissioner of the Adelaide Region observed:

Currently CDEP keeps 33,000 of our people out of the welfare system. However, the ATSIC Board acknowledges that the CDEP scheme is no substitute for mainstream employment outcomes for our people where these opportunities exist. (Butler 2004, p.7)

Martin sees the objective of economic development and independence as a 'myth' that denies the different role of material goods in Indigenous societies, which give greater primacy to the connection between people rather than between people and things. For him, the challenge for the scheme is to return to the objective of community development in the sense of cultural preservation and autonomy:

Indigenous families however are not to be understood as merely 'extended' versions of non-Indigenous families. They are based on principles, in particular that of descent, which demonstrate direct continuity with the land-holding structures of pre-colonial Indigenous societies. (Martin 2004, p.35)

Surveys of scheme participants have shown that many have a preference for full-time work, partly because they had become bored with the part-time work available through the scheme (either the work itself or during the non-working days), but close to half of the participants in one case study

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<sup>3</sup> The recent release by the ABS of the Confidentialised Unit Record File from the 2002 National Aboriginal and Torres Strait Islander Social Survey may, it is to be hoped, provide an exception.



did not wish to leave jobs in the scheme for mainstream employment (Arthur 2004; Gray & Thacker 2001). From a 1996 survey of 53 urban-based schemes, the Aboriginal and Torres Strait Islander Commission's Office of Evaluation and Audit found that two-thirds of participants hoped to gain non-program employment within one year's time, while the remainder intended to continue employment within the scheme. Younger people were more likely to have aspirations of entering mainstream employment (Aboriginal and Torres Strait Islander Commission 1997).

The performance measures reported in the Aboriginal and Torres Strait Islander Commission 2003 annual report included:

- ✧ the utilisation of funded places
- ✧ the proportion of work activities providing training
- ✧ the number of participants
- ✧ proportion of participants finding employment in mainstream labour markets
- ✧ the number of scheme activities relating to the provision of municipal services and community infrastructure, generation of Indigenous businesses and provision of scheme labour to other Indigenous businesses
- ✧ the number of participants engaged in accredited training (Misko 2004, pp.16–17).

None of these can be said to directly relate to self-determination and cultural preservation, although where training and scheme employment enable communities to meet needs through their own people instead of purchasing from external providers, this increases self-sufficiency. Misko reports work activities in a very wide range of areas potentially meeting regional needs, including community services and health, law and justice, maintenance and municipal services. She also identifies others relating to preservation of cultural values (language preservation, arts and crafts). However, Indigenous leaders also identified training in areas associated with self-government, such as political, governance, legal policing and management skills as areas of need (Misko 2004, p.6).

Evidence on the benefits to communities must be gleaned primarily from case studies and anecdotal evidence. Consultations undertaken for the 1994 review of the Aboriginal Employment Development Policy indicated that in some regions the scheme had '... acted as a very effective catalyst for community development, and has also acted as a stimulus for long-term cultural and social cohesion', although cases of ineffectiveness are also noted (Aboriginal and Torres Strait Islander Commission 1994, p.55). Spicer (1997, Chapter 11) cites several case studies in which benefits to the community have been recognised through the opportunity the scheme offers for self-determination and self-management. The scheme was also felt to have contributed to cultural cohesion and maintenance in at least one community. However, social and cultural benefits were primarily couched in terms of reductions in alcoholism and anti-social behaviour. From information collected from the (then) Aboriginal and Torres Strait Islander Commission regional councillors in selected regions, Misko (2004) identified increased decision-making power and improved psychological wellbeing as non-economic benefits of the program and also refers to reductions in unemployment rates, positive role models and lower incarceration rates as the means by which the scheme enhances community sustainability. While it seems clear that the scheme has offered positive benefits for Indigenous people's cultural and self-determination aspirations, it is difficult to gauge the magnitude of these benefits or how widespread they are. Case studies and submissions to inquiries are not representative and indeed are likely to be chosen because of their success. As discussed, no quantitative and comparable measures have been developed for cross-community comparisons and no rigorous attempts have been made to assess the outcomes of the participating communities in the absence of the scheme.

Generating mainstream employment opportunities for Indigenous Australians is the objective against which the scheme is most commonly evaluated. This fact reflects both the priorities of the evaluators and that it is the objective against which outcome measures can most easily be constructed and observed. There is general agreement that participation in the scheme does

generate a small positive influence on employment opportunity in the formal labour market. Again the magnitude of this effect is difficult to assess, and of course each participating community's proximity to existing employment opportunities will be critical in determining such outcomes. However, the post-program monitoring approach that has become standard in the evaluation of labour market programs in Australia has not been applied to the Community Development Employment Projects scheme and certainly no rigorous impact evaluation that would control for issues such as selection bias has been attempted.

In addition to case study evidence, two main approaches used in assessing the employment impact of the scheme are a comparison of aggregate employment outcomes for program communities with non-program communities and the use of individual data to compare outcomes for program participants with those of non-participants. More detail on these studies and their findings is provided in the accompanying support document (available at <<http://www.ncver.edu.au/publications/1729.html>>). However, none of the evaluations undertaken to date has used a methodology rigorous enough to enable the evaluation to make any firm claims regarding the net impact of the Community Development Employment Projects scheme.

A recent departmental evaluation of the Indigenous Employment Policy, which focuses on mainstream employment outcomes, has recommended that participants of the scheme be brought into government administrative systems so that data become available to enable better performance monitoring and evaluation (Department of Employment and Workplace Relations 2003, p.9). Survey results of individuals suggest that a very modest number of participants move into unsubsidised employment each year, perhaps in the vicinity of around 10%. Data from the census and the 1994 National Aboriginal and Torres Strait Islander Survey show that those in scheme employment have higher earnings than those on welfare or otherwise not in the labour force, but lower earnings than Indigenous people in mainstream employment. This is consistent with findings of previous reviews (Hunter 2002; Aboriginal and Torres Strait Islander Commission 1994, p.73). However, a high proportion of scheme employees work fewer than 24 hours per week relative to those in mainstream employment (Altman, Gray & Saunders 2000). The difference in wages and hours worked is due to the fact that Community Development Employment Projects are only funded for wages equivalent to unemployment payments and the policy dictates pro-rata minimum award rates of pay. This therefore means that participants can usually be offered between 14 and 16 hours of work per week.

With respect to the economic effects on communities, there is evidence that the program raises employment levels (and reduces unemployment) relative to non-program communities and is most effective for rural and remote communities (Altman, Gray & Saunders 2000). Evidence on income is not so clear. The scheme therefore appears to offer improved economic and employment outcomes at both the individual and community level. However, the low income and work hours available to those in the scheme, combined with the low rate of transition to mainstream employment have prompted others to see it as little more than passive welfare. In her 2002 Dr Charles Perkins Memorial Oration, Professor Marcia Langton described the scheme as '... widely regarded by informed Aboriginal leaders as the principal poverty trap for Aboriginal individuals, families and communities' (cited in Biddle 2004). Consultations for the Aboriginal and Torres Strait Islander Commission's review of the Aboriginal Employment Development Policy also revealed widespread concern that the scheme offered too little pay and unskilled work that was not likely to result in recognised credentials or qualifications acceptable to outside employers. Hunter (2002) has also queried the long-term effects of the scheme, suggesting it may be detrimental to young Indigenous people. He believes that the incentive to finish school may be blunted by the continuous shielding from the harsh realities of the labour market and argues that government policy should instead encourage Indigenous youth to finish school and even attend further education rather than move straight into the scheme.

# The Aboriginal Employment Development Policy

## Background

The Aboriginal Employment Development Policy was announced in 1987 in response to the Miller Report. Rather than a specific program, the policy represented a suite of programs aimed at addressing Indigenous disadvantage in the labour market. Many of these programs were placed under the auspices of the Aboriginal and Torres Strait Islander Commission upon its establishment in 1990, including employment and training programs (the main one being the Community Development Employment Projects scheme) and a range of enterprise programs aimed at fostering the development of Indigenous businesses. Outside the commission there was only one program of note, the Training for Aboriginals Program, which came within the portfolio of the relevant Australian Government employment department. The Community Development Employment Projects scheme and Training for Aboriginals Program accounted for around four-fifths of total Aboriginal Employment Development Policy expenditure. The policy represented the overarching framework for Indigenous labour market assistance until it was replaced by the Indigenous Employment Policy in 1999.

The Training for Aboriginals Program in turn comprised a number of ‘flexible measures’ designed to increase vocational skills and employment opportunities, including on- and off-the-job training combined with an employment placement, formal training programs, placement assistance and career advice and development. Technically, the Aboriginal Employment Development Policy also encompassed Indigenous involvement in mainstream programs (see following chapter).

The policy’s strategy distinguished between Indigenous people who lived in or around towns with a population exceeding 1000 people and those in smaller communities. For the 53% of Indigenous people who belonged to the first category, the policy objectives were intended to concentrate upon employment in the mainstream labour market and development of Indigenous enterprises. The generation of community-based employment was to be the focus for the 47% living in remote communities. A further important facet of the proposed strategy for those in remote communities was the recognition of traditional activities as legitimate employment for the 7% of people who lived on their original lands. Coordination of the various aspects of the policy was seen to be important, with Indigenous people to be involved in decision-making and a promotional campaign to ensure communities understood the policy and that Indigenous people’s aspirations were considered.

