

**SENATE STANDING COMMITTEE ON
EMPLOYMENT, WORKPLACE RELATIONS AND
EDUCATION**

Indigenous Training and Employment Outcomes

**SUBMISSION BY DEPARTMENT OF
EMPLOYMENT AND WORKPLACE RELATIONS**

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Introduction

Indigenous disadvantage

Aboriginal and Torres Strait Islander people are widely recognised as the most socio-economically disadvantaged segment of the Australian population. Many factors contribute to the relative disadvantage of Indigenous Australians, including higher levels of unemployment, lower educational outcomes, poor health, substance misuse and inadequate housing. The interconnectedness of these factors mean that in order to effectively deal with any one of these, all need to be addressed.

Features of Indigenous labour market disadvantage

The disadvantage Indigenous people face in the labour market is reflected in comparatively low participation and employment rates and a much higher rate of unemployment.

- The participation rate for the working age population (15 – 64 years) is 54 per cent for Indigenous people, compared to 73 per cent for non-Indigenous people;
- The Indigenous employment to population ratio is 42 per cent, compared with 59 per cent for non-Indigenous people; and
- The unemployment rate for Indigenous people is 20 per cent, compared to 7.2 per cent for non-Indigenous people.

These figures represent some improvement in rates of labour force participation, employment and unemployment since the 1996 Census. For example, the rate of unemployment for Indigenous job seekers fell from 23 per cent in 1996 to 20 per cent in 2003. Improvements in these aspects of Indigenous labour force participation are also reflected in the recently released 2002 National Aboriginal and Torres Strait Islander Social Survey (NATSISS). The 2002 NATSISS Survey also records:

- A reduction in long term unemployment amongst unemployed Indigenous Australians from around 50 per cent in 1994 to 25 percent in 2002;
- Very high perceptions of job security among employed Indigenous Australians. Around 88 per cent of employed Indigenous Australians expected to be in the same job in 12 months; and
- A significant proportion of employment growth occurring outside the CDEP. Non-CDEP employment accounted for nearly 70 per cent of the increase in total employment for Indigenous employment between 1994 and 2002;

In addition, the Survey found that over 90 per cent of unemployed Indigenous people reported difficulties finding work with major impediments being no jobs in remote areas and insufficient education or skills in non-remote areas.¹

While estimates vary, CDEP participation represents a significant component of the Indigenous workforce particularly in remote and very remote areas where it accounts for over 50 per cent of all Indigenous people recorded by the ABS as employed.²

The role of the Department of Employment and Workplace Relations

The Department plays an important role in developing and implementing policies which support strong employment growth and the improved performance of Australian enterprises. It does this by developing and implementing policy initiatives, programmes and support services that are directed towards achieving two related outcomes. Under the first outcome, DEWR works to achieve an effectively functioning labour market through: the efficient linking and equitable access of job seekers to jobs; and promoting the transition from welfare to work with more personalised and intensive support to the most disadvantaged job seekers. Under the second outcome, DEWR works to achieve: higher productivity, higher pay workplaces through developing an appropriate legislative framework; promoting flexible work practices; and contributing to an industrial safety net that targets the needs of low paid workers.

Job Network

DEWR achieves its employment outcomes through Job Network, which is a national network of private and community organisations dedicated to finding jobs for unemployed people, particularly the long-term unemployed. The Active Participation Model (the third employment services contract implemented from 1 July 2003) includes a number of elements to support disadvantaged Indigenous job seekers including customised Intensive Support services and the introduction of a Job Seeker Account which, together with the Training Account, earmarks funds that must be spent on interventions that assist individual job seekers into jobs. Job Network is the primary source of employment assistance to Aboriginal and Torres Strait Islander people.

¹ 2002 National Aboriginal and Torres Strait Islander Social Survey, ABS 2004. The NATSIS survey was last conducted in 1994. Figures from the NATSIS Survey vary from the Census figures due to the NATSISS data being collected from sample sizes.

² Source: ABS 2001, Census cited in Productivity Commission: Overcoming Disadvantage Report 2003 Supporting Table 3A.5.3. CDEP participation is defined as "employment" by programme guidelines and counted as such by the Australian Bureau of Statistics (ABS). This masks the extent of both under employment and unemployment of Indigenous Australians. (It should be noted that DEWR outcome statistics for its Indigenous programmes do not count a return to CDEP as an employment outcome.)

Indigenous Employment Policy

The *Indigenous Employment Policy* was introduced in 1999 in recognition of the particular disadvantage experienced by Aboriginal and Torres Strait Islander people in the labour market. The introduction of the *Indigenous Employment Policy* has increased the emphasis on creating opportunities for Indigenous people in the private sector. The flexibility of assistance provided through the *Indigenous Employment Policy* builds on three key principles:

- boosting the demand for jobs in the private sector and small business to improve the level of participation in private sector jobs;
- addressing the supply of Indigenous workers through appropriate and innovative assistance that prepares Indigenous people for available jobs, including giving priority to accredited employment-based training such as traineeships and apprenticeships; and
- improving the matching of supply and demand, particularly through Job Network.

In 2003-04 around 37,000 Indigenous job seekers participated in Job Network and 22,000 were placed into a job. Over 4050 participated in Work for the Dole and Transition to Work programmes. During the same period over 9,900 Indigenous job seekers have been assisted under the Indigenous Employment Policy through Structured Training and Employment Projects, Wage Assistance, CDEP Placement Incentive, Indigenous Employment Centres and the National Indigenous Cadetship Project.

Evaluation of IEP

The Stage One IEP evaluation (May 2002) reported that solid progress had been made in the first two years of implementation, with promising progress in the level of job seeker participation, a strong shift towards engaging the private sector, and higher levels of employment outcomes than under previous programmes..

