



Supplementary Submission to the

**House of Representatives Standing
Committee Inquiry**

into

**The Needs of Urban Dwelling
Aboriginal and Torres Strait Islander
Peoples**

By the

**Aboriginal and Torres Strait Islander Commission
May 2001**

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ATSIC BUDGETS 1996-2001

The Committee requested information regarding ATSIC's budgets from 1996 onwards showing program element variations as result of Federal Budget decisions?

As outlined in our initial submission the 1996 Federal Government cuts to the ATSIC Budget forced the Board to make some very hard decisions. The budget resulted in an overall reduction of 11 per cent in funding for ATSIC, \$470 million over four years from 1996-97. This had severe effects on particular programs because the government required ATSIC to sustain levels of expenditure in the areas for CDEP, community housing and infrastructure and on support for native title representative bodies. These programs collectively comprise nearly two-thirds of ATSIC's program expenditure.

The Board was forced to terminated following programs as a result of these budget cuts:

- Community Training Program
- Community and Youth Support Program
- Movement to Award Wages
- Development of Industry Strategies

Significant cuts were also made to the following programs:

- Business Funding
- Aboriginal Hostels Limited
- Torres Strait Regional Authority
- Running Costs

In the 1997 Federal Budget the Government made a decision to guarantee ATSIC's funding for the next four years. In addition the Government guaranteed an increase of \$15million per year for the guaranteed period. This increase was to accommodate any new initiatives. However it by no means offset the loss of \$470,000 million over the years 1996-97 to 1999-2000. Attachment A details the ATSIC budgets from 1995/1996 to 200/2001.

Training for Aboriginals Program 1996

The Committee inquired into the effect of the cessation of the Training for Aboriginals Program in 1996.

When funding for TAP ceased in 1996 the government did not provide any additional resources to ATSIC to replicate or supplement the functions of this program.

The Committee sought a breakdown of ATSIC's budget down to regional council level.

Output Summary Information for the financial year 1999/2000 at output level nationally, state/territory and regionally can be found at Attachment B.

The Committee asked ATSIC to outline the amount of money within our budget that is effectively a transfer of benefits.

In 1999-2000 sixty two percent (62%) of ATSIC's total expenditures was accounted for against the Community Development Employment Project and the Community Housing and Infrastructure output. ATSIC would argue that both these areas of our work are effectively transfer of benefits to which Aboriginal peoples and Torres Strait Islanders are entitled regardless of where they live. There are many more of our smaller programs which are for services which non-Indigenous Australians normally expect will be available – such as equal treatment in the legal system. The table below is a demonstration of the transfer of benefits:

CDEP Funding

Financial Year	CDEP - Offset / Cost to Gov.	Fiscal Impact
1995 - 1996	Offset – 63%	\$199,359,165
	Cost to Government	\$117,083,954
1996 - 1997	Offset – 63%	\$211,396,089
	Cost to Government	\$124,153,258
1997 – 1998	Offset – 63%	\$225,269,812
	Cost to Government	\$132,301,318
1998 – 1999	Offset – 63%	\$238,263,721
	Cost to Government	\$139,932,661
1999 – 2000	Offset – 63%	\$248,046,705
	Cost to Government	\$145,678,224
2000 - 2001	Offset – 63%	\$268,946,648
	Cost to Government	\$157,952,794

Note: The derivation of the 63% offset for Government from income support payments to which CDEP participants would otherwise be entitled is an estimate which was developed between ATSIC and FaCS in the 2000/2001 Budget. This estimate was developed to identify the underlying impact on the Commonwealth fiscal balance of an expansion of CDEP funding, (net of offsets of the income support entitlements which CDEP participants would otherwise receive).

This estimate was developed on statistical assumptions including, but not limited to, the nature and composition of potential income support recipients as participants on the CDEP Scheme, variations in the payment rates for income support payments from Centrelink and the administrative costs to agencies in delivering payments to income support recipients. As these variables change from year to year it is not possible to precisely extrapolate the full offset to Government of an increase in CDEP funding for the years 1995 - 2001 inclusive. The above figures are provided as an indicator of prior year fiscal offsets to Government of an expansion in CDEP funding.

ATSIC'S GRANT APPLICATION PROCESS

The Committee inquired into ATSIC's process of communicating the availability of our grants program to Aboriginal peoples and Torres Strait Islanders.

ATSIC uses a variety of communication methods including targeted correspondence, publications and meetings to advise potential and ongoing recipients of our funding programs; where we have spent our monies; are planning to direct new funds; and when applications are sought for available funds.

In 1994-95, following an external review of ATSIC's financial and budgeting process, we introduced a national annual advertising process for receiving grant applications. The logic was the demand (applications) would determine how to distribute the supply of funds (ATSIC's annual budget). This was an overwhelming success in terms of equitable access to the application process as ATSIC was flooded with applications, but applicants were dissatisfied with the results because the demand exceeded the total supply of funds by 300%.

The process was revised for 1995-96 following the transfer of primary health and substance abuse funds and a reduction to ATSIC's budget. Advertising was targeted to the national, state and regional levels and information strategies were put in place to reduce unrealistic expectations.

The significant cuts to ATSIC's budget in 1996-97 however placed very large constraints on our funding flexibility. The imposition of Federal government 'quarantined' community housing and infrastructure funding for 4 years; fixed amounts for Native Title; and a reduction in the formula for CDEP capital removed from the Board the flexibility to adjust supply according to demand. For example, in 1996-97 15,000 applications were received but only 5000 were funded.

As a response in 1997-98 the Board of Commissioners determined that each Regional Council should set the method of calling for applications and set the closing date for those applications in accordance with the requirement in each region. Noticeably Regional Councils in remote areas were locked into continued funding of local government type services to those communities that were not connected to the power grid or water supplies or on gazetted roads. The combination of specific estimates for CDEP, municipal services, community housing and infrastructure left Councils with only 9.2% of funds in their discretionary allocation. Therefore open advertising added no value.

Currently a combination of limited local advertising and written invitation to apply for grant funds is in operation. Some regions do not advertise. This reflects the diversity of circumstances in which each Council operates. Each Regional Council develops their budget strategies according to the priorities in their Regional Plan and then invites Indigenous organisations within their region to provide services to meet those priorities. Nonetheless, in many areas, the level of demand has continued to exceed the supply of funds.

The ATSIC Submission Kit is available on the ATSIC Home Page on the Internet and hardcopy of electronic submission kits are available from any ATSIC office. All applications received are considered for funding regardless of whether the applicant was invited to apply.

At present 57% of ATSIC's \$1.032b budget is locked up in CDEP (42.5%), community housing and infrastructure (9.2 %) and Native Title (5.2%). The level of discretionary allocations available is 5.2% for regional councils and 3.8% under the National program.

THE HOME OWNERSHIP PROGRAM

The Committee inquired into the Housing Loans program that ATSIC had not addressed in its submission to the Committee. In particular the Committee was keen to explore issues of history of the loan fund; housing tenure; take-up of home ownership; home loans rates; house purchase limits; loans processing; Indigenous take-up of first home owners assistance.