The language of the policy statements accompanying the introduction of the Aboriginal Employment Development Policy clearly creates the impression that promotion of self-determination was one of the key objectives of the policy and that Indigenous people themselves were to exercise significant control in specifying the objectives of the program to ensure alignment with Indigenous social and cultural values. The context of the policy statement acknowledged that such aspirations, including aspirations for engagement with the mainstream economy and labour market, would differ among Indigenous communities. Moreover, the remoteness of the community would be a key dimension along which aspirations for achieving unsubsidised employment in the mainstream labour market would vary.

These sentiments are consistent with the spirit of many of the recommendations contained in the Miller Report from which the policy arose. However, the formal statement of the objectives of the policy consisted of a series of what, in our evaluation framework, would be more appropriately labelled as outcome targets and appear largely to impose the goal of Indigenous assimilation into the mainstream economy. As also pointed out by Rowse (2002, pp.26–7) and the Aboriginal and Torres Strait Islander Commission (1994), the notion of ‘equity’ embodied in the formal statement of ‘objectives’ can be considered inconsistent with the acclaimed wider objectives of the Aboriginal Employment Development Policy.

The shift in focus of the goals of the Community Development Employment Projects scheme from one of promotion of self-determination and preservation of cultural identity towards a greater emphasis upon unsubsidised employment outcomes has its parallel in the broader policy directions for Indigenous employment. From its inception, the Aboriginal Employment Development Policy contained an awkward mismatch between intended outcomes and the objectives of self-determination and maintenance of Indigenous culture. Twelve years later the revision in the objectives for Australia's new umbrella program for Indigenous employment, the Indigenous Employment Policy, clarifies the emphasis on engagement with the formal labour market as the more important goal.

## Objectives

The Australian Government's policy statement for the Aboriginal Employment Development Policy provided the following statement of its purpose:

... to promote Aboriginal economic independence from Government and to reduce Aboriginal dependency on welfare in accordance with growing Aboriginal demands for employment and the capacity to control their own destiny. The overall objective is to assist Aboriginal peoples to achieve broad equity with other Australians in terms of employment and economic status. The Government's policy of self-determination recognises the right of Aboriginal peoples to exercise control over their own affairs, and the Government is determined to ensure that the move towards economic equity and economic independence is consistent with Aboriginal social and cultural values. (Commonwealth of Australia 1987, p.3)

The emphasis on Indigenous self-determination as the over-riding policy objective is repeated throughout the initial policy statements; for example, references to ensuring that 'the pace and direction of economic and social change are entirely consistent with Aboriginal aspirations', and more explicitly:

The Aboriginal Employment Development Policy, with its objective to promote Aboriginal economic independence, is the key to achieving genuine self-determination and self-management. (Commonwealth of Australia 1987, p.16)

The Aboriginal and Torres Strait Islander Commission thus saw the policy as being designed to provide a vision for the economic future of Indigenous Australians based on a philosophy of self-determination and equity. However, the government also lists the 'broad objectives' of the policy as being:

- ✧ employment equity with other Australians, that is, to increase the proportion of Aboriginal people aged 15 and above who are employed from 37% to 60%
- ✧ income equity with other Australians, that is, a doubling of the median income of Aboriginals
- ✧ equitable participation in primary, secondary and tertiary education
- ✧ a reduction of Aboriginal welfare dependency to a level commensurate with that of other Australians, that is, a reduction in Aboriginal dependency on the unemployment benefit from the current level of around 30% of the working-age population to only 5% (Commonwealth of Australia 1987, pp.3-4).

The evaluation framework indicates that these represent outcomes (or rather targets for outcome measures) as opposed to objectives. It is then necessary to ask what the assumed link is between the target outcomes and the objectives. Further, given the stated intention to respect differing aspirations, the question should be posed for both remote communities and those close to mainstream economic activity. In this context it is possible to see how the target outcomes are highly inconsistent with the legitimate objectives of many communities for the preservation of cultural and social values. For a remote community, the achievement of such targets would imply

widespread restructuring of activities towards the production of goods and services that can be sold in mainstream markets. For Indigenous people as a whole, the targets clearly suggest an objective of assimilation, which in many cases will not be consistent with Indigenous aspirations.

Rowse also recognised the inconsistency in the government claiming to support the Miller Report's notion of choice, while at the same time adding the language of 'equity' and 'social justice'. The disparities between Indigenous and non-Indigenous Australians in these indicators may reflect genuine differences in cultural priorities and choices and, if the motivation behind policies is to achieve 'equity' in outcomes on measures such as labour force participation, wage employment and income, then the policy objective boils down to one of assimilation (see Rowse 2002, pp.26–7). As Pickering notes in the case of the Temporary Assistance for Needy Families scheme for American Indians, viewing Indigenous cultures in themselves as the source of disadvantage leads to hidden pressures for assimilation:

Federal welfare and development has always contained a tension between respecting cultural difference and interpreting that difference as the cause of poverty. Under the guise of fostering economic development, policy works instead to promote cultural assimilation.

(Pickering 2000, p.157)

## Evaluation

This tension between the objectives of improving outcomes and equity on the one hand, and of respecting cultural diversity and choice on the other, also complicates the evaluation of programs and policies. Does Indigenous people's low rate of employment represent a failing of policy or does it reflect legitimate choices on the part of Indigenous people? Clearly this cannot be resolved unless performance indicators adequately reflect the priorities of all parties. Unfortunately, as noted by Noble Prize Laureate in Economics Amartya Sen, the discipline of economics has a positivist bias—a tendency to place greater importance upon those things that can be easily measured. Undoubtedly this bias extends into the realm of public administration and accountability in the delivery of policies and programs.

In any event, only one formal evaluation of the Aboriginal Employment Development Policy was identified, the Aboriginal and Torres Strait Islander Commission's 1994 *Review of the AEDP*, although many other studies have commented on the general direction of policy relating to Indigenous economic and social status over the period it was in place. In addition to this overall assessment, it is also possible to draw on evaluations of the two main components of the Aboriginal Employment Development Policy—the Community Development Employment Projects scheme and the Training for Aboriginals Program.

From aggregate data it is clear that policy failed against its stated targets of achieving, by the year 2000, equity with non-Indigenous Australians in terms of the proportion employed, incomes, education participation and dependency on welfare (see, for example, Productivity Commission 2003). To be blunt, and quite apart from their dubious connection to the policy's apparent objectives, these targets could only ever have been described as fanciful and not a realistic yardstick against which to measure its success or otherwise. There was some evidence that the unrealistic nature of the targets led to cynicism among those charged with implementing the policy (Aboriginal and Torres Strait Islander Commission 1994, p.54). Increases in employment were largely a result of the expansion of the Community Development Employment Projects scheme and there appeared to be little growth in private sector employment.

Sanders (1991, p.14) argues that the totally unrealistic goal of statistical equality in employment and income meant that the policy was destined to fail. The causes of high Indigenous unemployment and low-income status were deep-rooted and would not be easily overcome by simplistic policy ideals. The original targets for jobs to be created by 2000 in order to achieve statistical equality had been premised on the 1986 age profile of the Indigenous population, meaning that the number of Indigenous people of working age and hence the number of jobs required were grossly understated.

Rather than the government-stated number of 89 000 new jobs to be created by 2000, Sanders suggests that the number of Indigenous people in employment would actually need to increase by 115 000 (1991, p.15).

The Aboriginal and Torres Strait Islander Commission's 1994 review of the policy did point to some positive changes between 1987 and 1993, including expansion in the number of Community Development Employment Project scheme placements, a minor fall in the unemployment rate for Indigenous people in a period of rising overall unemployment and almost a doubling in the number of Indigenous people who were self-employed. The review was hampered by the lack of suitable data for use in empirical evaluation of the impact of the various components, with the exception of the post-program monitoring data generated for mainstream programs by the federal government department responsible for employment. Even here it is acknowledged that low response rates for Indigenous people exacerbated already low sample numbers and added potential response bias to any impact estimates.

The main approach to assessing the effectiveness of the Aboriginal Employment Development Policy was through consultations and receipt of submissions. This anecdotal evidence suggested that the policy had little recognition as a coordinated strategy and confirmed what was obvious from available statistical data—that the original equity targets were not being met. Moreover, the review expresses frustration at the contradictions created through the misalignment of objectives and outcome targets.

If AEDP is predicated on diversity of response to varying circumstances, it is inconsistent to judge the policy on the basis of statistical equity founded on the assumption of achieving economic integration. The equity objectives and targets as an element of the AEDP have been the source of critical attention.

(Aboriginal and Torres Strait Islander Commission 1994, p.60)

Despite the stated strategy of Indigenous people exercising control over the design of programs, Indigenous Regional Councils reported feeling insufficiently involved in the decision-making processes relating to the policy (Aboriginal and Torres Strait Islander Commission 1994, p.54). Many of the recommendations arising from the review essentially called for a refocusing on the objectives relating to self-determination and cultural attachment—supposedly a major part of the strategy in the first place.

The policy and program coordination arrangements need to maintain and strengthen their focus on Indigenous empowerment. That requires that government assistance is responsive to Aboriginal and Torres Strait Islander aspirations to develop and direct economic opportunities. It must be recognised that not all Indigenous economic activity needs to be integrated into mainstream activity.

(Aboriginal and Torres Strait Islander Commission 1994, p.xv)

Other recommendations cited the need for greater community control and reformulation of the policy's objectives and targets to recognise the diversity of circumstances of Indigenous people and the associated need for a diversity of responses.