The Stage Two IEP Effectiveness Report was finalised in 2003. Findings indicate that the IEP continues to make a positive contribution to the employment prospects of Indigenous job seekers, particularly in the private sector. This evaluation assessed the effectiveness of the IEP in terms of the difference it makes to employment outcomes for Indigenous people. It is estimated that together, Intensive Assistance, Wage Assistance and STEP (including Corporate Leaders) were responsible for between 2400 and 4300 new jobs for Indigenous job seekers per annum. These estimates of new jobs can be compared with calculations made by the Centre for Aboriginal Economic Policy Research of 3400 additional jobs required each year to maintain the status quo in Indigenous employment to working age population ratios, and 10 000 each year to achieve employment equity by 2011.³

³ CAEPR Paper No. 251/2003 *The Future of Indigenous Work: Forecasts of labour force status to 2011* by B.H. Hunter, Y.Kinfu and J. Taylor

Recent changes

The Prime Minister recently announced changes to the administration of Indigenous specific programmes to take effect from 1 July 2004. Transfer of the Community Development Employment Projects (CDEP) Scheme, Business Development and Assistance, Home Ownership and Indigenous Business Australia to the DEWR portfolio provide an opportunity for improved linkages with existing DEWR programmes and services.

This submission

DEWR's submission focuses on Terms of Reference (A), (D) and (E). All comments and case studies relating to CDEP are drawn from DEWR experience prior to 1 July 2004. The Department's comments on (B) and (C) are made in the context of our experience with job seekers and the training support provided as part of job search activities and as a component of programmes funded under the Indigenous Employment Policy.

An overview of relevant DEWR programmes and services precedes discussion of the Terms of Reference.

DEWR employment services, programmes and strategies

Job Network

- *The Active Participation Model (APM)* simplifies access to services for job seekers and streamlines services provided by Centrelink, Job Placement Organisations, Job Network members and complementary employment and training programmes.

A key feature of the model is a single Job Network member providing continual assistance and working with job seekers until they find employment. Job seekers can choose their preferred Job Network member, including Indigenous specialist providers where available. Job Network members focus on the needs of job seekers by providing Job Search Support services and, for long term unemployed people, Intensive Support services.

For job seekers in Intensive Support, Job Network members have access to a Job Seeker Account to purchase a wide range of assistance to help eligible job seekers secure work and encourage ongoing active participation. The assistance could include skills training such as a TAFE course, help with transport costs to attend job interviews, provide a wage subsidy to an employer, or purchase appropriate clothing to attend job interviews. Indigenous job seekers could also access additional training funds through the Training Account to meet the cost of accredited training, including that provided by the employer. There is no upper limit placed on funds available to job seekers. This funding is in addition to the Training Credit which is earned through participation in Work for the Dole or Community Work.

The Active Participation Model offers flexible linkages with complementary employment and training programmes provided by DEWR and other Australian Government, State and Territory funded providers. Improved linkages increase the skills and expertise available to Job Network members to assist job seekers to overcome an identified vocational or motivational barrier to employment. Complementary programmes include the New Enterprise Incentive Scheme and the Literacy and Numeracy programme. Under the APM, from 1 July 2003 to 30 March 2004, 16 296 Indigenous job seekers were placed in jobs an increase of 1 596 placements for the same period in the previous financial year.

- *Flexible servicing* involving negotiation with communities. The Job Network *Active Participation Model's (APM)* flexible service arrangements for rural and remote areas can include different contact and servicing arrangements, on the basis of communities, for example, rather than individuals. Furthermore, Fee for Service (FFS) arrangements operate in areas where the *APM* does not reach which are mainly remote locations. There are six employment service areas across Australia where Job Network members are contracted to deliver FFS. Services were developed following local community consultation and, as they reflect local conditions, may differ from one area to the next. FFS arrangements can include development of Community Plans to deliver local jobs for local people.
- *Industry Strategies* – One of the methods the Department uses to advance the application of the Active Participation Model and use of the government's employment services is to engage with specific industries and employers to tailor recruitment strategies to meet their needs. This is achieved by making better connections between industries, regions, IEC's, employers and employment services, drawing on other programmes and services where appropriate. The focus is on industries with high potential employment growth, skill shortages and good prospects for job seekers. Five industries have been identified for initial consultation based on industry analysis and labour market characteristics. These are Retail, Manufacturing, Health and Community Services, Property and Business Services and Accommodation, Restaurants and Cafes. In addition, the industry specific approach is complemented with a regional cross-industry approach.

In collaboration with employers and employment service providers, the Department seeks to facilitate the development of business solutions that meet industry needs. Projects include initiatives that create better relationships between Job Network members and specific employers or industries, vocational training pathways for specific jobs, screening or assessment tools for specific industries or recruitment and training packages. The projects also provide an opportunity to trial innovative approaches that may challenge existing employer attitudes or recruitment methods. Some of these have targeted assistance to Indigenous job seekers. In particular an industry strategy with Accor Hotels has seen Job Network organisations working with Accor to train Indigenous job seekers to be employed in their establishments. This approach has worked in

Cairns, Darwin and Sydney, with future activities scheduled for Perth and Melbourne.

Indigenous Employment Centres

Indigenous Employment Centres (IECs) were established in 2002 under *Australians Working Together* with the aim of assisting CDEPs to improve employment outcomes. IECs are CDEPs which are funded specifically to assist in moving participants off CDEPs in locations where there are jobs.

