

## A review of Indigenous employment programs: Support document

A. MICHAEL DOCKERY AND NICOLA MILSOM

CURTIN BUSINESS SCHOOL

CURTIN UNIVERSITY OF TECHNOLOGY

This document was produced by the author(s) based on their research for the report *A review of Indigenous employment programs*, and is an added resource for further information. The report is available on NCVER's website:  
<<http://www.ncver.edu.au/publications/1729.html>>

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# Introduction

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This support document accompanies the NCVER report ‘A review of Indigenous employment programs’ (hereafter ‘the Report’). It contains explanatory notes on evaluation methodology, plus additional details on developments in labour market assistance and reviews of the literature relating to the evaluation of such programs.

The second section provides a more formal statement of the standard evaluation problem, and the meaning of terms such as ‘deadweight loss’ and ‘selection bias’.

The remaining chapters provide added supporting details relating to the Report but which were omitted in the interest of brevity. The third section contains detailed findings from evaluations of the Community Development Employment Projects scheme. Section four contains an overview of the Training for Aboriginals Program, a major component of the Aboriginal Employment Development Policy, along with a detailed review of reported outcomes for that program. A brief description of each of the sub-programs existing under the Indigenous Employment Policy is contained in section five and, finally, section six provides a brief discussion of the Job Network framework and the philosophy behind its introduction.

References cited within this Support Document are listed in the References section of the Report.

# A note on evaluation methodology

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The evaluation of labour market programs is highly complex. At one level, it is possible to distinguish between micro- and macro-economic (or aggregate) evaluations. Microeconomic evaluations are typically concerned with the impact of the program on participants, while macro-economic evaluations are concerned with the effect of a program on aggregate economic variables, such as the unemployment rate or GDP growth. With Indigenous persons comprising just over 2% of the population, evaluations are unlikely to identify macroeconomic impacts from Indigenous specific programs or from Indigenous people's participation in mainstream labour market programs. Aggregate evaluations in the context of Indigenous programs and policy would instead attempt to ascertain the impact upon aggregate outcomes for Indigenous people as a whole rather than on participants, such as the unemployment rate or average incomes of the Indigenous population.

To formally set up the microeconomic evaluation problem, take  $Y$  to be some outcome measure (e.g. employment status or earnings), and  $P$  a dummy variable indicating whether or not an individual has participated in the program ( $P=1$ ) or has not participated ( $P=0$ ). There are two potential outcomes of interest to the evaluator: the outcome conditional upon the individual having participated in the program and the outcome conditional on non-participation.

$$(1) \quad Y = Y_1 \text{ if } P = 1$$

$$Y = Y_0 \text{ if } P = 0$$

It is common for evaluations to consider only the outcomes for participants,  $Y_1$ , or what is referred to as the 'gross outcome' of the program. It is a 'gross' outcome in the sense that it does not consider what outcomes the program participants would have achieved anyway had they not participated. The 'net impact', the improvement in outcomes that arises from participating in the program rather than not participating ( $Y_1 - Y_0$ ), can be considered a more meaningful measure of program effectiveness. To ascertain the net impact of a program the evaluator would ideally like to observe  $Y_1$  and  $Y_0$  for each individual, but in reality only one or the other can be observed – either an individual has participated or they have not. The approach usually taken is to select a group of non-participants as a control group and compare the outcomes for the participants with those for the non-participants. To allow for the fact that the characteristics of the participants and non-participants may be different, for example they may have different levels of education, the comparison may be made conditional upon some vector of observable characteristics,  $X$ , thought to influence outcomes.