As with the Community Development Employment Projects scheme, the broader Aboriginal Employment Development Policy strategy appears to have fallen down badly by failing to offer any outcome measures aligned with its (stated) principal objectives of self-determination and cultural maintenance. There seemed to be no further mention of the promising suggestion of recognising traditional activities as employment. This made implementation of the strategy difficult for those Indigenous and government agencies charged with coordinating and delivering programs. Not surprisingly, evaluation of the policy has been unable to tell us much in the way of progress against these objectives, other than to reiterate ongoing dissatisfaction amongst Indigenous leaders regarding progress towards Indigenous empowerment.

Ongoing evaluation activity while the policy was in operation was primarily intended to monitor the achievement of the more readily measurable outcomes of transitions to mainstream employment and Indigenous business development for the range of sub-programs within the Aboriginal Employment Development Policy. The main employment and training initiative was the Training for Aboriginals Program, which provided assistance to Indigenous job seekers whose specific needs could not be met through mainstream labour-market programs, and was in fact in existence well prior to the Aboriginal Employment Development Policy under the auspices of the Department of Employment and Industrial Relations. Direct assistance to clients via the Training for Aboriginals Program ceased on 1 May 1998 when the Job Network commenced (see following chapter).

A detailed discussion of the Training for Aboriginals Program and a review of evaluations are provided in the accompanying support document (available at <http://www.ncver.edu.au/publications/1729.html>) to this report. Some important features to note are that the aims of the program were to provide training and employment opportunities to increase the number of Indigenous people in ongoing employment, to increase occupational skills, to improve employment opportunities in the labour market, and to achieve a greater distribution of employment in a range of occupations across industry sectors. Evaluation of this component of the Aboriginal Employment Development Policy is thus more straightforward, in that its objectives are unambiguous in their goal of achieving mainstream employment outcomes. The major performance measure used was the proportion of participants in employment or in unsubsidised education or training three months after ceasing program assistance. By this measure, which has been broadly applied to mainstream programs under departmental 'post-program monitoring' evaluations, the Training for Aboriginals Program appears to have been highly successful. Its gross positive outcomes of between 40–50% compare favourably with those for Indigenous participants in other programs and even with outcomes for non-Indigenous clients from the most effective mainstream programs. Placements which combined subsidised employment with formal training, such as apprenticeships and traineeships, had particularly high outcomes. More limited success was achieved in broadening the industries and occupations in which participants were employed.

## The Indigenous Employment Policy

### Background

The Indigenous Employment Policy was announced in the May 1999 Commonwealth Budget and progressively implemented from July 1999 in recognition of the special disadvantages experienced by Indigenous Australians in the labour market. Part of the motivation for the policy lay in the expanding employment needs arising from the Indigenous population growing at twice the rate of the total Australian population. The Indigenous population is younger than the general population and has a lower employment participation rate, higher unemployment and a far greater reliance on the public sector for their employment. It is estimated that almost 70% of all jobs held by Indigenous people are reliant to some extent on public funding (<http://www.workplace.gov.au>).

Like its predecessor, the Indigenous Employment Policy is an umbrella program which encompasses a range of both Indigenous-specific programs, including the Community Development Employment Projects scheme, and Indigenous access to mainstream employment programs and services. It now has three elements—Job Network, the Indigenous Employment Programme, and the Indigenous Small Business Fund. The centrepiece of the policy is a new Indigenous Employment Programme, which superseded the Training for Aboriginals Program. According to the government, the Indigenous Employment Programme effectively doubled the funding available for Indigenous-specific employment programs. Sub-components of the Indigenous Employment Programme included the Community Development Employment Projects Placement Incentive, the Corporate Leaders for Indigenous Employment Project, Wage Assistance, Structured Training and Employment Projects, National Indigenous Cadetship project, Indigenous Small Business Fund, Indigenous Employment Centres and the Voluntary

Service to Indigenous Communities. Descriptions of these sub-components, along with available estimates of placement numbers, are provided in the accompanying support document (available at <<http://www.ncver.edu.au/publications/1729.html>>).

## Objectives

The broader objectives of the Indigenous Employment Policy are variously referred to as a determination to 'address the severe employment problems faced by Aboriginal and Torres Strait Islander people' (Commonwealth of Australia 1999, p.17) and 'addressing the continuing disadvantage of Indigenous people in the labour market' (Department of Employment and Workplace Relations 2002a, p.8). General discussion of the goals of the policy makes it clear that employment outcomes are a major focus, in particular moving Indigenous people into mainstream employment. There appears little discussion of the limited applicability this must have for Indigenous people in remote communities or those who wish to pursue traditional productive activities and lifestyles. The policy is said to be part of a wider framework for 'reducing the overall level of unemployment by improving Indigenous representation in the labour forces of the communities in which they live' and to act in conjunction with the Community Development Employment Projects scheme which 'supports work activities in Indigenous communities, particularly where labour markets tend not to be available' (Department of Employment and Workplace Relations 2002a, p.7).

More specifically, the Department of Employment and Workplace Relations sets out the objectives of the Indigenous Employment Policy as follows:

The aim of the IEP is to improve the employment prospects of Indigenous Australians. Total funding for the IEP was around \$52 million each year with the objective of:

- ✧ Increasing the level of Indigenous peoples' participation in private sector employment;
- ✧ Improving outcomes for Indigenous job seekers through Job Network;
- ✧ Helping Community Development Employment Project sponsors place their work-ready participants in open employment; and
- ✧ Supporting the development and expansion of Indigenous small business (2003, p.11).

Beyond this there seems no discussion of the policy's objectives vis-a-vis broader policy issues of self-determination or maintenance of Indigenous culture. Even in relation to the Community Development Employment Projects scheme, the placement initiative is described in the context of the scheme being seen as a transition point for participants who, once their work skills have developed, move into the mainstream labour market. Apart from the irony implicit in having a labour market program designed specifically to get individuals out of an existing labour market program, it is evident that even the Community Development Employment Projects scheme, with a history so strongly grounded in concepts of self-determination and Indigenous choice, is now viewed only as a vehicle for mainstream labour market outcomes. The silence on these matters is more consistent with the Howard Government's emphasis upon 'practical reconciliation'. To borrow from Rowse's distinction between two competing views of 'reconciliation', the stance implicit in the Indigenous Employment Policy is consistent with the pursuit of reconciliation in the sense that differences between Indigenous and non-Indigenous people will eventually fade away, rather than pursuit of reconciliation in the sense of enshrining and accepting the differences between Indigenous and mainstream Australian cultures (Rowse 2002, p.2).

## Evaluation

At the inception of the Indigenous Employment Policy, the government made a commitment to a two-stage evaluation: an initial assessment of the implementation of the policy and its interaction with mainstream programs and the Job Network (Department of Employment and Workplace Relations 2002a) and an evaluation of its effectiveness once the policy settings and processes had been put in place (Department of Employment and Workplace Relations 2003). A major focus of



the evaluation relates to the effectiveness of the Job Network in assisting Indigenous clients. This is discussed in detail in the following chapter. The other area of focus has been on the employment programs which replaced the Training for Aboriginals Program.

The evaluation marks a significant improvement on previous evaluation efforts for Indigenous programs. The task is substantially simplified, however, by comparison with that for the Aboriginal Employment Development Policy and the Community Development Employment Projects scheme. With the stated objectives being the achievement of mainstream employment outcomes, those objectives relating to the political and cultural aspirations of Indigenous people and whether all of these aspirations are shared by all across communities have not been considered. In assessing mainstream employment outcomes, the evaluation has been able to concentrate on outcome measures that are widely accepted and readily measurable. A more methodologically rigorous approach has also been followed, including:

- ✧ the use of matched control groups to permit estimates of the ‘net effects’ of program participation as well as gross outcomes
- ✧ a distinction between employment and ‘further education and training’ outcomes
- ✧ attention to longer-term outcomes, in addition to the previously measured three-month post intervention outcomes.

Both aggregate data and the post-program monitoring data have been drawn upon to argue that there has been an improvement in labour market status for Indigenous Australians since the introduction of the Indigenous Employment Policy. The federal government has pointed to census data for 1996 and 2001 showing that the unemployment rate for Indigenous Australians fell from 22.7% to 20% (Fact Sheet 9), while the number of Indigenous people employed in the private sector rose from 43 586 to 55 046, a 26% increase. It is difficult to say how many of these changes can be attributed to the policy itself. The fall in the unemployment rate for Indigenous Australians would appear to be more related to the general improvement in labour market conditions. The Australian Bureau of Statistics (ABS) Labour Force Survey shows that over this period the total unemployment rate for Australia fell from 8.2% to 6.1%, a markedly greater fall in relative terms, according to the census data, than that experienced by Indigenous Australians.

The Structured Training and Employment Projects and Wage Assistance programs show high gross positive outcome rates (see tables 1 and 5). From the inception of the Indigenous Employment Policy up until 2002–03, post-program monitoring found that typically around 60–70% of Wage Assistance participants were in unsubsidised employment three months after ceasing assistance. For Structured Training and Employment Projects (essentially a replacement of the subsidised employment and training programs under the Training for Aboriginals Program) the figure is lower, but still impressive at typically 50–60%.