The first IECs commenced delivering services in April 2002. More IECs opened later in 2002, in 2003 and again in 2004. There are currently 33 IECs providing services to IEC participants across Australia. As at 18 June 2004, 977 job seekers had been placed into employment by IECs. This is 27% of all people that have commenced in IEC assistance. The proportion of IEC participants placed into employment is improving steadily as IECs become increasingly familiar with their role, particularly the 21 IECs that commenced operating in 2003/04. Of the 977 job seekers that have been placed into employment, 547 have remained in employment for at least 13 weeks.

IECs are contracted by DEWR to provide services which are tailored to the needs of individual IEC participants and to the labour market in which they operate. The range of services that an IEC can provide includes:

- mentoring and on-going support during IEC assistance;
- job search support and skills development such as how to write a job application and interview techniques;
- assistance with writing résumés, job applications and seeking references;
- arranging training that is relevant to the labour market — IECs have a Training Account that can be used to pay for this training;
- arranging work experience relevant to the labour market;
- pre-employment and post-placement support; and
- support to access other services (in particular the services provided under Job Network).

Indigenous people not on CDEP, but registered with Centrelink as looking for work, are able to receive limited support and mentoring assistance from the IEC (for instance, to facilitate access to Centrelink or a Job Network member or assistance in talking to an employer).

There are three important characteristics of IECs:

- IECs are not a stand alone employment service — rather the services that IECs provide complement the services that are available from other employment services providers, in particular Job Network. A key role for IECs is to develop linkages with Job

Network members that have a proven track record in delivering job outcomes for Indigenous job seekers;

- IECs are focussed on outcomes. Although the quality of the services that IECs provide is important and is supported by a Code of Practice, it is ultimately the number of IEC participants who are placed into non-CDEP jobs and that remain in this employment that will determine the success of IECs;
- Participation in IECs is time limited, generally for 12 months, but this can be extended where the IEC and the participant believe that the additional assistance is likely to lead to an employment outcome.

IECs have a number of key performance indicators against which their performance is measured. These include:

- the proportion of IEC participants who are placed in employment or education;
- the proportion of IEC participants for whom DEWR pays outcome payments; and
- The proportion of IEC participants who were in employment that commenced before the person became an IEC participant.

Indigenous Employment Programmes

- *Structured Training and Employment Projects* - flexible financial assistance for projects that offer structured training leading to lasting employment for Indigenous job seekers. Assistance is tailored to the needs of individual employers and may, for example, include funding for the development of Indigenous employment strategies, mentoring support, training and wage subsidies. During 2003 – 04 approximately 5500 Indigenous job seekers commenced in STEP.
- *Corporate Leaders for Indigenous Employment Project* - a partnership between individual companies and the Australian Government to encourage private sector companies to develop a strategic approach to generating more private sector jobs for Indigenous Australians. Under the arrangement, companies commit to providing employment opportunities for Indigenous people and, dependent upon the company's level of involvement, the Australian Government may provide access to flexible funding for that purpose. Where contracted to do so, companies can design an employment project or strategy to suit their own business environment and can access a mix of assistance under the Indigenous Employment Policy. There are currently almost 70 companies signed up to the Corporate Leaders statement.
- *Wage Assistance* - helps Indigenous job seekers find long-term employment either through the Job Network, Indigenous Employment Centres or their own efforts, using a wage subsidy. Employers who employ eligible job seekers receive up to \$4,400 over 26 weeks for

ongoing full-time work and \$2,200 for ongoing part-time work of at least 15 hours per week.

During 2003-04 over 2700 Indigenous people found jobs using Wage Assistance. The programme has proved particularly popular with small and micro businesses especially in regional centres and rural areas. Employers have reported that they use the subsidy to assist with training costs or to pay for back-up employees when the new employee is undergoing training.

Given the large numbers of small businesses in many regional areas the programme has the potential to make a significant ongoing contribution to improving Indigenous employment. Wage Assistance funding can also be combined with support under the New Apprenticeship scheme, making it useful in promoting opportunities for Indigenous people to undertake traineeships and apprenticeships

- *The National Indigenous Cadetship Project (NICP)* improves the professional employment prospects of Indigenous Australians linking students and employers in an arrangement that involves full time study and work placements. Eligible study includes full time diploma, advanced diploma and undergraduate degree courses.

The NICP commenced operation in September 1999 recruiting Indigenous cadets for the 2000 academic year. A major focus was on creating employment opportunities for Indigenous cadets in the private sector. It differs from previous Indigenous cadetship programmes that concentrated entirely on providing employment and training opportunities for Indigenous people within the Australian Public Service.

Since its introduction, 682 Indigenous students have commenced in this Project. As of May 2004, 23% of all Indigenous cadets had been in the private sector. Of the 210 commencements in the 2003-04 financial year, 36% are in the private sector. There are approximately 340 current cadets.

The IEP Stage One Evaluation considered the progress of the NICP over its initial period of operation and indicated that participation by students has shifted towards fields of study that may boost private sector involvement. For the year 2000 intake, 25% of cadets were enrolled in business, accounting, economics and commerce, 20% in law, 16% in science and engineering and 6% in information technology. Only one-third of cadets were enrolled in arts, social sciences, health and education, compared with 65% of Indigenous university enrolments in 1999.

Based on information received from employers for the 147 cadetships that had completed, at least 121 (82%) cadets had achieved employment outcomes, 3 were in further education or training and 2 were seeking employment. Information is not currently available for the remaining 21 completed cadetships.

- *CD&EP Placement Incentive* - provides a financial incentive of \$2,200 to Community Development Employment Project (CDEP) organisations for each participant who is placed in open employment and off CDEP payments. The Incentive has been used by a growing number of CDEP organisations. During 2003-04 around 400 placements were claimed by CDEPs across Australia when participants commenced ongoing jobs, off CDEP wages. CDEP organisations which use the programme several times per year tend to be those in areas with reasonable labour markets.