History of the loan fund

Our Home Ownership Program targets low to middle income families who have modest deposits and are generally unable to secure or afford long term commercial housing loan finance due to the low incomes and limited savings of Indigenous households. The program provides eligible families with concessional interest rate loans that are primarily used to buy or build standard homes.

Approximately 90% of families assisted by the home loans program have a family income (consisting of the main breadwinner's gross wage, combined with 50% of the spouse's gross wage) less than the National Average Weekly Male Earnings (NAWME) which is currently \$840 per week.

Families living in major urban areas, provincial cities and small towns have benefited most from this program, and it is estimated that over the past 25 years, the program has assisted more than 12,500 Indigenous families buy a house.

The Aboriginal Loans Commission (ALC) was started with an initial injection of \$3 million. Over the next 5 years a further \$32.85 million was put into the ALC by the Commonwealth Government. The Aboriginal Development Commission (ADC) contributed further funding of approximately \$70 million. ATSIC has contributed a further \$25 million to the program.

Since the establishment of ATSIC in 1990, through to 31 March 2001 it is estimated that home loan repayments and loan discharges have generated over \$380 million. Over 4,500 loans have been made for approximately \$400 million.

The Home Ownership program is now self funding and does not receive direct government funding. New loans are funded from revenue raised from loan repayments and loan discharges, and this revenue is held in a Housing Fund established under Section 67 of the ATSIC Act. Money in this Fund can only be used to make new home loans.

Housing Tenure

The various State and Territory governments have placed restrictions on Indigenous community (trust) land preventing mortgage or sale of land. Such restrictions are in the interests of future generations of Indigenous people as they prevent the erosion of Indigenous land title for short term financial gain, and as such should be supported. This constraint, however, has restricted the ability of ATSIC and other possible lenders to offer to community

members a viable home loan product that can deliver a benefit to the potential purchaser (home ownership and increased wealth) while providing some prudential level of comfort to the lender in management of its risk. The effect of these State based legislative restrictions is to render homeowners on community trust land a home that has negligible realisable value. A lender is similarly exposed in that there is little, or no, security value to cover the loan advance. This issue also arises in respect of inalienable freehold land title (eg land held under the ALR(NT) Act).

Current developments include consideration of some form of time limited leasing arrangement to mitigate the security concern. However, because of the limited resale market, even with a lease from the relevant Land Trust, the value of housing as security for a loan will be considerably less than the cost of providing housing – rendering any loan purchase based on the cost of provision impractical.

In essence, we are faced with a closed market, confined to the community in question, with attributes of high unemployment, low income, and an alternative choice of highly subsidised community rental accommodation. The traditional notion of home ownership as a means of asset wealth accumulation has limited application in the circumstances, as resale opportunities – and hence values – are extremely limited. The consequence of these conditions is a questionable benefit from home ownership.

It has been suggested that improved sustainability of Indigenous housing stock would result from increased home ownership. The rationale here is that homeowners will have a vested interest in maintaining their home in order to preserve their asset wealth.

While there is every reason to expect that the rate of Indigenous home ownership can be increased; we need to be careful in drawing on the mainstream community home ownership rate of 71% as a benchmark. Indigenous home ownership rate by comparison is just on 32%. The socio-economic profile of Indigenous people is considerably different to the general community, with median weekly personal incomes substantially less (39% lower for persons aged 25-44) and unemployment substantially more (average rate of 40%+ nationally, including CDEP, and significantly higher in remote areas). In these circumstances, the scope for home ownership is considerably less than for the general community, and heavily weighted to urban/metropolitan areas. It is not therefore surprising that the majority of ATSIC housing loan clients are located in urban/metropolitan areas. The scope for increasing home ownership options in remote areas is limited, and options to this end would necessarily involve substantial subsidies, or resource transfers, to individuals.

There is no doubt that there are opportunities for increasing the rate of Indigenous home ownership in urban, metropolitan and (to a lesser extent) rural areas, where the purchase is on freehold or crown leasehold land. In these areas there is a vested interest, in terms of asset wealth, and hence an incentive to maintain. Those that can afford it can access the competitive market of commercial home loan products currently available. Those on lower incomes, or in circumstances that present problems in accessing the general market, are able to seek access to ATSIC's Home ownership Program. Our experience is that the demand for ATSIC's home loan product exceeds available resources, and the scheme could be marketed to utilise significantly more resources.

The scope for extending home ownership into closed market situations on reserves and other community title land is less evident, and the notion that home ownership in these areas will improve sustainability has considerably less substance. On the face of it, the prospect for success of a home ownership drive on community title land varies according to the size of the community and its proximity to mainstream real estate markets. There may be some prospect of success with large communities in close proximity to metropolitan areas for community members on high incomes. Conversely, there seems little prospect of success in remote communities.

There are cultural factors relating to traditional cultural mores and behaviours concerning material possessions that can militate against the home ownership/improved sustainability rationale applying in remote Indigenous communities. Quite apart from the cultural considerations, however, the major obstacle to increased home ownership in remote Indigenous communities in a closed market context is the difficulty in making home ownership an attractive option. More specifically, it is the extent of direct resource transfer to individuals that would be necessary in order to make home ownership an attractive option:

- in remote communities, maintenance costs are extremely high, and (due to the socio-economic profile of communities) rental rates are highly subsidised;
- with likely resale values at a fraction of initial cost (in closed market conditions), sale prices for housing would also need to be at a fraction of initial cost;
- prospective home owners would in effect be trading “free” home maintenance for the acquisition over time of an asset of limited realisable value;
- the transfer of responsibility for (significant) maintenance costs to homebuyers with limited incomes means inevitably that some would encounter difficulties. One consequence of this, of course, would be poorly maintained housing – the opposite of that we seek to achieve through encouraging home ownership.

ATSIC understands that the submission by the Department of Family and Community Services (FaCS) to the Committee provides an overview of Indigenous Housing funding programs at Reference 6. Attached to their Submission (Appendix 6.5) is an overview of Tenure outcomes for Urban Indigenous households based on analysis of 1996 census data.

Supplementary to this information Table 1 to this submission shows Indigenous Tenure by State/Section of State using 1996 Census data. Note that dwelling counts for Indigenous Community Housing vary significantly from the 1999 Community Housing and Infrastructure Needs Survey (CHINS). This can be partly explained by the time elapsed between the different collections, program activity during this period, an acknowledged Indigenous undercount in the 1996 Census and the large numbers of not stated in the 1996 Census.

Home Ownership Rates

Since the commencement of the Home Ownership Program over 8,500 loans have been repaid. These former borrowers initially did not qualify for a loan from a bank etc and the only way to buy a home was with an ATSIC loan. Over time because of lifestyle choices and the economic independence that can come from buying and owning your own home many former clients have been able to re-finance their ATSIC loan with another financier. In the main this is because they wanted further borrowings that ATSIC could not assist them with, ie cars, holidays etc or they wished to move to another property. Because of their home repayment record and the equity built up in their homes they qualified for loans from main steam lenders which allowed the money repaid to ATSIC to then be used to assist another client get a start into Home Ownership. This is a great plus for the program.