Gross outcomes are an overestimate of the extent to which a program increases employment opportunities, as they make no allowance for the proportion of participants who would have got jobs even in the absence of the program. This ‘deadweight loss’ is estimated by surveying a matched control group, enabling estimation of the ‘net’ employment effect. This methodology could only be applied for Wage Assistance, and the estimated net impact was to increase the proportion of participants in employment a year after assistance by 11 percentage points. According to the Department of Employment and Workplace Relations, this meant that ‘Wage Assistance is a very effective programme by international standards, with high outcome levels and a strong positive net impact on improving job seekers’ chances of retention in employment’ (Department of Employment and Workplace Relations 2003, p.5).

**Table 1 Indigenous Employment Policy: Indigenous employment program outcomes**

<b>Positive outcomes three months after participation</b>	<b>1999–2000</b>	<b>2000–01</b>	<b>2001–02</b>	<b>2002–03</b>	<b>2003–04</b>
<i>Percentage in employment</i>					
Wage Assistance	53.8	67.6	64.7	62.5	67.1
STEP	63.0	53.2	45.8	53.4	59.8
<i>Percentage in employment or education/training</i>					
Wage Assistance	57.3	71.5	68.9	67.1	69.9
STEP	67.8	61.2	51.2	65.3	68.5
Proportion of STEP commencements in private sector	44.0	55.0	51.0		

Note: STEP = Structured Training and Employment Project.

Source: Department of Employment and Workplace Relations

In addition to this net employment effect, other measures of effectiveness included: commencement rates as a proportion of the population for identified target groups; the cost per net employment outcome and the proportion of outcomes in the private sector. Data availability prevented detailed quantitative assessment of sub-programs within the Indigenous Employment Programme other than Structured Training and Employment Projects and Wage Assistance, although the department noted that the Community Development Employment Projects placement initiative had ‘limited impact’ in moving Indigenous people into mainstream employment (Department of Employment and Workplace Relations 2002a, p.2).

In terms of participation, the Department of Employment and Workplace Relations estimates that roughly 5% of the eligible Indigenous population participated in Wage Assistance between 2000 and 2002 and 8–9% in Structured Training and Employment Projects. Of those who are eligible, the more disadvantaged they are, the less likely they are to participate in these programs. For example, older job seekers and those living in remote areas are less likely to participate in Wage Assistance. This serves as a reminder that the matched control group does not fully control for selection effects—and indeed cannot control for differences in unobservable characteristics at all—and thus the 11% net impact estimate is still likely to be an overestimate of the true impact of the program.

# Indigenous participation in mainstream programs and VET

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By and large it is accepted that standard labour market indicators, such as employment status and earnings, are the appropriate outcome measures for Indigenous people who participate in mainstream programs. This implies that the policy objective of having Indigenous people participate in mainstream programs, such as labour market programs and VET, is to enable them to increase their competitiveness with non-Indigenous people in securing market jobs. Of course there may be many exceptions to this assumption, and certainly it may not be consistent with all Indigenous participants' own aspirations. Separate objectives for Indigenous and non-Indigenous participants are not stated in employment policies, and it is not possible to distinguish between the varying aspirations of Indigenous participants nor the outcomes which relate to the aspirations. For these reasons, the assessment of outcomes according to standard labour market indicators seems the only practical way to assess the effectiveness of such programs.

There have been two major developments in Australian labour market programs since 1985. The first was the enormous expansion in expenditure and assistance levels for the unemployed associated with the *Working Nation* programs. This was the Keating Labor Government's response to rapidly rising unemployment, and long-term unemployment in particular, in the early 1990s, and the recommendations of the green paper of the Committee on Employment Opportunities, *Restoring full employment*. The second major, and probably even more radical, development was the Howard Liberal Government's decision to abolish the Commonwealth Employment Service in 1998 and contract-out the vast bulk of publicly funded employment services and labour market programs through a competitive tendering model called the Job Network.

## *Pre-Working Nation*

Assistance for Indigenous people in mainstream employment programs was one part of the suite of measures that comprised the Aboriginal Employment Development Policy, and thus was considered in the Aboriginal and Torres Strait Islander Commission's 1994 review of the policy. In 1987, when the Aboriginal Employment Development Policy was introduced, unemployed people wishing to qualify for unemployment benefits needed to register with the Commonwealth Employment Service, which provided free and basic job brokerage functions. The Commonwealth Employment Service was also the main gateway for referral to labour market programs. The Aboriginal and Torres Strait Islander Commission (1994) noted that many thousands of Indigenous people accessed employment-related training and job placement programs, yet census data indicated this was not translating into sustained employment.

Between 1987–88 and 1992–93 the placement rate for Indigenous people into labour market programs exceeded their share of registrations for unemployment benefits, suggesting that Indigenous people were more likely than non-Indigenous people to be referred by the Commonwealth Employment Service for further assistance. On average over this period, Indigenous people made up 4.1% of registrations but 7.2% of program commencements (Aboriginal and Torres Strait Islander Commission 1994, pp.89–90). This reflected the fact that Indigenous people qualified for priority access to programs as an identified target group; they were also more likely to have other qualifying characteristics, such as long prior durations of unemployment. Data on program completions, however, were not available. In addition to probable higher non-completion rates, reasons suggested

by the review for program activity not resulting in sustained employment outcomes included inadequacy of post-placement support, inappropriate placements or training, cultural differences and placement of Indigenous people into seasonal or otherwise temporary jobs (Aboriginal and Torres Strait Islander Commission 1994, p.90).

The major mainstream programs prior to *Working Nation* included a wage subsidy program (JobStart), formal training allowances (JobTrain), a brokered employment placement and training program in projects run by community organisations (Job Skills) and off-the-job skills training courses run by community organisations (SkillShare). Indigenous people in mainstream labour market programs had markedly lower rates of positive outcomes than did participants in the Training for Aboriginals Program. Program effectiveness over this period was measured by the Department of Employment, Education and Training through post-program monitoring surveys three months after cessation of assistance. In relation to mainstream programs, Indigenous people also had lower positive outcome rates than other target groups identified as disadvantaged, including the long-term unemployed, people with disabilities, sole parents and immigrants. Keep in mind, however, that only gross outcomes were measured. If Indigenous people were also less likely to find employment in the absence of the program, the net impact of mainstream programs may still be higher for Indigenous people than for other target groups. It seems clear, however, that the Indigenous-specific Training for Aboriginals program offered results superior to mainstream programs. Some uncertainty is attached to estimates for Indigenous people because of lower response rates to the surveys.

## The *Working Nation* programs

*Working Nation* marked a dramatically increased commitment to assistance for unemployed people targeted more particularly to the long-term unemployed and otherwise disadvantaged job seekers. Budgeted numbers for the wage subsidy program, JobStart, which had returned high gross outcome rates, approximately doubled. In addition, the Job Compact was introduced to address the needs of those job seekers who are very hard to place. Under the Job Compact, people unemployed for 18 months or more were to be offered a guaranteed placement in employment or training. These placements were to be provided through several programs, including placements on community projects such as New Work Opportunities and the Landcare Environment and Action Program. A training wage for trainees, including adult trainees, was also introduced. With the Job Compact, however, came another change that would ultimately reshape welfare delivery and the political landscape for policies for addressing Indigenous disadvantage. In return for a guaranteed employment or training place, the long-term unemployed were obliged to accept such an offer, or any reasonable job offer, or else risk loss of eligibility to unemployment benefits. This concept of 'reciprocal obligation' ushered in with the Job Compact was the forerunner to the widespread adoption of the philosophy of mutual obligation in welfare delivery in Australia.

The Commonwealth Employment Service continued as the main agency for registration of job seekers and referral to labour market programs, now with added activity-testing responsibilities. Table 2 shows commencement activity by programs from 1993–94 to 1997–98, and table 3 the gross outcomes as determined for Indigenous people through post-program monitoring. Over this period, the Department of Employment, Education, Training and Youth Affairs began making more extensive use of matched control groups to generate estimates of the 'net impact' of programs. When combined with information on average placement costs, measures of the cost-effectiveness of programs were then also possible, typically presented in the form of the cost per net employment outcome. Using this approach, the department estimated that the net impact of participation in the wage subsidy program JobStart was to increase the probability of being in employment three months after assistance had ceased by 28 percentage points, a marked increase in employment opportunity. The comparative figures were 12 percentage points for Job Clubs, 7 percentage points for both JobTrain and SkillShare, 11 percentage points for JobSkills and just 4 percentage points for New Work Opportunities (Department of Employment, Education, Training

and Youth Affairs 1997). How well the matching method controlled for differences in participants' characteristics between programs is questionable (Dockery & Webster 2002), but on the face of it many of the programs had a very minor impact in terms of enhancing individuals' chances of being in employment. The relative effectiveness of the programs has been broadly confirmed in analyses using a richer range of variables to control for deadweight loss (Stromback & Dockery 2000).

When placement costs were taken into account, the cost per net employment outcome was estimated at around \$4000 for JobStart and Job Clubs; \$11 000 for SkillShare and JobTrain; almost \$50 000 for JobSkills and \$143 000 for New Work Opportunities (Department of Employment, Education, Training and Youth Affairs 1997, p.15). On the basis of this and other evidence, the incoming Coalition Government in 1996 labelled the Job Compact as expensive and ineffective and set about dismantling many of the programs. All these programs were then replaced, with the introduction of the Job Network in May of 1998, while in the interim JobStart was retained along with two broad categories of assistance, Job Seeker Preparation and Support and Training for Employment.