Indigenous Youth Employment Consultants

Recently announced in the 2004-05 Budget, up to 30 consultants will be linked with Job Network providers and will work with Indigenous youth to encourage successful transition from school to work by providing linkages with both work opportunities and education and training. The consultants will work closely with Indigenous young people and their families, communities, local schools, vocational education and training providers and local businesses.

Initiatives to stimulate Indigenous economic activity

- *Indigenous Self Employment Programme* - assists individuals to establish their own small business by providing business advice and support, financial literacy training and funding assistance of up to \$5,500 through a loan funding arrangement. The loan assists with the non-wage set up costs of business for individuals who meet certain eligibility criteria.
- *Indigenous Small Business Fund* - fosters the development of businesses owned, operated and managed by Indigenous people and promote sustained Indigenous employment opportunities. Assistance is available for individuals and Indigenous organisations for activities including feasibility studies, business planning, marketing and other facilitative projects.
- *Indigenous Capital Assistance Scheme* - increases the level of employment of Indigenous Australians by improving the access of Indigenous businesses to commercial finance and culturally appropriate professional support and mentoring. Flexible assistance packages are available over three years to help stimulate Indigenous business development for loans ranging from \$50,000 - \$500,000. A key feature will be the provision of interest rate subsidies to ease debt servicing requirements during the business start-up phase. The programme is delivered in partnership with the Westpac Banking Corporation.

Other initiatives to boost demand for Indigenous employees

- *Commonwealth Procurement Guidelines* - Work is currently being undertaken by DEWR to strengthen the Commonwealth Procurement Guidelines to allow Indigenous communities an opportunity to secure employment or business development opportunities on construction and other large projects within their communities.

A) The effect of the Community Development Employment Projects (CDEP) scheme on the education and long-term employment outcomes of Indigenous people in rural, remote and urban areas.

Introduction

It is evident from the remote locations in which the Community Development Employment Projects (CDEP) Scheme was originally sited that it was not intended to have a major focus on increasing Indigenous people's participation in mainstream employment. Rather, initial development of the Scheme responded to concerns about increasing numbers of Indigenous people, particularly those living in remote communities, becoming eligible for passive income support. In the late 1980's, expansion into areas with labour markets increased the policy emphasis given to CDEP organisations achieving employment outcomes for their participants. Despite this emphasis CDEP organisations, including those in urban areas, perform numerous roles including maintaining culture, subsidising the provision of community services, underpinning Indigenous business development, and providing work experience and employment opportunities. Location continues to have a significant impact on the emphasis given to each of these roles in each CDEP and the extent to which participation in the scheme can affect long term employment outcomes.

DEWR has previously stated that with appropriate policy settings, support and better linkages with other programmes, the CDEP scheme could play a more significant role in increasing the economic independence of Indigenous Australians, including through supporting increased employment outcomes⁴. ATSIIC recently made a number of changes to CDEP policy with the aim of achieving higher employment outcomes, and while it is too early to assess the impact it is clear that more far reaching policy change is required. Introducing contemporary mutual obligation requirements and time limiting participation in areas with active labour markets are two issues that need to be considered. It should be recognised that changes in these areas could have a significant impact on CDEP organisations and the communities they work with and would need to be implemented with appropriate support.

Under the Active Participation Model, Job Network providers are well placed to meet the job search and training needs of CDEP participants seeking employment. Indigenous specialist Job Network providers offer services that cater specifically for their Indigenous clients. In addition, Indigenous Employment Centres provide support to CDEP organisations in areas with active labour markets, to assist their participants into mainstream employment. In areas where job opportunities are scarce, flexible servicing arrangements under the Active Participation Model and project funding under

⁴ DEWR submission to ATSIIC Review 2003 available at <http://www.atsicreview.gov.au/submission.htm>

the Indigenous Employment Policy can support CDEP organisations achieve employment outcomes. The early achievements of Indigenous Employment Centres are encouraging, as are outcomes under the Active Participation Model.

Features of CDEP and implications for employment outcomes

Proximity to labour markets

CDEP is now Australia's largest Indigenous programme, involving more than 37,000 participants with expenditure of \$550m per annum.⁵ Data from the 2001 Census shows that CDEP participants comprise around 18 percent of Indigenous employees across the country.⁶ The CDEP Scheme is more significant to remote and very remote regions where it accounts for over 50 per cent of Indigenous employment. Despite this geographical skew, many participants are in areas with access to employment opportunities. The ATSI Annual report for 2002-03 records that well over one-third of participants are in non-remote areas⁷. In addition, many participants in remote locations, do have access to off-CDEP employment opportunities, including local jobs in the community. DEWR, through Job Network and the Indigenous Employment Policy can support CDEP organisations to maximise employment outcomes including in remote locations as illustrated by the following case study.

Flinders Island, Tasmania

The Flinders Island Aboriginal Association (FIAA) is a stand alone CDEP based at Lady Barron on Flinders Island.

FIAA operate a well run community organisation with responsibilities in health, housing (they are the largest rate payer on Flinders Island), agriculture and mutton bird harvesting. Utilising CDEP the organisation operates Thule farm (the second largest farm on Flinders Island which was purchased by the Indigenous Land Corporation and which FIAA leases) and have turned the property around from its run down state in a few short years.

FIAA are currently looking to re-open the Fish Factory at Lady Barron. They own the building and have funds to re-fit the factory. They are working to put together an additional funding package so that they can become operational and provide approximately 30 employment opportunities for community members. DEWR is working with FIAA on a STEP application to assist with pre-employment training and employment costs.