Australian Capital Territory	258
• Canberra	258
New South Wales	5,736
• Queanbeyan	326
• Bourke	194
• Coffs Harbour	1,498
• Sydney	2,337
• Tamworth	450
• Wagga Wagga	931
Victoria	1,818
• Ballarat	848
• Wangaratta	970
Queensland	4,044
• Brisbane	2,064
• Cairns	398
• Mount Isa	157
• Cooktown	6
• Rockhampton	490
• Roma	411
• Torres Strait	31
• Townsville	487
South Australia	930
• Adelaide	804
• Ceduna	31
• Port Augusta	95
Western Australia	2,014
• Perth	1,239
• Broome	61
• Kununurra	20
• Warburton	9
• Narrogin	277
• South Hedland	108
• Derby	33
• Kalgoorlie	121
Geraldton	146
Tasmania	1,595
• Hobart	1,595
Northern Territory	669
• Alice Springs	96
• Jabiru	-
• Katherine	45
• Aputula	3
• Nhulunbuy	-
• Tennant Creek	25
• Darwin	500
Total	17,064

Housing Loan levels

Maximum loan amounts are based on the family income, whereby the maximum loan, (purchase price less required deposit, which may exceed 95% of the property value), is only available where the family income is not more than 125% of National Average Weekly Male Earnings (NAWMES).

In addition, the cost of the house being purchased should not exceed the average cost of housing in the applicable ATSIC zone area. Naturally, flexibility exists to cater for special or unique circumstances.

Families with incomes in excess of 125% of NAWMES, but not greater than 150%, may be eligible for a partial loan of 60% of purchase price. These “part loans” assist applicants living in areas with high property prices (eg. Sydney), who may otherwise be denied access to home ownership because of prohibitively high deposit and loan servicing requirements of commercial financiers.

The current commencing interest rate for most ATSIC loans is 4.5%, and the minimum deposit for most loans is \$3,000 or 5% of purchase price whichever is the lower. However, applicants are required to contribute the maximum amount of deposit that they can reasonably afford. ATSIC will allow the First Home Owners Grant to be considered as deposit where clients do not have savings of \$3,000.

The interest rate charged on the loan increases by 0.5% per year until it reaches the ATSIC Home Loan Rate that is currently set at 5.82% pa. Families with incomes of less than \$30,000 may have the minimum deposit reduced to \$1,500 and the commencing interest rate may be set at 3%.

For the 1999/2000 financial year, \$49.3 million in new housing loans were approved, housing in excess of 1,500 people. At the 31 March 2001 there were more than 3,900 active loans with loan balances in excess of \$300 million.

The program is delivered and managed through ATSIC’s network of Regional Offices by experienced housing loans officers culturally sensitive to the needs and aspirations of Indigenous people. All our offices throughout Australia receive housing Loans. However there are fourteen regions including eleven network offices that process home loans. This ensures an even spread of offices across the countries that are in touch with the local housing market issues. For the current year there has been in excess of 5,000 enquires handled by ATSIC’s loan officers.

The Board of Commissioners reviews the program’s policies on an annual basis.

Home Loan Rates

The maximum ATSIC loan is capped from region to region and State to State because ATSIC has in place purchase price zones covering different parts of the country. These zones are based on the average sale prices in the capital cities and are used by ATSIC to ensure that its limited home loan funds are used to their maximum advantage. Borrowers are only funded for average standard homes that meet their immediate needs and the purchase price is within the applicable ATSIC zone limit. That is the maximum loan a client could, if their income was sufficient to repay the loan is the applicable purchase price limit less the amount of the required deposit which is normally \$3,000. However, in special circumstances ie large family requiring a larger home there is discretion for these purchase price zone limits to be exceeded. In this way borrowers are not funded on borrowing capacity but on their family need.

The average new loan nationally for a home purchase (including land purchase and construction) as at 31 March is currently \$119,200 (approximately).

The average new loan per ATSIC region is:

Sydney	\$213,500	
Lismore	\$140,000	
Tamworth	\$105,500	
*Wagga Wagga	\$109,800	*includes the Bourke and Queanbeyan Regions
Brisbane	\$116,400	
Rockhampton	\$103,300	
*Townsville	\$103,500	*includes the Mt Isa & Cairns Regions
Melbourne	\$114,000	
Hobart	\$71,700	
*Adelaide	\$97,200	*includes the Ceduna and Port Augusta Regions
*Perth	\$106,200	* all of WA
*Darwin	\$148,500	* all of NT

House Purchase Price Limits by ATSI Zone as at December 2000

ZONE	LOCATION	ATSI Limit as a Percentage of Median Capital City Sale Price		Effect on ATSI Limit Dec-00
NSW				
Metropolitan Zone	Sydney Metropolitan	100%	309,500	309,500
	Outer Metropolitan	80%	247,600	309,500
East Zone		70%	216,650	309,500
West Zone		65%	201,175	309,500
ACT				
Canberra/Queanbeyan		100%	180,800	180,800
VIC				
Victorian Zone	Melbourne	100%	249,800	249,800
	Other Vic	80%	199,840	249,800
QLD				
Metropolitan Zone	Inner Brisbane	125%	186,375	149,100
	Outer Brisbane	100%	149,100	149,100
South Zone	Noosa, Gold Coast	125%	186,375	149,100
	Sunshine Coast	120%	178,920	149,100
	Other QLD	100%	149,100	149,100
North Zone	Cairns to Cooktown	130%	193,830	149,100
	Other QLD	100%	149,100	149,100
Far North Zone		150%	223,650	149,100
SA				
South Australia Zone		100%	132,600	132,600
WA				
Metropolitan Zone	Perth	100%	156,700	156,700
South Zone		100%	156,700	156,700
North Zone		130%	203,710	156,700
TAS				
Tasmania Zone	Hobart	100%	117,800	117,800
	Other Tasmania	80%	94,240	117,800
NT				
NW & NE Zones	Darwin	100%	186,800	186,800
	Other NT	105%	196,140	186,800
Central Australia Zone	Alice Springs	100%	178,800	178,800

Note: Median prices based on statistical data for quarter ending December 2000. Issued March 2001.

The Committee requested copies of forms completed by clients when applying for a home loan.

Due to limited funding there is a two stage application process.

1. The Request for Placement on Housing Loans Application List and Confirmation of Aboriginality forms are completed when client applies for consideration of a possible loan.
2. Once there are loan funds available to assist the client they are invited to apply for a loan wherein the Loan Application is completed.

Copies of the forms are enclosed at Attachment C.