**Table 2 Indigenous participation and outcomes in *Working Nation* programs, 1993–94 to 1997–98: commencements by program, number and representation within program**

	1993–94		1994–95		1995–96		1996–97		1997–98	
	No.	%	No.	%	No.	%	No.	%	No.	%
JobStart	3 641	2.5	2 435	2.6	2 422	2.4	2 060	2.2	1 228	2.0
JobTrain	2 772	3.8	3 532	3.9	3 208	3.5				
ATY	464	3.8	281	6.0	84	5.1	192	4.0		
New Work Opportunities			1 148	10.6	5 230	10.6	124	1.8		
National Training Wage			432	5.4	3 594	10.7				
Special Intervention	1 085	2.3	1 837	2.6	2 701	3.0				
Job Clubs	1 362	3.2	1 205	2.7	1 146	2.5				
Mobility Assistance	320	3.9	780	5.7	2 288	4.7				
Landcare Env. & Action	920	9.1	1 401	9.4	1 030	7.6	488	34.5		
SkillShare	6 372	4.5	6 611	4.7	7 798	4.7	5 487	4.5	3 781	4.5
JobSkills	600	5.6	1 201	5.9	1 244	4.5	154	6.3		
Job Seeker Prep. & Support							2 497	2.9	1 295	2.5
Training for Employment							879	4.4	676	3.5
<b>Total</b>	<b>17 832</b>	<b>3.5</b>	<b>21 087</b>	<b>4.0</b>	<b>30 825</b>	<b>4.6</b>	<b>12 454</b>	<b>3.6</b>	<b>7 078</b>	<b>3.2</b>

Note: ATY = Accredited Training for Youth.

Source: Department of Employment, Education and Training, annual reports; Department of Employment, Education, Training and Youth Affairs, annual reports

Unfortunately, no net impact estimates specific to Indigenous clients are available from the department's regular reports. Overall, the proportion of program placements going to Indigenous people was similar to their representation in the register of unemployed people awaiting placement, which ranged from 3.5% to 4.0%. The Indigenous share of case management clients was higher, varying between 5.4% and 7.0% during these years, with a similar share of positive outcomes from case management. Thus, in terms of one performance measure, access and equity, the Commonwealth Employment Service appeared to offer Indigenous Australians an equitable level of assistance, given their representation among the unemployed. Given the level of disadvantage faced by Indigenous people, however, it could readily be argued that a share of placements greater than their representation within the client population was warranted.

**Table 3 Indigenous participation and outcomes in *Working Nation* programs, 1993–94 to 1997–98: positive program outcomes (in unsubsidised employment or education and training 3 months after assistance) (%)**

	1993–94	1994–95	1995–96	1996–97	1997–98
JobStart	46.5	48.7	44.8	45.6	44.5
JobTrain	26.2	26.6	30.6	}33.5	
ATY	28.0	35.1	25.0		
Special Intervention	24.2	32.6	31.0		
New Work Opps			21.3	21.0	
Job Clubs	32.3	33.7	32.6		
Mobility Assistance	75.7	76.5	84.2		
Landcare Env. & Action	26.3	26.6	25.0		
SkillShare	34.6	35.7	40.5	31.2	28.0
JobSkills	28.4	24.1	22.7	23.0	
Job Seeker Prep. & Support				47.3	30.9
Training for Employment				n.a.	30.2
<b>Total</b>	<b>36.4</b>	<b>38.0</b>	<b>35.0</b>	<b>31.0</b>	

Note: ATY = Accredited Training for Youth.

Source: Department of Employment, Education and Training, annual reports; Department of Employment, Education, Training and Youth Affairs, annual reports

Commencements in the Job Compact programs aimed at those job seekers who are very hard to place—New Work Opportunities and Landcare Environment and Action Program—had markedly higher Indigenous representation. For the latter this was partly a result of the regional locations of the projects. For the majority of these programs, Indigenous participants had lower gross outcomes than other target groups, such as the long-term unemployed, people with a disability and sole parents. A noticeable exception is the Landcare Environment and Action Program and, to a lesser extent, SkillShare and New Work Opportunities, for which comparable proportions of Indigenous people and those from other target groups achieved positive outcomes. Unfortunately it is not clear why the Landcare Environment and Action Program may offer relatively better outcomes, except that placements were more geographically diverse and thus (relative) success in regional and remote areas may contribute to Indigenous participants achieving outcomes comparable with other participants. Note that lower gross outcomes for Indigenous people may not equate to lower net impacts if, in the absence of the program, those Indigenous job seekers would in any case have had poorer employment outcomes than those in the other target groups. Gross outcomes for Indigenous participants in the *Working Nation* programs are also lower than for the Training for Aboriginals Program, although outcomes for JobStart are comparable.

An analysis of a special longitudinal survey of Indigenous job seekers conducted between March 1996 and September 1997 by Hunter, Gray and Chapman (2000) offers the most informative evaluation of the effectiveness of the *Working Nation* programs and of the relative effectiveness between programs for Indigenous people. However, this study also has major limitations. The 19-month period over which the data relate is too short to allow controls for unobserved individual effects that are sometimes possible with panel data, and this was exacerbated by low survey response rates. The sample was not representative of all Indigenous job seekers. The data were drawn from Commonwealth Employment Service administrative systems from selected regional offices. Job seekers from remote communities who would not be expected to have access to mainstream employment opportunities were excluded.

To estimate the net impact of programs, Hunter, Gray and Chapman control for ‘selection into programs’ by comparing outcomes for those who complete programs with those who commenced programs but did not complete them. This approach still allows scope for bias, in that those who drop out of programs are likely to have characteristics or face circumstances that also negatively impact upon their chances of securing employment. Offsetting this, some non-completion may occur because the program resulted in the individual finding a job before completing, or the program may

still help them to find a job after leaving even though they did not complete it, leading to a downward bias in the estimate of the impact of the program. Completion rates for programs are reported to be markedly lower for Indigenous participants within the sample at 49.2%, compared with 63.2% for all Indigenous program participants over this time, and 72.2% for non-Indigenous participants, as derived from supplementary data (Hunter, Gray & Chapman 2000, p.37).

The array of programs was simplified into a typology of six broad program types based on the principal form of assistance—employment support<sup>4</sup>, training, job creation, wage subsidy, apprenticeships/traineeships and job search training. The picture is actually more complex, as many programs involve a combination of these forms of assistance (see Hunter, Gray & Chapman 2000, appendix table A1 for a concordance of specific programs to these categories). The net effect across all programs is estimated to be an increase in the probability of being employed by 6.3 percentage points. Wage subsidies are found to be the most effective treatment, with participation in labour market programs associated with a higher chance of being in employment (by an estimated 18.6 percentage points) plus longer durations of employment and more spells of employment. Direct job creation programs are estimated to increase the probability of being in employment by 6.1 percentage points, while minimal impacts were identified for training and job search training programs. Small sample sizes precluded any inferences being made regarding employment support.

Hunter, Gray and Chapman (2000) believe the findings offer broad support for the strategy inherent in the Wage Assistance Program that now operates in conjunction with the Job Network as the centrepiece of the Indigenous Employment Policy. The findings are also consistent with other Australian and international studies showing a relatively high effectiveness of wage subsidies if they are well targeted to disadvantaged job seekers. And despite many caveats remaining over the robustness of the estimates, that of Hunter, Gray and Chapman (2000) appears to be one of the most empirically rigorous evaluations to date of the effectiveness of mainstream programs for Indigenous job seekers.

It is also interesting to note that survey responses from case-managed clients show that the clients were more likely to indicate that the case management assistance helped them find a job if the case manager was an Indigenous person. This can be interpreted as Indigenous case managers offering more appropriate assistance, or a tendency for Indigenous clients to be more positive about their case manager if they are also Indigenous (Hunter, Gray & Chapman 2000, p.xiv).

## The Job Network

### Background

Since its introduction in 1998, Indigenous participation in the Job Network has been one component of the wider Indigenous Employment Policy. A brief overview of the Job Network model can be found in the accompanying support document (available at <<http://www.ncver.edu.au/publications/1729.html>>). Its objectives with respect to Indigenous clients are the same as those of the wider policy; that is, to assist Indigenous job seekers into unsubsidised employment. Providers in the competitive employment services market have the potential to target individual groups, leading to the emergence of specialist Indigenous agencies; tailored assistance strategies for Indigenous people may also be developed within a provider's range of activities. While such agencies may well offer assistance in a way that is sensitive to, and compatible with, Indigenous people's cultural needs, it is unlikely their objectives would deviate from that imposed through the system of outcome payments. That is, the Job Network model may well be effective in offering *processes* which are culturally appropriate, but cannot be expected to respond to cultural aspirations in terms of the *objectives* to be achieved.

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<sup>4</sup> Placement services that offer intensive assistance, counselling to job seekers and matching to potential employers. See Hunter, Gray and Chapman (2000, pp.6–7).

In a sense Job Network can be seen as having its genesis in *Working Nation* when the government first started using contracted case managers to provide specialist employment services. Evaluations then found contracted case managers performed very similarly to existing Commonwealth Employment Service case managers. The Aboriginal and Torres Strait Islander Commission's review of the Aboriginal Employment Development Policy saw considerable potential in the case management approach for Indigenous people due to the benefits of specialist management and individualised support, noting that specialist programs for Indigenous people appeared to offer better results than mainstream programs (1994, p.96).