$$(2) \quad E(Y_1|X) = g_1(X) = X\beta_1 \text{ if } P=1$$

$$E(Y_0|X) = g_0(X) = X\beta_0 \text{ if } P=0$$

Where  $E(\cdot)$  is the expectations operator. The non-participant group for which  $Y_0$  is observed represents the control or comparison group. Their outcomes are taken to be an estimate of what outcomes the participants would have achieved if they had not been on the program. Therefore, an estimate of the net impact of the program is given by  $\bar{Y}_1 - \bar{Y}_0$ , the average in outcomes for each group after allowing for differences in  $X$ . Developments in the evaluation methodology have largely related to increasingly sophisticated techniques for estimating what the outcomes for

participants would have been if they had not participated (see Riddell 1991 for an useful overview and Schmid et al 1996 for an extensive collection of applied studies). This is complicated by a range of factors, including unobservable correlations between the likelihood that an individual will participate in the program and the likely benefit they will achieve from doing so. A range of econometric techniques have been developed, including two-step regression models with control for selection bias, instrumental variables and various matching methods. Experimental evaluation designs in which people are randomly assigned to treatment and control groups have also been advocated and used by a number of countries. Some Australian government departments are now experimenting with randomised trials in pilot programs or policy reforms. Experimental designs have been resisted as they face the ethical dilemma of excluding some individuals from treatment, and indeed it is unlikely to conceive of experimental designs being used in the assessment of programs for Indigenous people. A further estimation approach is to use 'quasi-experiments' or 'natural experiments' in which policy changes or some other changing circumstance provides exogenous variation on the likelihood of individuals participating in a program.

The extent to which participants in a program achieve positive outcomes but would anyway have done so is referred to as deadweight loss. Thus deadweight loss is the difference between gross outcomes and net outcomes. Throughout the 1980s and most of the 1990s, departmental evaluations of labour market programs in Australia reported only gross outcomes, particularly the proportion of participants in employment or training three months after completing a program, and ignored deadweight loss. More recently the department has begun using matched control groups to take account of deadweight loss and enable estimates of the net impact of programs (see, for example, Department of Employment, Workplace Relations and Small Business 2001a). This refers to the net impact for the participants only, or the "effect of the treatment on the treated". If the participants find work only at the expense of other jobseekers (substitution effects) or at the expense of currently employed workers (displacement effects) and no new jobs are created by the program, then the aggregate effects will be much smaller. In this sense, aggregate studies take account of deadweight loss, substitution and displacement effects. As a major rationale behind programs and policies targeted towards Indigenous persons is to reduce the extent of disadvantage in labour market outcomes experienced by Indigenous persons, then substitution and displacement effects are less of a concern unless it is other Indigenous persons who are adversely effected. Aggregate evaluations of Indigenous programs can therefore focus upon aggregate labour market outcomes for the Indigenous population, however few Australian evaluations have used this approach.

# The Community Development Employment Projects scheme

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## Additional details of evaluations

The Report notes that, in contrast to most statements of the main objectives of the Community Development Employment Projects scheme, mainstream employment outcomes for Indigenous Australians is the objective against which the program is most commonly evaluated. In addition to case study evidence, two main approaches used in assessing the employment impact of the scheme are to compare aggregate employment outcomes for program communities with non-program communities; and to use individual data to compare outcomes for program participants with those of non-participants. This section provides additional details on the findings from these evaluations.

The Aboriginal and Torres Strait Islander Commission's Office of Evaluation and Audit survey of ex-participants who had left a program in the last seven to 31 months asked individuals about their labour force status on leaving and their current status. Only 24% reported being in employment when they left the program, rising to 28% by the time of the survey. One-third of the jobs found by people leaving the scheme were subsidised, meaning that only 16% moved into unsubsidised employment (Aboriginal and Torres Strait Islander Commission 1997, pp.31-32). These figures represent 'gross outcomes' rather than 'net outcomes' for the sample in the sense that no account is taken of the proportion who could have been expected to find employment without having participated in the program. The Aboriginal and Torres Strait Islander Services 2003-04 budget papers estimated that in 2003-04, the last year before responsibility for the program was moved to the Department of Employment and Workplace Relations' portfolio, only 5% of program participants would move to outside employment, although this estimate is described as 'conservative' (see Output Table 4.4). The Department of Employment and Workplace Relations' evaluation of the Indigenous Employment Policy, which focuses on mainstream employment outcomes, has recommended that Community Development Employment Project participants be brought into Government administrative systems such that data is available to enable better performance monitoring and evaluation (2003; p.9).