COMMUNITY HOUSING ORGANISATIONS

ATSIC housing funds are provided for Indigenous Community Housing only. Of the total funding for Indigenous Community Housing, ATSIC contributed \$117m (about 57%) in 1999-2000 including the majority of recurrent funding. The balance is met from earmarked Aboriginal Rental Housing Program (ARHP) funds provided to the States under the CSHA together with States' contributions (mainly from redirected mainstream CSHA funds).

States' contributions to Indigenous Housing programs vary considerably between years and funds are divided (about 50/50) between Community housing and State-owned housing earmarked for Indigenous tenants. The States/NT contributed \$86m in 1998/99 to supplement the \$91m in ARHP funds and the \$117m from CHIP.

In two States and the Northern Territory, ATSIC funds are pooled at State level and delivered as one program.

ATSIC also contributed a \$102m for housing related infrastructure and essential services, in 1999-2000, in addition to the \$117M for housing.

The Committee sought additional information regarding the current levels of Indigenous Housing Organisations (IHOs) and moves to rationalise their numbers.

ATSIC's 1999 Community Housing and Infrastructure Needs Survey (CHINS) identified an estimated 707 Indigenous Housing Organisations (IHO) managing 20,424 houses. The definition used for an IHO was: An Indigenous housing organisation is any Aboriginal and Torres Strait Islander Organisation which owns, or is responsible for managing, community housing. Managing includes at least one of the following functions: tenancy arrangements, rent collection or housing maintenance.

The distribution of IHOs by State and stock distribution is as follows

Organisation type	Urban Housing Organisations	Discrete community housing Organisations	Total	Total stock
NSW	170	64	234	4029
Vic	22	3	25	389
Qld	76	51	127	5785
SA	1	47	48	1000
WA	23	110	133	3075
Tas	2	1	3	123
NT	1	135	136	6023
ACT	1		1	
Total	296	411	707	20424

** ACT included with NSW for confidentiality reasons.

Source: Tables 2.1 & 4.3. Housing & Infrastructure in Aboriginal and Torres Strait Islander Communities in Australia, ABS. 4710.0.1999.

Note: The 411 discrete community housing organisations includes 132 organisations which manage housing across over 700 discrete community locations (mainly small outstation settlements with populations less than 50 which are serviced through regional Resource Agencies)

Rationalising the number of Community Housing Organisations

ATSIC is committed to improving the management capacity of the Indigenous Community housing sector, achieving administrative efficiencies and ensuring the sustainability of the built assets. Activities to promote these aims include promoting more effective and sustainable community-based delivery of housing through rationalising IHOs.

The average number of houses owned/managed per organisation for Indigenous Community housing is similar to mainstream Community housing. (around 20-25 per organisation)

ATSIC and/or States/Territories cannot force existing IHOs to amalgamate. IHOs are independent incorporated bodies and they own the housing stock which is often on Community titled land. Because they are independent bodies funding agencies cannot simply reduce their numbers. To rationalise the sector requires a number of different strategies, which in the main is tied to the ongoing funding relationships with government agencies.

Commonwealth, State and Territory housing agencies have recognised the problems experienced by IHOs and have been implementing various strategies over the past few years to strengthen the sector.

Strategies are already being put into effect in a number of States to rationalise the Indigenous housing sector. In NSW, ATSIC is working with the Aboriginal Housing Office of NSW (AHO) in developing a framework for rationalising administration and providing operational subsidies to IHOs. Following initial analysis of the current management systems, a task force has been employed to look at integrated approaches to asset and tenant management based on area models. The AHO is now progressing pilots for new housing management models that will see a reduction in the number of funded organisations. It will take up to 4 years to see major results.

Already in place in NSW is the Murdi Paaki Regional Housing Corporation (MPRHC) which manages over 400 community rental properties in 15 locations in western NSW. Half of the stock is owned directly by MPRHC following transfers from 8 liquidated organisations and half is managed on behalf of 7 existing organisations.

In Queensland ATSIC has encouraged the establishment of Regional Housing bodies in a number of regions. These bodies have taken on the management functions of small local organisations and are able to achieve economies of scale in their operations.

In many remote communities there are very few options for tenancy and asset management other than to continue to support the local community organisations. In addition to the difficulties in imposing external management on remote communities, self management is seen as a key strategy in Community development. However, for the smaller outstation communities, ATSIC has moved to ensure that all funding and services are provided through larger centralised resource agencies in order to achieve efficiencies.

Community Housing Management

The Indigenous community housing sector has a critical role in delivering housing to Indigenous people and this role is linked to other outcomes such as employment, improved health and community well being. Recent reforms have focused on improving the capacity of IHOs to manage dwellings but this also needs to be done in conjunction with an overhaul of funding arrangements.

Like other forms of social housing, IHOs cannot generate enough income to cover all of the recurrent costs of housing – maintenance, insurance, rates and charges, and administration costs. Accumulated poor housing stock, low levels of rent, limited administrative infrastructure and poor asset and tenancy management skills add to the financial and management burdens of IHOs. A shortage of funds for maintenance means that dwellings deteriorate rapidly and need to be replaced or upgraded prematurely.

In the financial year prior to the 1999 CHINS, the 707 IHOs surveyed had total rental income of \$36.5 million, but spent \$39 million on housing repairs and maintenance. 69% of IHO stock had repairs or maintenance in the period, and 29% was reported to be in need of major repairs or replacement.

Current asset management practices in the Indigenous community housing sector do not generally measure up to those applied in the mainstream community housing sector or in conventional public housing. Many IHO housing managers do not have the skills or administrative infrastructure to manage assets and tenancies adequately, and IHOs experience difficulties attracting and retaining skilled staff.

Indigenous housing stock in poor condition attracts low rents because of the standard of dwellings and the associated health-related infrastructure. Furthermore, Indigenous people living in rural and remote communities have a reduced capacity to pay rent due to the extraordinarily high costs of life essentials in those areas. Though eligible to apply for Commonwealth rent assistance, IHO tenants are generally unable to access such assistance because rents fall below the threshold to qualify for assistance. Therefore, IHOs (in common with other public housing providers) have limited scope to influence revenue from rental income. Affordable rents are always bound to be low, and Indigenous community housing requires some form of subsidy to achieve financial sustainability.

It should be noted that in Public housing generally, rent collections do not meet all of the associated costs even though the majority of stock is in urban areas where maintenance is cheaper than remote areas and the rebate on rent is lower. A recent audit in NSW identified a \$750 million maintenance backlog for State Public Housing that coincides with dwindling rental income and an emphasis on increasing the supply of houses.

Table 2 provides an estimate of funds required to meet the backlog of need identified through the 1996 Census and 1999 CHINS. The need for additional recurrent funding for repairs and maintenance is substantial, and this has significant policy implications for the ability of current program funding levels to respond to overall housing need. If a substantial level of current funding is re-directed from capital construction or acquisition of new housing to recurrent, it will reduce growth of new housing stock and the sector's capacity to respond to overall housing need, including chronic overcrowding. Reductions in levels of funding directed to new housing will also increase housing pressures arising from the high levels of Indigenous population growth.