It should be noted that Job Network providers may access other forms of assistance open to Indigenous clients as part of their assistance strategies. In particular, all Indigenous Job Network clients are also eligible for Wage Assistance, as are those participating in the Community Development Employment Projects scheme and looking for outside work. This additional wage subsidy available through Wage Assistance was in fact introduced after it became apparent that the Job Network model was not adequately meeting the needs of Indigenous Australians.

There were major reservations over whether the Job Network model would offer adequate support for the most disadvantaged job seekers (see, for example, Alford & Gullo 2000; Dockery 1999). As providers are paid for positive outcomes, they may see their best strategy as concentrating their activities on those who can most readily be placed into employment. In this case the system is geared to result in large deadweight losses (high gross outcomes but low net impacts). The payment for a positive outcome achieved for a job seeker from the most disadvantaged category was initially in the vicinity of around \$10 000. The Department of Employment, Education, Training and Youth Affairs estimates discussed above put the cost per net employment outcome from Job Compact programs targeted at the most disadvantaged at anything from \$50 000 to \$150 000. In this light it seems fair to question whether, under the payment structure, providers could afford to devote the resources necessary to seriously addressing barriers faced by the most disadvantaged of the unemployed.

## Evaluation

With the introduction of the Job Network the government made a commitment to a three-stage evaluation process. The Stage 1 report, released in May 2000, concentrated on the implementation of the Job Network, on assessing the transition to the competitive market and on initial indicators of process efficiency. Stage 2 of the evaluation provided a progress report on the operation of the Job Network over the first contract period, which applied from May 1998 to February 2000. Of most relevance here, the Stage 3 Evaluation assessed the effectiveness of the Job Network in assisting job seekers into employment and was released in May 2002, four years after implementation. It is the only evaluation identified which specifically addresses Indigenous outcomes, and this looks primarily at Intensive Assistance.

Five key criteria for evaluating the Job Network were identified:

- Effectiveness in achieving sustained employment outcomes;
- Efficiency or value for money – by examining cost-effectiveness and whether or not Job Network contributes to income-support savings;
- Equity and access to assistance, especially by disadvantaged job seekers, and in the outcomes achieved by these job seekers relative to others;
- Quality of service – which includes responsiveness in assisting job seekers, and employers and their satisfaction with services provided; and
- Market development – which has potential impacts on all of the above criteria and the policy principles put in place in establishing the Job Network. High quality, efficient service is reliant on a range of providers operating successfully.

(Department of Employment and Workplace Relations 2002b, p.17)



The first and third of these are of most relevance with respect to improving employment outcomes for Indigenous Australians. An increasing concern is evident: that 'positive' outcomes should result in individuals reducing their claims upon the welfare system. This is consistent with the general direction of welfare reform and attempts to reduce welfare dependency, as well as having a sharper focus on cost-efficiency, evident since the experience of the *Working Nation* programs. How Indigenous job seekers fare under the Job Network model can be seen as a particularly acute test of the philosophy behind the Job Network model. Its critics would predict that Indigenous Australians are likely to face greater exclusion within a competitive model compared with a dominant public employment model. On the other hand, if proponents of the competitive market are correct, the Job Network should result in Indigenous job seekers benefiting from specialised services that are more responsive to their needs (provided their intentions are to enter mainstream employment). Unlike earlier evaluations of outcomes for Indigenous-specific programs, there seems to have been no suggestion that incomes of those placed should be a performance measure, other than to the extent that they result in reduced drawing upon welfare benefits.

Overall assessments of the Job Network, particularly those from the government, indicate that it offers as good or better outcomes for job seekers across a broad range of services, but with much improved cost-efficiency. The picture is not so clear for Indigenous job seekers. Within a generally positive report card, the Stage 2 evaluation identified Indigenous job seekers as being one of those groups with consistently low outcome rates and the lowest participation rates as a proportion of the eligible population of all target groups (Department of Employment, Workplace Relations and Small Business 2001b, pp.2–3).

Not surprisingly for such a comprehensive reform of the delivery of employment services, the Job Network experienced some teething difficulties, and substantial changes were made for the second round of tenders, which covered a three-year period from March 2000. Due to concerns about the initial poor servicing of Indigenous job seekers, this included a greater focus on providers offering specialist services. In the second contract period, 11 contracts were offered to provide specialist services in Intensive Assistance for Indigenous job seekers, operating in 41 sites around Australia. A special survey and focus groups with Indigenous job seekers were also commissioned. The results indicated that very few understood that registering with Centrelink was useful in looking for work. Instead they were more likely to associate Centrelink with breaching and activity testing. Follow-up contact after referral to a provider seems particularly important in ensuring that those referred actually commenced assistance. Access to Indigenous staff and culturally sensitive services were also seen as important (Department of Employment, Workplace Relations and Small Business 2001b, pp.37–41).

Despite the changes put in place, participation rates for Indigenous people in Job Network services have remained below target, in contrast to program commencement rates for Indigenous people under the Commonwealth Employment Service. A range of gross outcome measures has been collated from departmental reports (table 4). The figures suggest that Intensive Assistance providers have increased their effectiveness in achieving positive employment outcomes for Indigenous clients as the Job Network has matured, while off-benefit outcomes three-months after assistance have remained fairly steady at between 35 and 40%. The employment outcomes are not strictly comparable with those for the *Working Nation* programs provided in tables 2 and 3, but it would seem the effectiveness of Intensive Assistance under the Job Network is comparable or better than that achieved under JobStart, given that the figures for JobStart also counted further education and training placements as positive outcomes. Gross employment outcomes for Job Search Training under the Job Network also compare favourably with the similar *Working Nation* program, Job Clubs. It must also be remembered that Job Network providers can claim positive outcomes for placing a job seeker into a Wage Assistance job. As table 5 shows, the Indigenous-specific programs available through the Indigenous Employment Policy continue to offer higher outcome rates.

**Table 4 Job Network outcomes for Indigenous job seekers (%)**

	1999–2000	2000–01	2001–02	2002–03
<i>Proportion in employment three months after program participation</i>				
Job Matching	55.7	49.0	53.6	51.6
Job Search Training	23.6	27.4	29.0	37.9
Intensive Assistance	27.3	25.8	33.0	42.1
Work for the Dole	14.9	10.8		
<i>Proportion off income support three months after program participation</i>				
Job Matching	40.4	43.9	43.5	41.5
Job Search Training	29.0	30.8	23.0	36.4
Intensive Assistance	39.3	37.9	35.0	36.9
Work for the Dole	23.2	25.2	n.a.	n.a.
<i>Proportion off income support six months after program participation</i>				
Job Matching	42.6	43.7	n.a.	n.a.
Job Search Training	33.8	41.9	n.a.	n.a.
Intensive Assistance	41.6	37.7	n.a.	n.a.
Work for the Dole	27.3	25.4	n.a.	n.a.

Source: Department of Employment, Workplace Relations and Small Business annual reports; Department of Employment and Workplace Relations annual reports

Adequate data to assess net impacts for Indigenous participation in the Job Network were still unavailable at the time of the Stage 3 evaluation (Department of Employment and Workplace Relations 2002b). Take-up rates had not improved significantly in the second contract period, although the Department of Employment and Workplace Relations reported anecdotal evidence that the presence of specialist providers had improved services for Indigenous job seekers. Net impact estimates for Intensive Assistance were provided in the evaluation of the Indigenous Employment Policy conducted by the Department of Employment and Workplace Relations. It was found that referral to Intensive Assistance, which would typically last for 12 months, increased Indigenous job seekers' likelihood of being in employment 16 months later by 8.6 percentage points (23.5% gross outcomes compared with 14.9% for a matched control group). This net impact estimate is in fact considerably higher than the estimate for all job seekers (4.1 percentage points). So while Indigenous job seekers tend to have lower gross outcomes under the Job Network than other target groups, once the significant barriers they face in securing employment are taken into account, it may still be the case that the Job Network is just as effective or more effective in improving mainstream outcomes for Indigenous Australians. The Indigenous Employment Policy evaluation also saw potential improvements in performance arising from the introduction of specialist providers (Department of Employment and Workplace Relations 2003, p.4)

**Table 5 Indigenous job seekers: 3- and 6-month post-assistance outcomes, Indigenous Employment Policy programs (%)**

		In unsubsidised employment	Off income-support	
		3 months post-assistance	3 months post-assistance	6 months post-assistance
1999–2000	STEP	63.0	} 49.7	} 52.0
	Wage Assistance	53.8		
2000–01	STEP	53.2	51.1	52.7
	Wage Assistance	67.6	62.0	55.1
2001–02	STEP	45.8	59.5	56.4
	Wage Assistance	64.7	63.9	62.3

Note: STEP = Structured Training and Employment Projects.

## Vocational education and training

In assessing the success or otherwise of labour market assistance measures for Indigenous people, outcomes from participation in VET provide a useful benchmark. Participation in VET can be seen as a form of program, and indeed training is one of the major forms of assistance provided through labour market programs. An important difference is that participation in training as part of a labour market program is typically conditional upon the participant facing some identified disadvantage, whereas mainstream VET participants tend to possess average or even favourable labour market characteristics.