The 1996 Census for the first time attempted to separately identify Community Development Employment Project employment and administered specific forms for Indigenous people in discrete Indigenous communities. Exploiting this data, Altman and Gray (2000) find 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 pattern is consistent with findings of previous reviews (Aboriginal and Torres Strait Islander Commission 1994, pp.73) and empirical research based on data from the 1994 National Aboriginal and Torres Strait Islander Survey, conducted by the ABS to survey 17 000 Indigenous people's social and economic circumstances. The survey distinguished Community Development Employment Project employment from non-program employment to provide data about the financial benefits of the scheme. Hunter (2002) finds that those people employed within the scheme earned considerably more money than the unemployed and those not in the labour force but substantially less than those employed in the mainstream labour market. The median income for those employed on the program was \$217 per week; unemployed earned \$140 per week; those not in the labour force earned a median income of \$132 per week; while those in mainstream employment earned \$442 per week. The number of hours worked were also surveyed. Of those

employed in program schemes, 58% worked 24 hours or less per week while 22.6% worked 35 hours or more each week. This figure was inverted for those working in mainstream employment with 18.4% working 24 hours or less and 72.9% working 35 hours or more (Altman, Gray & Saunders 2000). The difference in wages and hours worked is due to the fact that the program is only funded for wages equivalent to unemployment payments and the policy is for pro-rata minimum award rates of pay to apply. This therefore means that Community Development Employment Project participants can usually be given between 14 and 16 hours of work per week, however figures suggest that the 22.6% are effectively working full-time hours. The fact that this is possible is testament to the flexibility of program rules in regard to generation of additional income and employment hours. The flexibility of the scheme in allowing organisations to increase both the hours and incomes of individual participants well beyond basic minimums without losing eligibility is one reason for its popularity. This flexibility is not necessarily shared with other working for welfare arrangements such as the Howard Government's work-for-the-dole programs and may be an issue for further consideration.

With respect to economic effects on communities, there is evidence that the Community Development Employment Projects scheme raises both employment levels and income relative to non-program communities, although again rigorous evaluation techniques have not been possible. Altman and Gray (2000) compare employment to population rates of 'other urban' communities to rural and remote communities using the 1996 Census data. This is done separately for program and non-program communities. Among non-program communities the employment rates are similar in both the rural and remote communities (around 39%). Within the Community Development Employment Project communities, however, the rural and remote communities have a much higher employment rate of 49.7%. This 'difference-in-differences' is taken to indicate the effectiveness of the Community Development Employment Project scheme in improving the relative employment outcomes for rural and remote communities. Note however, that the employment data are inclusive of program jobs. It is also found that areas in which the program accounts for a high proportion of employment have lower unemployment rates and higher participation rates, but that median incomes are lower. In considering the value of the program as a pathway to mainstream employment for Indigenous Australians, Gray and Thacker (2001) present a case study of the operation of Port Augusta's Community Development Employment Projects scheme, finding round 20% of participants over a three-year period moved into unsubsidised employment. This seems quite acceptable when it is remembered that around half of the participants express no desire to move into mainstream employment. The figure was boosted by the expansion of a local mine in one particular year, leading the authors to conclude that the program's success as a stepping stone to mainstream employment is strongly related to the labour market opportunities generally available in the region.



# The Training for Aboriginals Program

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A review of the Aboriginal Employment Development Policy, its objectives and previous evaluations is contained in the Report in the chapter entitled 'Labour market assistance for Indigenous Australians, post-1985'. The Policy's major employment and training initiative was the Training for Aboriginals Program, later to be known as the Training for Aboriginals and Torres Strait Islander Program. This section contains a detailed review of that sub-component of the Aboriginal Employment Development Policy and its outcomes.

## Background

The Training for Aboriginals Program provided assistance to Indigenous job seekers whose specific needs could not otherwise 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. The program aimed to provide training and employment opportunities to increase the number of Indigenous people in ongoing employment, increase occupational skills, improve employment opportunities in the labour market, and achieve a greater distribution of employment in a range of occupations across industry sectors. Direct assistance to clients via the program ceased on 1 May 1998 when the Job Network commenced (see Chapter entitled 'Indigenous participation in mainstream programs and VET' in the Report).