It is clear from the research that a capital/recurrent funding model must apply to obtain the most efficient and effective outcomes for Indigenous housing. Recent studies confirm that recurrent funding deficits are an 'immutable characteristic' of the community housing sector. The Commonwealth has introduced a degree of flexibility for the use of ARHP funds, which can now be used for maintenance and upgrades as well as for construction of new houses. ATSIC allocates a portion of CHIP funds to IHOs for housing maintenance and other operational costs. States and Territories have recognised the problem of IHO viability, and that organisations need support with asset management skills, and have introduced programs accordingly.

Notwithstanding these initiatives, further effort is required to address the recurrent funding deficit problem. The States and the Northern Territory can use the new flexibility in ARHP funding to investigate and trial ways of more effectively allocating funds for housing maintenance and repairs.

A recent study of strategic asset management for IHOs appraised current practice through consultation with all States and Territories and literature-based research. While some very poor examples of asset management practices were revealed, there were many examples of IHOs performing very well. ATSIC and other funding agencies are responding by propagating information on asset management best practice to stakeholders.

Reform activities undertaken by the Commonwealth-State Working Group on Indigenous Housing have centred on accelerating reforms in the Community housing sector.

Longevity of dwellings

The Australian Institute of Health and Welfare (AIHW) has been attempting to develop some work on life cycles of Indigenous Community owned dwellings. The AIHW has been able to collate a range of information on factors that affect longevity of dwellings but has not been able to formulate any definitive data on longevity rates.

The data set and modelling system prepared by AIHW will inform development and implementation of strategies to extend housing lifespans and reduce lifecycle costs. The project will describe variables that account for diversity across communities, for example location specific conditions, describe variables subject to human intervention to improve efficiency and effectiveness and allow housing costs to be analysed. In addition, criteria will be developed for judging whether housing is appropriate to its environment and uses, and some initial estimates will be made of relationships between longer housing lifespans and community well-being.

Data collected from the Health Impact Assessments associated with ATSIC's National Aboriginal Health Strategy projects identifies a range of issues that appear to affect the sustainability of houses. These factors include: age of dwelling, climatic suitability (eg. concrete block houses in desert environments), types and styles of dwellings, overcrowding (many remote communities average over 12 people per 3 bedroom dwelling), lack of maintenance activity, lack of connection to services, quality of dwellings and changing standards with newer dwellings being better suited to the locality and better sited for residents.

TABLE 1

Indigenous Tenure by State/Section of State from 1996 Census

	NSW	VIC	QLD	SA	WA	Tas	NT	ACT/ Other	Australia
Major Urban									
Own/Buy	4258	1284	2262	729	1199	411	0	312	10455
Priv Rent	3622	997	3052	560	1084	263	0	284	9862
Pub Rent	3087	430	1529	957	1272	194	0	203	7672
Comm Rent	223	59	227	25	18	11	0	7	570
Other	507	145	366	87	129	43	0	50	1327
Total	11697	2915	7436	2358	3702	922	0	856	29886
Other Urban									
Own/Buy	3566	802	2556	359	1064	1160	756	0	10263
Priv Rent	3537	649	3298	179	713	463	471	0	9310
Pub Rent	3161	587	2350	797	1867	468	1477	0	10707
Comm Rent	941	156	1565	68	219	17	465	0	3431
Other	788	143	889	134	463	86	243	0	2746
Total	11993	2337	10658	1537	4326	2194	3412	0	36457
Rural									
Own/Buy	1770	509	1538	253	435	1045	280	3	5833
Priv Rent	965	187	805	113	140	255	34	0	2499
Pub Rent	135	20	403	69	455	42	155	3	1282
Comm Rent	640	28	1308	219	1175	25	1957	22	5374
Other	614	113	654	86	345	111	403	19	2345
Total	4124	857	4708	740	2550	1478	2829	47	17333
Total									
Own/Buy	9594	2595	6356	1341	2698	2616	1036	315	26551
Priv Rent	8124	1833	7155	852	1937	981	505	284	21671
Pub Rent	6383	1037	4282	1823	3594	704	1632	206	19661
Comm Rent	1804	243	3100	312	1412	53	2422	29	9375
Other	1909	401	1909	307	937	240	646	69	6418
Total	27814	6109	22802	4635	10578	4594	6241	903	83676

	NSW	VIC	QLD	SA	WA	Tas	NT ACT/Other	Australia
Major Urban								
Own/Buy	36%	44%	30%	31%	32%	45%	36%	35%
Prov Rent	31%	34%	41%	24%	29%	29%	33%	33%
Pub Rent	26%	15%	21%	41%	34%	21%	24%	26%
Comm Rent	2%	2%	3%	1%	0%	1%	1%	2%
Other	4%	5%	5%	4%	3%	5%	6%	4%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Other Urban								
Own/Buy	30%	34%	24%	23%	25%	53%	22%	28%
Prov Rent	29%	28%	31%	12%	16%	21%	14%	26%
Pub Rent	26%	25%	22%	52%	43%	21%	43%	29%
Comm Rent	8%	7%	15%	4%	5%	1%	14%	9%
Other	7%	6%	8%	9%	11%	4%	7%	8%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Rural								
Own/Buy	43%	59%	33%	34%	17%	71%	10%	34%
Prov Rent	23%	22%	17%	15%	5%	17%	1%	14%
Pub Rent	3%	2%	9%	9%	18%	3%	5%	7%
Comm Rent	16%	3%	28%	30%	46%	2%	69%	31%
Other	15%	13%	14%	12%	14%	8%	14%	14%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Total								
Own/Buy	34%	42%	28%	29%	26%	57%	17%	32%
Prov Rent	29%	30%	31%	18%	18%	21%	8%	26%
Pub Rent	23%	17%	19%	39%	34%	15%	26%	23%
Comm Rent	6%	4%	14%	7%	13%	1%	39%	11%
Other	7%	7%	8%	7%	9%	5%	10%	8%
Total	100%	100%	100%	100%	100%	100%	100%	100%

TABLE 2

Estimates of Indigenous Housing Needs based on 1996 Census and 1999 CHINS. (\$,000,000)

	Homelessness \$M	Second family	Overcrowding	Other adults	Dwelling condition	Total
New South Wales	18.7	\$58.8	\$32.9	\$61.3	\$84.2	\$255.9
Victoria	2.5	\$8.2	\$3.9	\$8.1	\$5.8	\$28.4
Queensland	59.2	\$156.2	\$57.3	\$124.7	\$187.8	\$585.2
South Australia	7.6	\$21.3	\$4.9	\$20.9	\$33.5	\$88.2
Western Australia	44.9	\$113.0	\$27.4	\$93.5	\$119.1	\$397.9
Tasmania	1.0	\$1.3	\$2.2	\$2.3	\$1.2	\$8.0
Northern Territory	152.9	\$268.8	\$54.3	\$152.3	\$198.4	\$826.7
Australia	\$286.7m	\$627.6m	\$182.9m	\$463.2m	\$630.0m	\$2,190.3m

YOUTH ISSUES & MUTUAL OBLIGATION

The Committee queried ATSIC's comment in our initial submission that stated that "The Federal Government's Social Welfare Reform discriminates against Indigenous youth in that it is based on a western concept of "mutual obligation".