⁵ It is estimated that foregone income support payments represent two-thirds of the CDEP budget.

⁶ Source: ABS 2001, Census cited in Productivity Commission : Overcoming Disadvantage Report 2003 Supporting Table 3A.5.3. It is estimated that the 2001 ABS Census identifies 60% of CDEP participants (as CDEP participants). It is unknown how many of the remaining 40% identified as employed, unemployed or did not specify their labour force status. Due to varying methods of data collection, CDEP participants in remote and very remote areas were far more likely to have their participation identified.

⁷ ATSI Annual Report Table 2.26 CDEP participant numbers by ATSI regional cluster at 30 June 2003. These are Australian Taxation Office (ATO) determined zones.

Multiple roles

Historically, the inherent flexibility of the CDEP Scheme and expansion into urban and major regional areas has produced an ambiguity and lack of clarity of intended outcomes. In 1997, Sanders described CDEP as being “astride the welfare/work divide in Australian social policy”, trying to head in two different directions at once. In the same year, Ian Spicer’s review of CDEP noted that it had become many things to many people:

“It can be described as an employment program, a community development program, an enterprise development program, a diversionary program, a skills development and work preparation program and/or a cultural maintenance program. As CDEPs have the ability to determine their own objectives, and the manner in which they are achieved, features of all these programs can exist in any one community.”⁸

The Commonwealth Grants Commission Final Report noted the continuing community development imperative of CDEP and that the scheme has been “critically important” in remote regions where the labour market is very limited.⁹

While recognising that the multiplicity and flexibility of roles is a strength of the CDEP Scheme, these roles have become intertwined over time with some unintended consequences which can impede the transition from welfare to work. For example, CDEP organisations rely on skilled staff to deliver community services and to run CDEP businesses. Encouraging these participants to take up mainstream employment could significantly affect the ability of smaller CDEPs, in particular, to carry out these and other important roles. In addition to relying on the skills of the participants, CDEP businesses often depend on utilising subsidised wages to survive. Increasing the focus on achieving off CDEP jobs can create a tension between trying to run a profitable business and meeting Indigenous employment objectives.

Also of concern are arrangements applying to hosted employment in the private sector. While these provide valuable work experience and “top-up” employment the arrangements often do not support opportunities for ongoing employment off CDEP. Some of these businesses also rely on the wage subsidy that comes with employing a CDEP participant.

PEEDAC is a large corporate CDEP and Indigenous Employment Centre (IEC), with multiple roles, that is achieving employment outcomes.

⁸ Spicer, Ian, Independent Review of the Community Development Employment Projects (CDEP) Scheme, December 1997, p 23

⁹ Commonwealth Grants Commission Final Report (2001): Rec 93 p264-5

PEEDAC - Perth

Based in Perth, Peedac Pty Ltd is a "Corporate" CDEP providing work for unemployed Indigenous people in community managed activities that assist those people to acquire skills which:

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Over the past five years of operations Peedac P/L has proven its ability of providing participants with opportunities in developing relevant skills, training and full or part-time employment. These outcomes have been obtained through successful placement, monitoring and support of participants in over 68 Indigenous & Community based organisations. Examples of these include school based traineeships, Structured Training and Employment Project contracts, a Workplace English Language and Literacy Program and direct employment through mainstream or Peedac P/L managed and operated business units.

This Organisation has gained support from the Indigenous community and individual groups through numerous ongoing strategies, which Peedac P/L provides to directly support and assist them during their time on the CDEP. Strategies include;

- Enterprise Development Aboriginal Corporation (PEEDAC) committee and representation on the Peedac Pty Ltd Management.
- administrative support services includes wages.
- CDEP groups/communities. Provision of Training programs or subsidy support to trainees/apprentices.
-
-
- Development Manager & divisions.

Dhugamin is a smaller, regional CDEP located on the coast north of Brisbane and is involved in a range of business development ventures in Queensland.

Dhugamin CDEP, Hervey Bay Queensland

Dhugamin CDEP is linked to the Korrawinga Aboriginal Corporation which has received support from another department to develop a feasibility study and property plan for land at Scrub Hill (Hervey Bay Qld). Scrub Hill is an integrated mix use development, initially based on permaculture principles. The farm has evolved into a highly successful model for intensive production, despite the fact that the land is fairly small (about 20 hectares) and has poor soil.

Current production is supported through CDEP, involving about 70 workers on the site, including market gardening, nursery and poultry production, bush food

establishment, farm tours and production of flowers for export (Kangaroo Paw to Japan, Proteas to Holland).

There is also Tea Tree Oil production which is used to make soaps, lotions, potions etc and is sold at the Retail Shop at the CDEP (paintings etc are also sold), a child care facility and an almost-completed multi-purpose shed for sports (basketball). Dhugamin CDEP and the Goori JETS Programmes are innovative training programmes providing supportive, culturally and socially relevant skills for local Indigenous youth in the region.

Mutual obligation requirements

For a considerable period the CDEP Scheme involved participants undertaking a level of activity that was generally not required under mainstream income support programmes. The principle of reciprocal or mutual obligation now underpins mainstream income support arrangements for unemployed people and CDEP obligations, almost unchanged over thirty years, are inconsistent with these. This has contributed to the development, over time, of parallel services for Indigenous and non-Indigenous unemployed Australians. CDEP is often seen as the Indigenous equivalent of the mainstream Work for the Dole (WfD) programme but the two programmes are different in some fundamental aspects. Firstly, mutual obligation requirements in the two programmes are quite different. For example:

- CDEP participation satisfies all mutual obligation requirements and participants are not required to access Job Network employment services. WfD participants are required to access Job Network employment services and must continue to undertake job search activities while attending WfD.
- Unlike WfD, CDEP participation is not time limited. While this makes some sense in areas where there are very few jobs, in areas where there are employment opportunities ongoing CDEP participation can act as a disincentive to moving into the labour market.