The Training for Aboriginals Program consisted of several elements, and these changed over time. Initially the main element was Job Skills Development, later known as Direct Assistance. Job Skills Development provided wage subsidies to employers for employment-based training placements to increase the level of skills and employment of Indigenous peoples. These traineeships or apprenticeships were for a period of up to 6 months and the financial assistance available varied from 100% of the award wage for traineeships and up to 50% of the award wage for apprenticeships. Non-accredited training placements offered up to 100% of award wage.

Less significant components included Transition Assistance, Formal Training and Ancillary Allowances. Transition Assistance offered assistance in three ways: Work Transition, Mentor Services and Career Information. Work Transition provided wage subsidies to employers to enable Indigenous jobseekers the opportunity to trial a job for an initial period of six weeks which could be extended to 13 weeks with financial assistance available of 100% of the award wage. In this way Indigenous jobseekers could make an informed choice about their career path. Mentor Services provided an Indigenous jobseeker with a mentor to assist with overcoming obstacles while participating in an employment or training placement. This service was offered for a period of 12 months and financially limited to a maximum of \$2000 worth of assistance during any 12 month period. The Career Information category provided Indigenous jobseekers with the opportunity to attend career information days and met the costs directly associated with attending these events.

From 1992-93 the Training for Aboriginals Program consisted of Network Elements which were delivered through the Commonwealth Employment Service and at the time of evaluation comprised three program elements – Job Skills Development, Work Experience and Work Preparation, later called Formal Training – and the Employment Strategies program which was administered through Central, Regional and Area offices of the Department of Employment,

Education and Training. The program's formal training component provided Indigenous jobseekers with formal, institution-based training that was pre-vocational or job-specific. For non-accredited training courses the support was for a period of 6 months, while for accredited training that led to further accredited training the support period was 12 months. Income support equivalent to unemployment benefit was paid to participants.

Job Skills Development and Work Experience were both primary program elements used to place Indigenous jobseekers and were both wage subsidy elements while Formal Training was a formal course or information element. Work Experience differed from Job Skills Development in its target group – young Indigenous people, particularly school leavers, with little or no previous work experience and older people with little or no recent work experience. Work Experience was intended to facilitate the transition to suitable employment, education or training and was only one element in a sequence of assistance made available to this target group. In 1991-92 approximately 60% of all labour market assistance to Indigenous people by the Commonwealth employment department was under the Training for Aboriginals Program with the remaining 40% provided under general labour market programs.

In the departmental program structure, the Training for Aboriginals Program was included under the sub-program of Aboriginal Employment and Training Assistance and had two components – Employment Strategies and Direct Assistance. The Employment Strategies component provided funding for agreements with major private and public sector employers and other regionally significant organisations to implement recruitment and career development strategies for Indigenous peoples. A review conducted during 1996-97 and reported on in that year's Annual Report highlighted the need to shift the emphasis from employment in the public sector to the private sector.

Direct Assistance was delivered through the Commonwealth Employment Service and comprised three elements: Skills Development, Transition Assistance and Formal Training, all of which could be tailored to individuals' needs. The elements complemented the provisions of the Department's other labour market programs under which unemployed Indigenous clients were eligible for substantial assistance. The Department of Employment, Education and Training Annual Report for 1993-94 states that under this component periods of assistance 'can be linked to provide an integrated progression from work transition (including formal training and work experience) to subsidised on the job training.'

## Training for Aboriginals Program Evaluation

Evaluation of this component of the Aboriginal Employment Development Policy is more straight forward in that its main objective was less ambiguously to achieve mainstream employment outcomes. Miller (1985) expressed concern that the program '... has suffered from trying to be "all things to all people" in Aboriginal employment and training ...' and recommended a clear differentiation between formal training, on-the-job training and wage subsidies (p.11). This undoubtedly led to some of the complex structuring of the program for reporting and monitoring purposes that followed during the Aboriginal Employment Development Policy. However, the key indicator of performance remained the same — the number of clients placed in employment. This was typically measured as the proportion of participants still in employment or engaged in non-Departmentally funded education or training 3 months after ceasing program assistance, as determined through departmental post-program monitoring systems. Secondary performance indicators related to the spread of occupations and industries in which Indigenous clients became employed, as well as equity in participation among gender and adult/youth classifications.