Mutual obligation in a non-Indigenous context implies an individual responsibility however responsibility for Indigenous people is shared amongst the family and or community. Mutual obligation as a policy, is therefore restrictive in its application as it focuses on an individual's response, not necessarily reflecting the situation of Aboriginal and Torres Strait Islander people. The procedural requirements imposed by mutual obligation has the potential to conflict with Aboriginal peoples and Torres Strait Islander peoples cultural rights, responsibilities and obligations.

The Government's policy of mutual obligation assumes that Aboriginal peoples and Torres Strait Islander peoples have the same bargaining power as other Australians. More often than not, Indigenous peoples need greater support from mainstream services to improve the overall capacity to make a real contribution to the broader society. Governments must recognise the rights of Aboriginal peoples and Torres Strait Islanders to negotiate equally with service providers on matters and issues that affect the local community.

Our work opportunities are limited, education prospects vary, the health outlook is bleak and housing needs remain high. Our people are receiving government assistance in these instances but it clearly remains insufficient. Governments need to recognise that assistance should reflect our values and aspirations and include a process that supports Indigenous decision-making. When this occurs there will undoubtedly be progress. ATSIC takes its advocacy responsibility very seriously, we are calling on non-Indigenous Australia to listen.

Aboriginal and Torres Strait Islander people have been fully aware of the concept of mutual obligation through the communities' participation in the Community Development Employment Programs (CDEP). Work for the dole, as it's commonly known, has been extensively implemented in Aboriginal and Torres Strait Islander communities throughout Australia.

Mutual obligation used as part of the Government's social welfare reform should therefore recognise the inherent rights of Indigenous people including Indigenous youth. Indigenous youth, particularly from regional centres face substantial social barriers, including english as a second language, the level of access to networks, and means of transport - making responding to departmental requests difficult. In many cases, cultural practices within the family can cause major conflict in meeting the mutual obligations required by procedural regulations ie form filling. Many of our youth are committed to the support of family networks that may see them move from house to house, or even town to town. Resulting in a situation that impacts on the retention of payments.

COMMUNITY DEVELOPMENT EMPLOYMENT PROGRAM (CDEP)

The Committee sought some clarification on the period when the CDEP Scheme was expanded into rural and urban areas.

As a result of requests from communities for an alternative to unemployment benefits from the Department of Social Security, CDEP was introduced to four communities (Bamyili, Ernabella, Fregon and Wiluna) in 1977 as a pilot scheme to provide additional work opportunities for Aboriginal and Torres Strait Islander people living in remote areas. In the period from 1977 to 1978 the scheme was expanded to include a further 10 communities. The scheme continued to grow and in 1985 there were a total of 32 CDEPs.

The Report of the Committee of Review of Aboriginal Employment and Training (the "Miller Report"), released in September 1985, recommended that CDEP should be extended to all Aboriginal and Torres Strait Islander communities that wish to participate in the scheme. In response to the Miller Report, the Government implemented the Aboriginal Employment Development Policy.

Under the AEDP, (1987) a number of changes were made to the CDEP scheme to increase its scope and flexibility including the expansion to include communities and organisations in rural areas, small rural towns, urban areas and specific interest groups (eg. language groups).

The Committee asked if ATSIC could identify agencies or departments who are doing the right thing and deliver programs so that they fit into the whole objective of improving the future for Indigenous people.

Linkages between CDEP and the Employment Services Market

ATSIC's focus in recent years has been to expand the linkages between CDEP and the respective employment and training programs and strategies of DETYA and DEWRSB, the private sector and other bodies to facilitate access to improved employment outcomes and the development of commercial opportunities.

The key mainstream programs relevant to improving Indigenous employment outcomes, and through CDEP in particular, are the Job Network and the Indigenous Employment Program (IEP), both within the DEWRSB portfolio. The two specific CDEP related elements of the IEP are the Wage Assistance and the CDEP Placement Incentive.

Job Network

From July 1999 Job Network members received outcome payments when they placed Indigenous people through the Wage Assistance program. Changes to the tender arrangements for the Job Network were designed to benefit Indigenous job seekers including creating smaller Job Network catchment areas, encouraging the establishment of Indigenous employment specialists, and requiring more providers to include Indigenous servicing strategies in their documentation. These initiatives also included the adoption of more flexible transition arrangements between CDEP and Intensive Assistance payments.

At the State level a joint arrangements with ATSIC and Centrelink to increase opportunities presented by the CDEP Placement Incentive and components of the IEP have been designed to complement Job Network Services.

However, despite these changes ATSIC is concerned that Indigenous participation levels remain below that of other job seekers in the Job Network, that their actual participation rate in Intensive Assistance is significantly below predictions and the level of outcomes is also low relative to other job seekers.

ATSIC has formally expressed concern that the implementation of the Indigenous Employment Policy, introduced in July last year to address these issues, has demonstrated little outcome data to suggest effective changes in these patterns. ATSIC is keen to improve this situation and to maximise collaborative effort.

ATSIC has committed to work together with the Indigenous Community, DEWRSB, Centrelink and the Job Network in developing arrangements that address:

- the needs of the job seeker
- the delivery of an appropriate service; and,
- meeting governments mutual service obligation to its clients

The lack of knowledge of Job Network services by the Indigenous community remains a primary concern for the Commission. To this end, ATSIC undertook consultations with Indigenous organisations and job-seekers, CDEPs and employment service providers during 1999 on the effectiveness of the Job Network. Responses to these consultations were provided in the document Job Network Services to Indigenous Job Seekers developed from the ATSIC workshop in March 1999. Essentially the workshop recognised that:

- Indigenous peoples have a poor understanding of the Job Network and how it operates
- Lack of responsiveness by Job Network providers – several respondents cited lack of interest by Job Network members in providing services to Indigenous clients
- Lack of field visits and lack of community agents
- Cultural insensitivity of some providers and the need to cultural-awareness training
- Lack of Indigenous specific providers
- Lack of accessible information – generally the processes and procedures are not understandable to many Indigenous customers, particularly those with low literacy or whose first language is not English
- Lack of financial incentive for Job Network members may mitigate against the provision of full service to Indigenous clients. With members paid per outcome “ quality may be sacrificed for quantity”.
- Several remote area respondents felt that the Job Network could not provide any meaningful assistance because there are simply no employment prospects within the region (locational disadvantage).
- Other remote locations have a low Indigenous unemployment rate due to the high rate of participation on CDEP. One respondent commented that there is no awareness by the Job Network of CDEP and that links needed to be developed.