Secondly, the CDEP Scheme has multiple roles that are not reflected in WfD. For example:

- CDEP organisations deliver a range of services not expected of WfD. In remote areas in particular some of these are services essential to the operation of the community.
- Unlike WfD, CDEP organisations operate businesses many of which are an important part of the local community eg grain handling facility at Newcastle.

Consideration needs to be given to the impact these arrangements have on employment outcomes and the appropriateness and impact of adopting more contemporary mutual obligation arrangements.

Other issues

Access to employment services and training

Generally CDEP organisations are not resourced to deliver the full range of employment services, including training. As most CDEP participants do not register with Centrelink to access mainstream employment services offered by Job Network, this limits opportunities for CDEP participants to engage in

publicly funded job search activities. Requiring CDEP participants to register with Centrelink could provide better access to employment services provided through Job Network including additional training resources.

Work readiness

CDEP organisations have the potential to provide access to work experience that improves a participants readiness for mainstream work. To strengthen the relevance of this work experience, duties, tasks and work practices that reflect mainstream work opportunities and behaviours should be adopted as a matter of course..

School to work

CDEP has the potential to better support school retention and transition to employment. Measures that ensure further education and training are seen as the preferred destination by school leavers are important.

Service provision

CDEP organisations, particularly in remote communities, often provide services that are the responsibility of government in regional and urban areas. Consequently some of the work undertaken by CDEP participants would typically be performed on award wages in other locations.

CDEP capacity

Because of location, CDEP organisations often struggle to attract and retain skilled management staff with the skills and knowledge required to fulfil the various roles. Improved linkages with Job Network providers could provide better support to their training and employment functions. Support for improved succession planning to transfer the required skills to local Indigenous people is also required. In active labour markets, Indigenous Employment Centres have already improved these linkages.

Participation requirements in remote areas

In remote areas, individuals can opt out of CDEP participation and receive unemployment payments that are exempt from activity requirements. CDEP organisations can have participant places available but have no ability to require that unemployed members of the community participate, undermining the effectiveness of CDEP as an employment transition mechanism in these communities.

Recent changes

In March 2004 the ATSIC Board, for the first time, approved a formal policy for the CDEP Scheme. While the policy largely reflects existing practices there are some important new policy statements. Two broad policy orientations within the CDEP scheme are formally recognised 'which are not mutually exclusive and which can be delivered concurrently':

- 1) a *Sustainable Communities* focus – aimed at building and sustaining individual and community social, cultural and economic capital base within an active participation model, in situations where access to labour markets, mainstream economies and employment, training and

education services is limited. Sustainable community activities are intended to foster shared responsibility, individual, family and community wellbeing and build local capacities of leadership; and

2) a *Training to Employment* focus – aimed at achieving targeted and measurable economic, employment and training outcomes, and building individual and community social, cultural and economic capital, where there is access to viable labour markets, economic opportunities, and availability of employment, training, and education services and facilities. Training-to-employment activities are intended to contribute and build experience, skills, ability, access and equity to employment opportunities, through preparatory work equipping participants for referral through IECs, Job Network and self referral to both local and wider labour market employment opportunities.

In addition, the Board's statement aims to strengthen employment outcomes from host employment arrangements through a formal time limited contract with agreed employment outcomes.

Other significant changes not included in the ATSIC Board policy document but recently progressed for CDEPs by ATSIIS have included: an electronically based CDEP management system to be introduced in July 2004; a move from grant funding to contract based funding and promoting regionalisation of CDEPs to improve economies of scale in regional administration.

On the 15th April 2004 the Prime Minister in conjunction with Senator Vanstone announced new overall arrangements for Indigenous Affairs. Under the new arrangements, DEWR will have portfolio responsibility for CDEP from 1 July 2004.

DEWR programmes and services

DEWR currently provides support to CDEP organisations and participants to achieve employment outcomes through:

- **Access to Job Network** services including new flexible servicing arrangements which now extend to remote locations. These services provide access to all Job Network services including the Job Seeker Account and Training Account.
- Access to project funding under the **Indigenous Employment Policy Programme, Structured Training and Employment Projects** where mainstream employment outcomes are likely. DEWR has worked with a number of CDEPs to improve long-term employment outcomes of Indigenous people in rural, remote and urban areas. Through Structured Training and Employment Projects (STEP) DEWR has entered 89 contracts with CDEP worth up to \$29,883,739 to assist up to 1522 Indigenous Australians since the Indigenous Employment Policy began in 1999. The following case studies are examples of these projects.

Building and Construction Industry

Workforce Aboriginal Corporation, Tasmania

Over the last 12 months DEWR has been working with the local CDEP/IEC - Workforce Aboriginal Corporation, Aboriginal Training Programs TAFE Tasmania, the Tasmanian Building and Construction Industry Training Board and the Tasmanian Building Group Apprenticeship Scheme (GTC) to provide secure employment opportunities in the building and construction industry in Tasmania.

Utilising STEP funding with assistance from Workforce Aboriginal Corporation and Aboriginal Training Programs TAFE Tasmania DEWR has implemented a Certificate Level II in General Construction (Pre-employment) course to assist Indigenous job seekers gain an induction, basic work experience and skilling in building and construction. Courses have been run in Hobart and Burnie with a third course due to start mid-June in Launceston.

The Hobart and Burnie courses assisted approximately 24 Indigenous job seekers, the vast majority of whom successfully completed the course.