The simple measure of post-program outcomes suggests that the program was a highly successful component of the Aboriginal Employment Development Policy, averaging gross positive

outcomes of 40-50% (Table 1). A number of reservations regarding the outcome figures should be kept in mind. The sample sizes and response rates are lower for Indigenous persons, meaning high statistical uncertainty and potential response bias. In some years and for many sub-components the estimates have not been provided. It is questionable whether counting persons in further education or training as a positive outcome is really aligned with the principal objective of achieving unsubsidised employment outcomes. No account is made for deadweight loss. However, by the same methodology similar overall outcomes were achieved for all participants (non-Indigenous and Indigenous) of the JobStart wage subsidy program, which was widely recognised as one of the more successful of the *Working Nation* labour market programs. Although JobStart clients were primarily long-term unemployed, the fact that the Training for Aboriginals program is targeted to Indigenous job-seekers whose specific needs could not otherwise be met through mainstream labour market programs suggests these clients also faced significant barriers even among the Indigenous population. Table 1 also demonstrates that participants achieved better outcomes than Indigenous persons in mainstream employment programs. Although data on outcome rates for sub-components within the program are sketchy, it also appears that Job Skills Development/Direct Assistance, which included subsidised employment and training places such as apprenticeships and traineeships, had particularly high outcomes.

**Table 1: Training for Aboriginals Program (TAP) - Positive outcomes 1989-90 to 1997-98**  
 (% of participants in unsubsidized employment or non-Departmentally funded education or training 3 months after ceasing program assistance)

	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
No. Commencements					8398	9406	11900		
Job Skills Dev't / direct assistance	46.8	43.0		58.4	60.1	60.1		48.5	52.0
Work Experience	39.9	22.1							
Other TAP	37.5	33.7							
Employment assistance					42.5	45.0			
Transition assistance				49.4	45.8	39.3			
Formal Training				26.2	27.6	33.6			
<b>Total TAP</b>		<b>46.1</b>	<b>44.7</b>	<b>40.6</b>		<b>45.0</b>	<b>50.5</b>	<b>50.0</b>	
Indig persons in non-TAP programs	42.3	30.4	28.2	34.2	36.4	38.0	35.0	31.0	

Notes: Sources - Aboriginal and Torres Strait Islander Commission 1994: Table 7.2; DEET Annual Reports; Evaluation of the Network elements of TAP. Positive outcomes measures are not available in some years due to low sample number and response rates contributing to the figures being considered unreliable. Direct assistance ceased from 1 May 1998 with introduction of Job Network.

The Cabinet Decision that led to the introduction of the Aboriginal Employment Development Policy required that the program be evaluated in 1992-93, the result of which is a publication from the Training and Evaluation Section of the Department of Employment, Education and Training entitled *Evaluation of the Network Elements of TAP – Training for Aboriginals and Torres Strait Islanders Program*. The evaluation highlighted the extreme difficulty Indigenous people face in accessing employment and that there are limits to the effectiveness of employment programs which attempt to assist people who face major barriers to their employment. Despite this the evaluation asserts that the program elements examined have been ‘surprisingly successful’ and relatively cost effective. The report however did draw attention to its belief that it was important to ‘recognise that, regardless of improvements in the delivery of programs, there will continue to be only limited success in meeting the Aboriginal Employment Development Policy objectives while many employers hold stereotyped views of Aboriginal and Torres Strait Islander people and their attitude to work and have little awareness of their culture’ (Department of Employment, Education and Training 1994, p.vi).

Program data for the evaluation was examined through the post-program monitoring database and showed overall that Job Skills Development participants had better outcomes than those in Work Experience. In 1990-91 54% of former Job Skills Development participants and 50% of former Work Experience participants were employed (43% and 22%, respectively, in unsubsidised employment). Thirty eight per cent of former Job Skills Development and 41% of former Work Experience participants were unemployed, while 8% of former Job Skills Development and former Work Experience participants were not in the labour force. The evaluation also conducted two surveys of former participants, one of those who had finished their placement three months prior and the other of those who had finished placements 12 months prior. These found that in the three month group, of the former Job Skills Development participants 50% were employed and 41% unemployed after three months, deteriorating slightly to 48% employed and 45% unemployed after 12 months. The comparable figures for Work Experience clients show a higher proportion leaving the labour force, with 48% employed and 43% unemployed after 3 months; and 44% employed and 37% unemployed after 12 months. Sixty per cent of respondents who were employed were still working with their placement employer, underlying the importance of retention by employers as a source of employment.