ATSIC is of the view that although some of the statistics are improving many of the above issues remain relevant today in respect of the performance of the Job Network for Indigenous job seekers.

ATSIC considers that the performance of the second round of the Job Network has not significantly improved the performance of the Job Network, in particular in its impact on Indigenous job seekers.

ATSIC has previously commented that:

- many of the above issues continue to remain relevant to Indigenous job seekers;
- there is a demonstrated need for an increase in specialist service provision, (noting that there are now only four Indigenous owned specialists operating in the employment services market);
- there is a continuing need for increased Indigenous staff in generalist agencies,
- there is a need for more culturally appropriate support from Centrelink and better access to Indigenous staff in that agency (in areas of high population).

While ATSIC is aware that there is reasonable data available from other Commonwealth agencies on job seeker registration and referral processes ATSIC is concerned at the absence of satisfactory performance data for Indigenous job seekers on placements, retention periods and employment outcomes.

ATSIC supports exploring new strategies aimed at increasing the awareness of Centrelink's role in the Job Network and the potential of greater registration and referral. ATSIC's consultations support the need for promoting a greater awareness of the Job Network and Centrelink's role therein in the Indigenous community. ATSIC's experience also indicates that many Job Network members do not see Indigenous job seekers as a value for money business proposition and are reluctant to engage Indigenous job seekers as it is perceived to be extremely difficult to achieve outcomes for this group. ATSIC's consultations support other Government findings that Indigenous job seekers were the only ones to have both low participation and low outcomes for Job Search Training and Intensive Assistance.

ATSIC considers that Centrelink should further review the application of the Job Seeker Classification Instrument (JSCI) to Indigenous clients. ATSIC also supports reviewing mechanisms to provide improved post-referral follow-up and post-placement support to Indigenous job seekers.

New approaches:

ATSIC welcomes new approaches in the delivery of services and programs to its constituents. ATSIC considers that the incentive to place Indigenous job seekers be raised to improve placement activity but also reflects the disadvantage in the market place for job seekers and Job Network members. ATSIC understands that this issue is already being considered by DEWRSB in the context of negotiating the provision of Structured Training and Employment Projects funding to Job Network members. Strategies also need to increase registration of Indigenous job seekers as looking for work and to examine low application of the JSCI in remote areas.

ATSIC is currently working with DEWRSB to review the effectiveness of various elements of the IEP and to work at a targeting employment support for Indigenous job seekers more effectively through CDEPs. ATSIC expects initiatives identified in these discussions will go some way toward addressing the operational difficulties experienced by Indigenous people in accessing the Job Network and IEP and may also lead to significantly improved employment outcomes from CDEP.

The ATSIC Board of Commissioners has agreed that there is scope to enhance the transition of participants through the scheme to mainstream employment through more effective linkages with other programs and the IEP in particular. However, the Commissioners have continued to argue that this outcome can only be achieved through the investment of additional oncost resources by Government in the scheme. A recent review of funding for the scheme indicated that:

- a key driver of the inability of the CDEP scheme to deliver better throughput of participants to mainstream employment is inadequate oncosts funding;
- the current allocation of oncosts inadequately covers the operational costs of running a CDEP organisation and the scope for program administrators to target priority areas that may lead to employment outcomes, such as training, supervision and enterprise development; and
- participant access to labour markets and job opportunities has a strong bearing on the ability of the CDEP scheme to achieve employment outcomes for participants. [racism, poverty, poor health and low educational achievement are amongst other determinants]

Indigenous Employment Program (IEP):

Difficulties surrounding the operation of the CDEP Placement Incentive illustrate the challenge in addressing Indigenous unemployment. The Placement Incentive was only introduced late in 1999, it could require more effective marketing, it has administrative arrangements that mitigate against its take up, and is considered by many CDEPs to be an inadequate incentive to provide pre-vocational training or to track participants once they leave the scheme to secure employment. This has recently been recognised by DEWRSB in agreeing to pursue new arrangements for payment of the Incentive and to pilot an increase in the incentive fee to \$6,000 per 26-week placement.

Similarly resistance to use of the Wages Assistance package by both Indigenous job seekers and prospective employers has lead to DEWRSB having to review the way in which this particular incentive is targeted and delivered.

Attachment D provides an indication of some performance data on the IEP for the year ending 31 December 2000. DEWRSB can provide more detailed performance information on the IEP for the current calender year.

ATSIC consider that the formally reported performance of the IEP significantly under-estimates the functions and activity that CDEPs undertake in placing participants into employment off CDEP. As detailed above, much of this under-reporting to date is due to the fact that the CDEP Placement Incentive is an inadequate incentive to provide pre-vocational training or to track participants once they leave the scheme to secure employment. ATSIC is currently undertaking further assessments of the placement activity undertaken by CDEPs in this area.

ATSIC has also been approached by a range of private sector businesses to develop partnerships with CDEP organisations for the training and employment of participants. This has been more prominent recently in the minerals sector.

MONITORING ABORIGINAL AND TORRES STRAIT ISLANDER EDUCATION & EMPLOYMENT

The Committee sought examples of program monitoring in the area of education and employment programs including examples of program monitoring which might be best practice.

Education

The Aboriginal and Torres Strait Islander Commission (ATSIC) has a mandate to monitor the educational outcomes for Aboriginal and Torres Strait Islander students through the delivery of Commonwealth and State and Territory policies and programs. The Commission does not have responsibility for Indigenous education and is not provided with any funding nor has specific programs for this responsibility.

ATSIC plays an active advocacy and advisory role to Commonwealth and State and Territory governments, both independently, through submissions and through its membership on a number of national advisory councils. These include the Indigenous Taskforce which advises the Ministerial Council for Employment, Education, Training and Youth Affairs (MCEETYA), a taskforce which advises Ministers responsible for education on the ways in which education for Indigenous students can be modified and improved and the National Advisory Council of the WADU Indigenous Youth Initiatives Program of the Enterprise and Career Education Foundation (ECEP).

The Commission sees education as being one of the critical areas of social need for Indigenous peoples, however, education does not stand alone. Education must be viewed holistically. A greater coordination between government departments, especially in areas such as health and housing is vital to the improvement of outcomes for Indigenous students.

Through our National Policy Office (NPO), established in 2000, ATSIC is working actively to establish closer links to government at all levels, across all portfolios, so that a more coordinated approach for Aboriginal and Torres Strait Islander peoples can be achieved. The Commission fulfils its monitoring function through the NPO, State Policy Centres (SPCs) at the State level and Regional Policy Units (RPUs) at the regional level, which work with local government, State and Territory Governments and the Commonwealth Government respectively.

There is no doubt to date that the education system continues to fail Aboriginal and Torres Strait Islander students. New initiatives have been implemented recently, such as the Commonwealth Government's National Indigenous Literacy and Numeracy Strategy (NIELNS), the medium to long term results of which are yet to be seen, however the Commission is optimistic that the results of this strategy will see positive outcomes for Indigenous students in the areas of literacy and numeracy. Other programs which appear to be having a positive impact on education for Indigenous students are school-based initiatives such as nutrition and health programs.