Some of the Hobart participants took advantage of employment opportunities through STEP contracts with the Tasmanian Building and Construction Industry Training Board and the Tasmanian Building Group Apprenticeship Scheme (GTC). A number of participants from both courses were able to gain employment with the assistance of the IEC and or Wage Assistance.

DEWR is supporting similarly successful outcomes from the Launceston course.

Coolgaree Aboriginal Corporation for CDEP-Palm Island

STEP has supported 4 CDEP participants complete building trade apprenticeships and move into full-time, off CDEP employment. Another 2 apprentices are expected to complete training and achieve employment in the near future.

Support to CDEP organisations through the **Indigenous Small Business Fund** and the **CDEP Placement Incentive**. ISBF provides funding for Indigenous community organisations, including CDEPs, for activities such as feasibility studies, business planning, marketing and other facilitative projects. A review of the programme is currently underway. The CDEP Placement Incentive provided a financial incentive to CDEP organisations for each participant who is placed in open employment and off CDEP payments.

The table below is a State/Territory breakdown of the number of STEP (89) and ISBF (26) contracts DEWR has entered with CDEP organisations.

	STEP			ISBF	
	Number of contracts	Potential Value	Number of people to be assisted	Number of contracts	Potential Value
NSW	22	\$5,139,026	310	10	\$511,268
VIC	0	Not applicable	Not applicable	5	\$299,100
QLD	21	\$5,912,879	265	1	\$40,504
WA	19	\$6,877,540	462	6	\$476,740
SA	11	\$6,116,187	200	3	\$152,900
TAS	0	Not applicable	Not applicable	0	0
NT	16	\$5,838,107	285	1	\$106,945
Totals	89	\$29,883,739	1522	26	\$1,587,457

- Indigenous Employment Centres (IECs)** – As discussed above, IECs are giving many Indigenous people the fresh start they need. In urban and regional centres where job opportunities exist, Community Development Employment Projects (CDEP) organisations are being contracted to take on the additional role of Indigenous Employment Centres (IECs), helping more CDEP participants into permanent work through work experience, job search support, training and mentoring.

IECs provide services which complement Job Network services. The model is intended to allow IECs and JNMs to work in close partnership. By working closely together, IECs and JNMs can draw on their respective expertise and resources to provide a more comprehensive package of assistance to IEC participants.

Below are two examples of IECs that are achieving strong employment outcomes:

Perth, Western Australia

An IEC in Western Australia commenced operation in July 2002. It is one of the largest IECs and has placed the second highest number of participants into employment. Examples of successful strategies deployed by the IEC are listed below.

- Appointing staff with experience in delivering employment services – recruiting suitably qualified staff significantly increased their effectiveness.
- Assisting participants to become work-ready. The IEC uses CDEP activities to

provide work experience, increase confidence and improve work habits of potential clients. It also encourages clients to acquire/update certification where these are required or will increase the chances of getting their preferred job. The IEC funds such training through the Training Account. Where the type of employment sought requires a greater level of training they are more likely to try to find appropriate apprenticeships.

- Monitoring clients and making them accountable - for example, by expecting them to be in touch at least once a week. The IEC is willing to reinforce this requirement by suspending CDEP payments.
- Focusing on 'reverse marketing' of clients rather than on gathering vacancies from employers. The IEC, in consultation with the client, identifies two potential employment/career path options taking into account the client's abilities, qualifications and personal circumstances. It then canvasses employers they consider are suitable, actively matching clients to employers and seeking out repeat business with employers where they have had successful placements in the past.
- Encouraging employers to trial the IEC client on a work experience basis. The IEC/CDEP is willing to continue paying a client CDEP wages while on work experience for up to 2 weeks, provided the employer tops up the wages where the job seeker works more than the 17 hours a week funded by the CDEP wages. This strategy is particularly successful where the jobseeker may be disadvantaged by conventional job selection processes, such as interviews.
- Working with local JNMs, particularly if the IEC and the JNM can share the cost of assisting the job seeker or if the JNM is having a problem with a job seeker.
 - IECs and JNMs both having funding available to provide assistance to job seekers such as transport to attend interviews, tools and equipment needed for employment and post-placement support. IECs and JNMs can pool this funding for mutual clients.

Darwin, Northern Territory

The NT IEC started operating in October 2002. The IEC undertook significant preparatory work in the setting-up phase, which they believe is one of the key factors for the successful operation of the IEC. It is a high performing IEC and has found the following strategies to be successful.

- 'Hosting-out' CDEP participants to employers - this involves placing the participant with an employer (for up to four weeks) with the CDEP paying for the first 17 hours worked each week. The participant remains on the CDEP schedule throughout this period, so that if a job does not arise following the hosted-out period, the participant can return to the CDEP. The IEC is upfront with the employers about their expectation that the employer will provide ongoing employment as a result of the hosting-out strategy. This strategy has been found to be effective by the IEC in achieving a good spread of job outcomes in a range of industries. It has also proven successful in getting IEC participants into jobs in *non-traditional* areas of Indigenous employment, such as apprenticeships in plumbing.
- Seeking out employers based on the interest and skills of the participant as well as looking at the work history of the participant (including their work on CDEP).
- Working closely with a local Job Network member which has recently set up an Indigenous unit within their site and is very pro-active in assisting Indigenous job seekers. The IEC and Job Network member tend to have a different employer

focus in relation to finding jobs for participants, which broadens the range of potential employers who might take on IEC participants.