The evaluation concluded that the outcomes were related to a number of factors and made the following findings:-

- ✧ females had better outcomes than males;
- ✧ placements in more skilled occupations generally had better outcomes than those in less skilled occupations;
- ✧ those who completed placements had significantly better outcomes than those who did not;
- ✧ there were large variations between each State;
- ✧ in terms of unsubsidized employment outcomes, placements in Indigenous community organisations and the private sector had similar outcomes although the Indigenous community sector placements were more likely to lead to further subsidised employment;
- ✧ participants with poor education levels had poorer outcomes;
- ✧ participants who had previous periods of unemployment had poorer outcomes; and
- ✧ those with more than three previous labour market program placements had poorer outcomes than those with fewer.

The evaluation concluded that Job Skills Development participants in general had better post program outcomes than Indigenous people in other employment programs. As can be seen in the table above, the superior outcomes for those in Job Skills Development (later called 'direct assistance') relative to other components of the Training for Aboriginals Program and for Indigenous participants in other labour market programs applied throughout the life of the program.

The survey found the proportion of those completing placements was over 60% for Job Skills Development, and the proportion continuing to work for their placement employer after completion of a placement was 40%. For Work Experience clients, only 32% continued to work for their placement employer. While ongoing employment is meant to be a requirement of Job Skills Development placement, only 49% of all employers said they had an agreement to employ the participant at the end of the placement. Employers indicated that in 58% of Job Skills Development cases and 51% of Work Experience cases the participants left of their own accord but that employment was terminated in 42% of the Job Skills Development cases and 45% of the Work Experience cases. Fourteen per cent of employers said the employment was terminated as there was no ongoing wage subsidy. Of those people employed by Indigenous community organization, 51% were retained by their employer compared with 31% retained by non-

Indigenous employers. Those employed by Indigenous employers were also less likely than others to leave their employment of their own accord (36% compared with 60%).

The 1996-97 departmental Annual Report stated that there is evidence of a positive impact likely from placing Indigenous job seekers into traineeships. It was reported that outcomes had been analysed for a group of nearly 2400 Indigenous trainees commencing under the Training for Aboriginals Program and the mainstream National Training Wage program in the 12 months to the end of March 1996. In this sample, of the 55% who completed their placement, nearly 70% achieved a positive outcome. For the entire sample of known outcomes the rate was 53%. This is higher than the rates achieved through other wage subsidy placements under JobStart, at 46%, or under the Training for Aboriginals Program at 50%.

One focus of the Training for Aboriginals Program evaluation was whether the objective of moving Indigenous participants into non-traditional occupations and industries was being met. The Aboriginal Employment Development Policy had emphasised that equity for Indigenous people could only be achieved by expanding employment across a range of industries and occupations and this became an objective of Job Skills Development. The 1986 Census showed a concentration of Indigenous people in low paying jobs, for example 32.2% of Indigenous people were employed in labouring compared with 14.4% for all Australians. While 11.7% of all Australians were employed in a managerial capacity, only 3.3% of Indigenous people worked as managers.

In 1990-91 the majority of Job Skills Development and Work Experience placements were also in unskilled occupations with relatively few employed in professional and managerial capacities. Forty seven per cent of male Job Skills Development placements and 64% of male Work Experience placements were in unskilled areas. Indigenous females were predominantly employed in clerical, personal services and sales positions. Less than 1% of both male and female participants were employed and managers, and only around 2% achieved professional placements.

The evaluation found some evidence of Job Skills Development being utilised to place participants in non-traditional occupations, for example in 1990-91 the proportion of male Job Skills Development placements in the trades area was 25% compared with 19% of all employed male Indigenous people in 1986. The proportion of female Job Skills Development participants in para-professional occupations was 14% in 1990-91 while they accounted for only 7% of all employed female Indigenous people in 1986.