Relative to other Indigenous people, Indigenous participants in VET are similarly less likely to face identified employment barriers. Moreover, they are more likely to live in areas with established mainstream labour markets and to aspire to securing market employment. As with participation in mainstream programs, it can be accepted that standard labour market indicators of employment status and earnings are appropriate measures for assessing outcomes from Indigenous participation in VET. Thus outcomes from VET can be considered as an ‘upper bound’ against which to compare outcomes from labour market programs. These statements contain a great degree of generalisation and simplification and ignore many complexities of Indigenous access to VET. If Indigenous choice is to be respected in any meaningful way, then ultimately the objectives of participation in VET must be related to Indigenous people’s own aspirations. Gelade and Stehlik (2004) note significant differences in experiences, aspirations and outcomes in VET between Indigenous people in remote, regional and urban areas. For remote areas in particular, they stress the need to extend outcomes measures beyond further education and paid employment to include such non-market outcomes as the ability to promote family and community knowledge.

This is a point reiterated more generally with regard to Indigenous participation in VET (see Miller, C 2005, pp.16–23). A recent survey by the National Centre for Vocational Education Research (NCVER) found that less than half the Indigenous VET students who responded wanted to get a job when they completed their study (ANTA 2005, p.13). It is known that Indigenous Australians actually enrol in VET at a higher rate than do other Australians, but they enter the vocational sector with lower average levels of schooling, are concentrated in lower-level courses and in certain fields, such as ‘multi-field’ education which focuses upon numeracy, literacy and other basic employment preparation skills (Department of Education, Science and Training 2005, Chapter 4; Saunders et al. 2003 ). The higher rates of VET participation by Indigenous Australians and their concentration in lower-level certificates reflect the lower levels of schooling acquired by Indigenous people and VET’s role as a substitute for further schooling.

VET in Australia is delivered through a partnership between the Australian Government, state and territory governments, industry and service providers, and national policy is determined via a ministerial council comprising the training ministers from each government jurisdiction. Since 2000, policy towards Indigenous participation in VET has been embodied in a strategy entitled *Partners in a learning culture: Australia’s national Aboriginal and Torres Strait Islander strategy for vocational education and training 2000–2005*. The objectives set out in that strategy were:

- ❖ increasing the involvement of Indigenous Australians in decision-making about policy, planning, resources and delivery
- ❖ achieving participation in VET for Indigenous Australians equal to those of the rest of the Australian community
- ❖ achieving increased, culturally appropriate, and flexibly delivered training, including use of information technology, for Indigenous Australians
- ❖ developing closer links between VET outcomes for Indigenous Australians and with industry and employment.

The Australian National Training Authority's (ANTA)<sup>5</sup> national training strategy, *Shaping our future: Australia's national strategy for vocational education and training 2004–2010*, included an objective 4 relating specifically to Indigenous Australians:

Indigenous Australians will have skills for viable jobs and their learning culture will be shared: Vocational education and training will help increase employment and business development opportunities for Indigenous people and communities, providing a foundation for greater economic independence. Vocational education and training will be enriched through an exchange of learning culture. Indigenous people will be enabled to create and adapt vocational education and training products and services in order to exercise their rights to positive learning environments for their communities. (ANTA 2003, p.13)

So while the objectives of *Partners in a learning culture* encompass a range of aims relating to the processes for the formulation of policy and the delivery of VET, most notably reflecting the desirability of Indigenous input to, or 'ownership of', the processes, ANTA's statement of the objective for Indigenous Australians indicates more directly that the objective of VET is economic independence, through either employment or business development.

## Evaluation

Evaluations of VET utilise a range of process measures such as enrolments, completion rates, pass rates and student satisfaction measures, while the most widely used measure of outcomes is gross employment rates—the proportion of graduates or module completers who are in employment at a given point of time after completion. While for VET providers, enrolment and completion rates may represent objectives in themselves, the objective of Indigenous participation must be seen in terms of its impact upon Indigenous people's capacity to attain their aspirations. Employment outcomes, again, may not always be in alignment with objectives. Other important motivations include strengthening Indigenous identity, improved individual confidence and self-esteem, greater capacity to help in the community, and skills for voluntary work (see ANTA 2004; Miller, C 2005). In order to draw out implications from the VET evaluation literature for what may or may not work in a broader labour market context, however, a focus on employment outcomes here is warranted.

As with Indigenous-specific and mainstream labour market programs, there are no Australian studies that rigorously identify the 'net' impact of Indigenous participation in VET on labour market outcomes. The main indicator available is the proportion of graduates from VET courses who are in employment, as determined by technical and further education (TAFE) graduate destination surveys undertaken by NCVER. These data on 'gross' outcome rates are replicated in table 6 for years in which separate data for Indigenous people are published. It would be expected that gross employment outcomes for Indigenous VET graduates would be higher than for Indigenous people in general and for those who have completed labour market programs, due to favourable employment prospects related to their aspirations, personal characteristics and access to mainstream labour markets. Studies that rigorously control for observable and unobservable individual circumstances are again largely precluded by the lack of appropriate data with adequate sample sizes of Indigenous people to support such empirical analyses. Further, the data do not differentiate Community Development Employment Projects scheme employment outcomes from market employment.

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<sup>5</sup> Note that from July 2005 ANTA was abolished and its functions transferred to the Department of Education, Science and Training.

**Table 6 Selected outcomes for VET graduates (%)\***

	2000 <sup>a</sup>	2001 <sup>b</sup>	2004 <sup>c</sup>	2005 <sup>c</sup>
<i>Indigenous graduates</i>				
Employed	59	63	60	68
Unemployed	18	16	18	18
Not in the labour force	22	20	18	12
E(post)–E(pre)**	n.a.	n.a.	8	6
Achieved main reason for training	n.a.	n.a.	76	87
<i>Non-Indigenous</i>				
Employed	76	74	75	80
Unemployed	11	12	11	10
Not in the labour force	12	14	13	10
E(post)–E(pre)**	n.a.	n.a.	5	7
Achieved main reason for training	n.a.	n.a.	81	86

Notes: \* Outcomes in each year are for people who graduated at some time in the previous year;  
 \*\* Difference between the proportion employed after training and the proportion employed before training.

Sources: a) Craven (2003, table 2); b) Saunders et al. (2003, p.37); c) NCVET Student Outcomes Survey data

Bearing these limitations in mind, gross employment rates in the vicinity of 60% are roughly comparable with the three-month post-program outcomes from the Indigenous Employment Policy, but higher than outcomes achieved by participants of the Training for Aboriginals Program and Indigenous Job Network clients. Table 6 shows that they are considerably lower than for non-Indigenous TAFE graduates. By way of further comparison, full-time employment rates for Indigenous graduates from higher education are very similar to those of non-Indigenous graduates, each at around 85% (Mellor & Corrigan 2004, p.45). Clearly, selection effects play an important role here, as does the high proportion of graduates who are employed in the public sector. It must also be remembered that non-completion rates are higher for Indigenous students in VET and higher education. A comparison of outcomes of a cohort from time of commencement, rather than of those who have graduated, would show a greater gap in outcomes between Indigenous and non-Indigenous students.

Overall it must be said that a far more concerted and considered effort has been made in the evaluation of policies and programs in the area of Indigenous participation in education and VET than in the evaluation of labour market programs and policies. In contrast to the evaluations of Indigenous-specific policies detailed in the previous chapter, ANTA's and NCVET's reviews of *Partners in a learning culture* make a concerted effort to assess outcomes against the stated objectives of the policy (see Saunders et al. 2003; ANTA 2004; NCVET 2004). ANTA's (2004) mid-term review of *Partners in a learning culture* provides a detailed process evaluation against each of the strategies and the various objectives to assess whether the plans were being implemented as intended. Significant progress is noted with regard to increasing Indigenous involvement in decision-making, but achieving culturally appropriate training has proven more difficult. NCVET attributes this to a lack of effort to pursue this objective:

The broader strategy of ensuring culturally appropriate delivery has not yet been a focus of implementation, even though it is a central aim. (NCVET 2004, p.13)

Overall, there is patchy evidence that the processes have been implemented as intended and considerable evidence of a lack of progress against objectives. NCVET notes that there has been no marked increase in enrolments at certificate level III or above since 1997 and pass rates remain low for Indigenous students. Despite an improvement in employment outcomes, they remain

significantly lower than for non-Indigenous students (NCVER 2004, pp.11–13). Against the objective of ‘Links to employment’, ANTA similarly notes:

The key indicators of success in achieving the Vision and Objectives of Partners are improved training and employment outcomes for Indigenous people. The evidence gathered in the research for the Mid-term Review indicates that, on these key indicators, not much has changed since 1999 [before *Partners* appeared]. (ANTA 2004, p.20)

The lack of appropriate data to measure benefits of training other than employment is also lamented in both reports.

The objective of Indigenous participation is openly accepted as being successful employment outcomes, unlike many of the Indigenous-specific programs discussed earlier. However, despite this, far greater recognition vis-a-vis Indigenous participation in VET has been given to alternative objectives and Indigenous perspectives. In the education field it also appears that more attempt has been made to consider seriously what culture means and its implications for outcomes and how best to deliver services. This is in contrast to labour market program evaluation (see Mellor & Corrigan 2004, Section 4). Based on a review of research, Cydde Miller (2005) identifies seven key factors required of VET to ensure positive educational, employment and social outcomes:

- ✧ community ownership and involvement
- ✧ incorporation of Indigenous identities, cultures, knowledge and values
- ✧ establishment of ‘true’ partnership
- ✧ flexibility in course design, content and delivery
- ✧ quality of staff and committed advocacy
- ✧ extensive student support services
- ✧ appropriate funding that allows for sustainability.