Employment

ATSIC has supported and promoted the recent launch of the Australian Chamber of Commerce and Industry's Indigenous Employment, Education, Program (IEEP) as an important new initiative for improving the access by Indigenous people to employment in the private sector. ATSIC supports the development of partnerships between the Indigenous community and the business community

through local Chambers of Commerce and Industry and will assist local IEEP Managers working with our Regional Councils in delivering employment/training/business outcomes for Indigenous peoples. ATSIIC will support ACCI and will actively participate in the implementation of IEEP.

ATSIIC has been working with DEWRSB to develop a whole of Government approach to maximising Indigenous employment outcomes in the Mining Industry. ATSIIC is also supporting the Corporate Leaders element (Corporate Leaders for Indigenous Employment Project) of DEWRSB's IEP as a further means of promoting Indigenous employment in the private sector.

ATSIIC has initiated discussions with the Western Australian Department of Training and Employment to explore assisting with the funding of a proposal to expand the Western Australian Aboriginal School Based Traineeship Strategy with the CDEP Scheme. These discussions have identified broad in-principle support for an initiative which will assist in generating improved training and employment outcome for CDEP participants and which also directly assist improving the retention rates of Indigenous secondary students.

Already detailed in ATSIIC's previous submission:

ATSIIC has also been working and the Department of Family and Community Services (FaCS) and the Department of Education Training and Youth Affairs (DETYA) to pilot the delivery of the Numeracy and Literacy Program and the Disability Support and Families Program and a range of government and other services through CDEP to assist in the further development of CDEP communities

The Australian National Training Authority (ANTA) is developing strategies for implementing *Partners in a Learning Culture* which is a strategy for improving Vocational Education and Training (VET) outcomes for Indigenous people – CDEP participants are identified as a major target group. The aim is to commit State Training Ministers to developing strategies and providing funding to improve Indigenous VET outcomes. ATSIIC has also been working to create more effective linkages with ANTA and State Training authorities to improve the delivery of pre-vocational skills and on-the-job and accredited training for CDEP participants.

ATSIC Funding History

Regional Output Summary

1999-2000

Housing Loan Application Forms

**Indigenous Employment Policy –
Performance Data**

INDIGENOUS EMPLOYMENT POLICY – Performance Data

The Indigenous Employment Policy was launched on 25 May 1999 against the background of:

- continued disadvantage in the labour market of Indigenous people;
- indications from population research that the position was set to worsen, and
- the reliance on the public sector for employment opportunities for Indigenous people.

A major focus of the Policy is on increasing employment opportunities in the private sector.

The Policy complements services provided under the Job Network. It has three components – the Indigenous Employment Program (\$50 million per year), the Indigenous Small Business Fund (\$2 million per year), and new measures to improve Job Network outcomes.

The IEP is comprised of the elements described below.

- ***Structured Training and Employment Projects (STEP)***: provides flexible financial assistance for projects which offer structured training, for example, apprenticeships, for 5 or more Indigenous job seekers. A requirement of STEP is that the training leads to lasting job opportunities. The aim of STEP is to increase occupational skill levels and generate job opportunities.
 - ❖ Over 180 projects have been approved since 1 July 1999 to provide 3,900 placements over the life of the projects
- ***Wage Assistance*** – aims to help Indigenous job seekers find long-term jobs either through Job Network or their own efforts, using a wage subsidy eligibility card. Employers who employ eligible job seekers receive up to \$4400 paid over 26 weeks for ongoing full-time work and \$2200 for ongoing part time work exceeding 20 hours per week. Job seekers in receipt of an income support payment (this includes CDEP) are provided with a Wage Assistance card by Centrelink. The subsidy is not available where other employment assistance schemes, including CDEP allowance, will also be paid. New Apprenticeship incentives for traineeships and apprenticeships however, are claimable.
 - ❖ To date, over 83% of Wage Assistance placements have been in the private sector, the majority in small business in regional Australia. The program is averaging around 200 placements each month since January 2000 with over 1,600 placements in the first year.
- ***Corporate Leaders for Indigenous Employment Project*** – This initiative is based on a partnership between companies and the Commonwealth to develop a strategic approach to generating more private sector jobs for Indigenous Australians. Companies commit to employing Indigenous people and the Commonwealth provides access to flexible funding from a mix of assistance under the IEP to suit the business' environment.

Nearly 40 companies have signed the Corporate Leaders Statement signalling their commitment to act to improve Indigenous employment prospects in their companies.

- ***CDEP Placement Incentive*** - provides a financial incentive of \$2200 to CDEP sponsors for each participant who leaves CDEP for open employment. The participant must be off the CDEP schedule and not in receipt of CDEP wages for the duration of the claim period.
 - ❖ Over 180 placements have been made since the scheme began in September 1999.
- ***National Indigenous Cadetship Project*** - Under the scheme financial assistance is provided to companies to offset their financial support for the cadet during the academic year. Recruits are released for full-time study, provided with work experience during the long vacation break and usually appointed to a permanent position on successful completion of their study.
 - ❖ 92 cadetships are to be offered in 2001 of which 34 are in the private sector.
- ***Voluntary Service to Indigenous Communities Foundation*** – has been established to facilitate the placement of volunteers skilled in business, financial and technical skills to provide for the short-term needs identified by Indigenous communities. In addition to meeting the needs of Indigenous communities, it aims to encourage skills transfer and longer term strategic relationships between communities and the private sector.

The Commonwealth is providing seed funding to the Foundation with a long-term aim of establishing the Foundation's funding base from the corporate and philanthropic sectors. The Foundation is established as an independent body under Corporations Law and three projects will soon be piloted.

- ***Rural Pilots Project*** – The pilots intend to bring a local or regional focus to private sector involvement in and responsibility for improving the circumstances of Indigenous people through a considered employment strategy. Each strategy includes a strong mentoring component for both employers and Indigenous employees aimed at breaking down barriers to Indigenous employment in the region. The implementation of practical and appropriately supported employment projects has the potential to support community efforts towards reconciliation.

The Indigenous Small Business Fund

The ISBF aims to foster the development of businesses owned, operated and managed by Indigenous people and promote sustained Indigenous employment opportunities. The ISBF is a joint initiative of the DEWRSB, which provides funding for organisations, and the Aboriginal and Torres Strait Islander Commission (ATSIC), which provides funding to individuals. The ISBF complements other ATSIC programs that provide business support and business finance for new and established businesses.

Job Network

Job Network provides the main volume of employment assistance delivered to Indigenous people. However, outcomes for Indigenous job seekers using Job Network have been less than those for other job seekers. The second Job Network contract has some significant changes targeted at benefiting Indigenous job seekers. These include:

- increased regional and rural coverage;
 - the establishment of specialist providers who service Indigenous job seekers exclusively, and
 - requiring more Job Network members to provide Indigenous servicing strategies.
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