In considering the cost of a successful placement under Job Skills Development or Work Experience, the evaluation claimed that as Indigenous people face considerable problems in obtaining private sector employment, it was acknowledged that programs to overcome these barriers could prove relatively expensive. The definition of a successful Job Skills Development placement outcome was employment in an unsubsidised job. For Work Experience placements success included both subsidized and unsubsidized work. In 1990-91 the cost of a successful Job Skills Development placement was \$19 758 which the evaluation reasoned was reasonable considering a full wage could be paid under the program and the average length of a placement was 28 weeks. The evaluation concluded that no comparable Commonwealth labour market program could be found. The cost of a successful Work Experience placement in 1990-91 was \$6511. The most comparable generally available labour market program was JOBTRAIN where the cost of a successful outcome was \$6623. The cost for a Work Experience placement resulting in an unsubsidized job was \$9290.

Other effects on the individual were noted during the Department's evaluation of the program. It found that many participants spoke of feelings of isolation in work situations where they were the only Indigenous person employed. In contrast the best outcomes for Indigenous people in terms of staying with the placement employer were in Indigenous workplaces. Factors found to

correlate with successful employment outcomes included (Department of Employment, Education and Training 1994, p.vii):-

- ✧ better educational qualifications;
- ✧ completing a training placement;
- ✧ undertaking formal study during placement;
- ✧ being female; and
- ✧ being contacted by the CES during placement.

Overall the evaluation found that the Training for Aboriginals Program had achieved some limited success in broadening the industries and occupations in which its participants were employed. Placements in Indigenous community organisations were largely in more skilled occupations although mostly in the community services industry. Those placements with mainstream employers were concentrated in lower skilled occupations with a greater diversity of industries.

# The Indigenous Employment Policy

A review of the Indigenous Employment Policy is contained in the Report in the chapter entitled 'Labour market assistance for Indigenous Australians, post-1985'. This section outlines the sub-programs that have been in place under the Indigenous Employment Programme within the Indigenous Employment Policy.

## The Indigenous Employment Programme

Components of the Indigenous Employment Programme are listed in Table 2 and each is described briefly below. Commencement numbers in each year are reported where available through Departmental reports, though these data are consistently reported only for Wage Assistance and the Structured Training and Employment Program, which account for around three-quarters of placements under the Indigenous Employment Programme.

**Table 2: Indigenous Employment Programme Placements (numbers assisted)**

	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004
Wage Assistance	1631	2302	2078	2228	2825
Structured Training and Employment Program	2673	4068	4325	3987	5475
CDEP Placement Incentive		325	274	461	
National Indigenous Cadetships Projects			157	191	
Indigenous Employment Centres			7	340	868
<b>Total</b>			<b>7572</b>	<b>8646</b>	

Sources: Department of Employment and Workplace Relations Labour Market Assistance Outcomes, [www.workplace.gov.au/workplace/Category/Publications/ProgrammeEvaluation/LabourMarketAssistanceOutcomes.htm](http://www.workplace.gov.au/workplace/Category/Publications/ProgrammeEvaluation/LabourMarketAssistanceOutcomes.htm), Department of Employment and Workplace Relations 2003, Department of Employment and Workplace Relations Annual Reports

### *Community Development Employment Projects Placement Incentive*

Promotes the Community Development Employment Projects scheme as a staging post for Indigenous participants to move from developing their work skills into the mainstream labour market. The Incentive provides a \$2200 bonus to Community Development Employment Project sponsors for each placement of a participant in a job external to the program and off program wages. That job must be for at least 15 hours per week.

### *Corporate Leaders for Indigenous Employment Project*

A partnership between companies and the Commonwealth Government whereby companies commit to employing Indigenous people and the Commonwealth provides access to flexible funding for that purpose. Companies can design an employment project or strategy to suit their own business environment and access a mix of assistance under the Indigenous Employment Policy. The underlying aim is to encourage and assist Australian companies to generate more jobs for Indigenous Australians and provide equal opportunities for them in the private sector.