Research has also maintained that outcomes are better for Indigenous students in Indigenous-specific courses, with Indigenous teachers, and when study is undertaken with Indigenous registered training organisations (Durnan & Boughton 1999). However, in the school setting, Mellor and Corrigan (2004, p.39) note other research indicating that non-Indigenous teachers can effectively teach Indigenous students and warn of the need to distinguish between legitimate research findings and political aspirations of Indigenous spokespersons.

In assessing the impact of VET on Indigenous outcomes, a more holistic recognition of the circumstances such as poor health, nutrition and housing facing Indigenous people, and their effect on education outcomes is necessary. In the case of VET, a major barrier is the continuing lower levels of numeracy and literacy achievement of Indigenous Australians within the school system. Mellor and Corrigan claim that, despite numerous changes to policy and practice and significant levels of additional funding, ‘... there has been no significant reduction in the gap between Indigenous and non-Indigenous students’ learning outcomes over the last decade’ (2004, p.51). There is some evidence to suggest that the best way to overcome numeracy and literacy barriers for entrants into VET is to build these components into other parts of VET delivery (Miller, C 2005, p.36).

# Conclusions

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Twenty years ago the Report of the Committee of Review of Aboriginal Employment and Training Programs (Miller 1985) provided a fundamental shift in social and economic policy affecting Indigenous Australians. The report questioned whether the assumption underlying much of the assistance strategy of the time—that employment for wages or salaries was the best means of providing a livelihood for Indigenous people—was in fact appropriate for all Indigenous Australians. Reflecting these sentiments, the main aim of the Indigenous-specific program developments over the ensuing decade, primarily the expansion of the Community Development Employment Projects scheme and the introduction of the Aboriginal Employment Development Policy, was the recognition and pursuit of Indigenous people’s own aspirations. This involved promotion of Indigenous self-determination and strengthening communities through preservation of traditional culture on the one hand, and on the other, minimising disadvantages faced by those Indigenous Australians wishing to engage in the ‘mainstream’ economy and labour market. In 2005, the pendulum has completed its arc. Policies and programs now explicitly, as well as implicitly, promote Indigenous engagement with the mainstream economy and labour market—essentially assimilation—as the appropriate objective for Indigenous Australians.

Whether Indigenous self-determination and showing respect for aspirations which may be markedly different from those of non-Indigenous Australians were achievable goals in our society cannot be known. Despite the stated objectives of these programs, no measures were ever constructed to adequately assess progress against these objectives, such as measures of the strength of Indigenous communities, broader measures of wellbeing or contentment with political representation and cultural identity. Had such measures been implemented in the evaluation of these policies, best practices may have been identified, and policies, programs and processes improved accordingly. Evidence, even qualitative, of significant improvements in Indigenous wellbeing would have been politically difficult to ignore. In retrospect, it appears almost a cruel hoax that such policies were primarily evaluated in relation to their impact on mainstream economic and labour market outcomes and, not surprisingly, found to be relatively ineffective. The more difficult goals of self-determination and cultural maintenance appear to have fallen victim of economists’ and politicians’ ‘positivist’ obsession with that which can be easily measured.

Even in contexts where mainstream labour market outcomes can be taken as legitimate objectives, the contribution of evaluations to date has been limited. This can primarily be attributed to the inadequacy of the available data supporting rigorous econometric evaluations. Only very recently have estimates of the net impact of programs for Indigenous participants started to appear, and none identified in this review uses methods more sophisticated than matching to a control group on the basis of a handful of observable variables. On the positive side, the evaluation effort does seem to have improved significantly in recent years. There is still a critical need for more detailed microeconomic studies that can link treatment processes and outcomes. Exactly what are the barriers that impact upon Indigenous people and how can they best be addressed? Longitudinal data and specific surveys of Indigenous job seekers, as used in the Job Network evaluations, will be critical to answering these questions.

A complicating factor is that respecting differences in aspirations requires that programs are flexible, and the success of the Community Development Employment Projects scheme and the Training for Aboriginals Program suggests that flexibility in how assistance is provided is

important. There must be a trade-off between the flexibility of delivered programs and the ability to identify best practices through evaluation. Where a program is highly flexible and achieves strong outcomes, it is unclear what is responsible for that success and what should be replicated elsewhere. Case study evidence shows that factors as idiosyncratic as individual personnel working in programs can significantly impact upon effectiveness. This is less of a problem with more homogenous wage subsidy or training programs implemented across many different settings. With the Community Development Employment Projects scheme and the Indigenous business development programs, there are examples of great successes but also areas where very limited impact has been realised. This limitation also applies to the Job Network, where outcomes are a combination of the type of assistance clients are referred to and individual providers' efforts.

The accumulated evidence from major programs suggests that Indigenous-specific programs and wage subsidy programs in particular are among the more effective forms of assistance in promoting mainstream employment outcomes. It is to be hoped that this will also apply to Indigenous-specific providers within the Job Network. It is not clear whether Indigenous people are faring better under the Job Network than they did under previous labour market programs. However, it does seem that the heightened evaluation effort accompanying the Job Network has resulted in greater focus on ongoing Indigenous disadvantage and more rapid policy responses through the model to address it.

Well-constructed evaluations of labour market programs should operate within a framework that links the nature of the disadvantage being addressed, the treatments (or processes) and the measured outcomes. The accumulated evidence from such evaluations then provides information on how best to design policies and programs to overcome specific barriers. Identifying best practice in overcoming the various barriers faced by Indigenous Australians in the labour market was indeed one of the aims of this review. Clearly the aspirations and geographic remoteness of participants are two dimensions along which it is critical to differentiate in attempts to relate the sources of disadvantage to processes and outcomes. There is no point evaluating a program by market employment outcomes when this is not a realistic outcome due to geographical location. Similarly, where the objectives of a program are to promote market employment, there is little point contaminating the results by including participants who are not seeking that outcome. Unfortunately, data limitations, combined with limited commitment to rigorous evaluation of Indigenous programs and policies, mean the evidence on best practice is scant.

The Training for Aboriginals Program and those which replaced it (Structured Training and Employment Projects and Wage Assistance) appear to have been remarkably successful relative to other labour market programs generally, both in Australia and internationally. This suggests that a mix of on-the-job work experience, achieved through wage subsidies or brokered placements, combined with other appropriate support, such as mentoring and training, offers the most successful approach to achieving market employment outcomes for Indigenous job seekers. It seems strange that these programs have persistently had such high success rates—higher than most programs for non-Indigenous job seekers—and yet there has been little improvement in the relative employment and unemployment rates between the Indigenous and non-Indigenous populations. A likely answer is that, while the programs are successful in getting Indigenous people into jobs in the short-term, they also then leave jobs much more rapidly than non-Indigenous people. This explanation is consistent with research that has found that Indigenous people actually leave unemployment at remarkably similar rates to non-Indigenous people, but are far more likely to subsequently return to unemployment (Stromback & Dockery 2001).

Evidence from a number of quarters points to greater effectiveness when Indigenous personnel are involved in program or service delivery, reflecting their ability to provide such services in culturally appropriate ways. This has been observed with Indigenous case managers under *Working Nation*, staffing within Job Network providers, in VET and in school-level education. However, instances of non-Indigenous teachers also performing very well with Indigenous students has meant that this conclusion has been disputed within the education literature. The important lesson that can be



drawn from this is that, while it may be easier for Indigenous service providers to offer services in a way that promotes a more positive response from Indigenous people, with a deliberate effort it is still possible for providers to deliver services in a culturally appropriate way in the absence of Indigenous staff or with few Indigenous staff.

Following the abolition of the Aboriginal and Torres Strait Islander Commission, policy on the future of Australia's Indigenous peoples appears to be in limbo. The objectives of the major labour market programs accessed by Indigenous people, including even the Community Development Employment Projects scheme, now imply a goal of economic integration, which undoubtedly will lead to a more rapid pace of social and cultural assimilation. Given the almost imperceptible pace at which the socioeconomic disadvantage of Indigenous Australians is narrowing, a new framework for formulating policy on Indigenous social and economic development is needed urgently. It is imperative that such a framework incorporates explicit mechanisms to reconcile the important goals of self-determination and cultural preservation with the forces of economic integration. An important challenge will be to accommodate the diverse range of aspirations among Indigenous people in the process. If policies to improve Indigenous wellbeing are to include a genuine commitment to achieving Indigenous Australians' aspirations for self-determination and cultural preservation, then rigorous and transparent evaluations of progress against these objectives must be carried out and acknowledged by the relevant policy-makers, departments and institutions.

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# Support document details

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Additional information relating to this research is available in *A review of Indigenous employment programs: Support document*. It can be accessed from NCVER's website at <<http://www.ncver.edu.au/publications/1729.html>>. This document contains information regarding the research methodology, the Community Development Employment Projects scheme, the Training for Aboriginals Program, the Indigenous Employment Policy and Job Network.



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**National Centre for Vocational  
Education Research Ltd**

Level 11, 33 King William Street  
Adelaide SA 5000

PO Box 8288 Station Arcade  
South Australia 5000

Phone +61 8 8230 8400  
Fax +61 8 8212 3436  
Email [ncver@ncver.edu.au](mailto:ncver@ncver.edu.au)

[www.ncver.edu.au](http://www.ncver.edu.au)