### *Wage Assistance*

This is an aid to Indigenous job seekers to find long term employment, either through Job Network or their own endeavours, using an eligibility card. To be eligible, job seekers must be registered as looking for work with Centrelink and in receipt of an income support payment, including Community Development Employment Project wages. Employers can receive up to \$4400 over a 26 week period to assist with costs.

### *Structured Training and Employment Projects*

This project provides flexible financial assistance to businesses which offer structured training such as apprenticeships, that lead to lasting employment opportunities for Indigenous job seekers. While the Government's focus is to increase jobs in the private sector people, funding is also provided to community and public sector organisations.

Structured Training and Employment Program funding is negotiated directly with the employers and projects can involve differing levels of training including job training, apprenticeships and traineeships, depending on the needs of the employer. Funding is also available to organisations that train participants then place them with employers, but such intermediaries are expected to demonstrate they offer special skills not otherwise available from local employers.

### *National Indigenous Cadetship Project*

Provides support to companies prepared to sponsor Indigenous tertiary students as cadets. Employers pay cadets a study allowance while they attend full-time study in an approved course and then provide paid work experience during long vacation breaks. The Department of Employment and Workplace Relations reimburses employers to a certain limit for study allowance. Participating employers are expected to offer their cadets full-time employment at the conclusion of their cadetship and study. Through this model, the organisation gains a professionally qualified employee who has worked in and understands their organisation.

### *Indigenous Small Business Fund*

This can fund Indigenous organisations to assist Indigenous people to learn about business, develop good business skills and expand their business, as well as funding individuals for the development of business ideas with potential.

### *Indigenous Employment Centres*

The establishment of Indigenous Employment Centres was announced in the 2001-02 budget to augment the Community Development Employment Projects Placement Initiative in assisting Community Development Employment Project participants find external employment. The Centres are based on work preparation trials and operated by program organisations 'in areas with job opportunities'. The first Centres began operation in April 2002 and by 30 September 2003 had assisted more than 1,700 participants and placed in excess of 400 people into employment.

### *The Voluntary Service to Indigenous Communities*

This Service matches skilled volunteers with the needs of Aboriginal and Torres Strait Islander communities.



# The Job Network

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## A brief background

The creation of the Job Network was first announced in the 1996-97 Budget Statements. Ministerial statements clearly indicated that the principal policy objective was to improve outcomes for the unemployed. This was to be brought about by the incentives created from Job Network providers being paid for placing jobseekers in sustained employment. At the time the Commonwealth Employment Service provided free vacancy placement services for employers and job referral services for jobseekers and more intensive case management assistance for disadvantaged jobseekers. An additional matching service for employers was provided on a fee for service basis.

A number of major programs ceased in October 1996, although commitment was reaffirmed to JobStart and the New Enterprise Incentive Scheme, which Departmental evaluations had shown to be more successful. In the 1995-96 financial year leading up to these announcements Commonwealth expenditure on labour market programs was just over \$2 billion. A total of 670 000 jobseekers had been placed on programs, of whom around 60% were long-term unemployed. With the introduction of the Job Network, the government cashed out this expenditure on labour market programs and called for tenders to create a 'competitive market for employment services'. There have been a number of changes to the model over time, but essentially three levels of service were contracted – job brokerage services (collecting vacancies and matching job seekers to vacancies); job search training (similar to the pre-existing Job Clubs) and intensive assistance. The agencies which won tenders to provide these services became known as Job Network Providers (hereafter 'Providers'). Conceivably, intensive assistance providers could offer any form of assistance they saw appropriate, but of course needed to remain profitable. It was intended that the system would generate greater incentives for outcomes, as opposed to processes, because payments to providers were weighted toward positive outcomes, while creaming was to be avoided by attaching higher payments to outcomes achieved for more disadvantaged job seekers. The main benefits of competition were to be services that were more responsive and tailored more closely to individual needs, plus greater innovation than was available through a bureaucratic monopoly.

A detailed description and analysis of the Job Network and its performance cannot be provided here. Comprehensive information about the Job Network model and evaluation of its early performance can be found through Department of Employment and Workplace Relations (2002b), Australian Council of Social Services (2000), Productivity Commission (2002), Department of Employment, Workplace Relations and Small Business (2001a, 2001b, 2000), Dockery and Stromback (2001) and Dockery (1999).