- Encouraging all their participants to have a Wage Assistance Card and to tell all employers about the card.
- Identifying innovative placements – two examples include:
 - a number of male participants were placed as primary school tutors. This has led to the possibility of on-going employment as a tutor under the Aboriginal Tutorial Assistance Scheme (ATAS). It provides a good role model for boys and offers culturally suitable conditions of 'casual' hours of work; and
 - one of the largest employers in Darwin, the Darwin Hospital, assists with a half day workshop run by the IEC whenever a number of vacancies occur. The hospital representative talk to IEC participants about issues such as occupational health and safety and other general workplace issues as they relate to the hospital.
- Employing staff who have linkages into the Indigenous community as well as experience with employment services (which ensures that they are familiar with the operating environment).

B) The appropriateness of the current framework for the funding and delivery of vocational education and training to meet the requirements of Indigenous communities and to prepare Indigenous people for employment, especially in rural and remote settings.

DEWR is only able to comment briefly on the funding of VET as this is not a portfolio responsibility. However, DEWR can provide comments in relation to the delivery of VET to Indigenous people in the context of our experience in working with Indigenous job seekers including in rural and remote settings.

DEWR encourages a focus on providing training and skilling for Indigenous Australians, particularly youth, that leads to sustainable employment outcomes. VET is particularly important in supporting the training needs of Indigenous communities in areas where employment opportunities are limited and improving the labour market competitiveness of Indigenous young people through improving their job readiness.

Through STEP, DEWR has funded a large number of projects which include the provision of apprenticeships and traineeships for Indigenous Australians. These have taken place across Australia in a large range of industry sectors. The IEP Stage One Evaluation found that nearly 58 percent of all STEP placements were for traineeships and apprenticeships. Recently there has been an increase in the number of school to work apprenticeships being undertaken.

Providing secondary school students with access to Vocational Education (VET) is an important avenue in assisting young Indigenous people's transition from school to work. DEWR's role in relation to VET in schools complements the work undertaken by the Department of Education, Science and Training (DEST) to ensure school retention and effective school to work transition. DEWR also has a role to ensure the implementation of the workplace relations arrangements needed for School-based New Apprenticeships (SBNAs).

Through the Indigenous Employment Policy (IEP) DEWR supports innovative school to work projects together with DEST in a number of areas including where Indigenous secondary school students are enrolled in School-Based New Apprenticeships while continuing with their schooling. One of these projects is explained below:

Aboriginal School Based Traineeships, Western Australia

DEWR, in partnership with Western Australia Department of Education and Training, funds the Aboriginal School Based Traineeships (ASBT) project that provides school based new apprenticeship opportunities for Indigenous (Year 11 and 12) school students undertaking a Certificate II in a wide range of industries and occupations in metropolitan and regional areas. It expanded in 2003 to incorporate participation by Year 10 students (in a Certificate I which will then translate to a Certificate II in Years 11 and 12) with the objective of improving post-compulsory school retention rates; and enhanced school to work transition pathways.

Funding arrangements

The Report on Government Services 2004 indicates that Indigenous people often take longer to progress through their education and training for a variety of reasons. The Report identifies that Indigenous students had a lower proportion achieving the year 3 reading benchmark than the total population by 18.3 percentage points and by year 5 the difference was 22.9 percentage points and the load pass rate (which refers to the success of students in passing assessments in an assessable module or unit) Indigenous students load pass rate was lower than the national average at 63.8 per cent compared to 77.3 per cent for all students.¹⁰ This can pose problems when funding does not accommodate the need for extended education and training timeframes. Funding is in practice typically fixed in the context of Vocational Education and Training and would be improved if funding arrangements incorporated more flexibility to address this issue.

Access

Training delivery needs to reflect that many Indigenous people, especially in rural and remote locations, have a low level of educational attainment and their ability to use or have access to IT infrastructure is very limited or non-existent. In addition, design and delivery of training in these locations needs to be culturally appropriate.

Access to education and employment are key issues for Indigenous people and strategies are required that respond to the specific needs of rural and remote communities. Advances in technology, especially in IT, support the expansion of strategies available for delivery of VET in remote localities.

The COAG Whole of Government trials are providing an opportunity to develop specific strategies in some of the trial sites to improve remote access. For example, the Weipa Multipurpose Facility Pty Ltd (WMPF) provides an education and training facility as well as hostel accommodation for Indigenous secondary school students in Weipa. The WMPF is a key project developed under the Council of Australian Governments (COAG) initiative to trial a whole of government approach in a number of Indigenous communities around Australia, including Cape York. The WMPF is supported by both the

¹⁰ Report on Government Services 2004, www.pc.gov.au/gsp/reports/rogs/2004/

Australian and State Governments, as well as by Comalco Aluminium Limited, the traditional owners and other key stakeholders. It will support improved Indigenous employment outcomes by delivering integrated training and education opportunities to Indigenous people in the North West Cape region. The WMPF will operate three businesses: a Secondary School Hostel; a training hub; and an accommodation facility. The Secondary School Hostel will provide accommodation for a maximum of 32 young Indigenous people from the North West Cape to enable them to attend secondary education at Western Cape College in Weipa.

Another example is a training facility at Argyle Diamond Mine, where DEWR has a Corporate Leaders for Indigenous Employment Project (CLIEP) with Argyle Diamond Mines. The Project aims to provide training and employment for up to 150 Indigenous people at Argyle's mine in the East Kimberley region of WA. The project is supported by the Argyle Diamond Mines "Indigenous Employment and Training Strategy 2003-2007". Argyle has established a training facility devoted to the delivery of the Project. The facility includes a demountable with a training room and a room with a number of PCs. The training of Apprentices and Trainees is delivered with the assistance of a local training provider, Kimberley Group Training.

Quality of Service

The delivery of VET in rural and remote communities needs to be designed and be flexible enough to assist Indigenous people to obtain job skills that would enable them to be employed in local jobs within their community but also provide articulation into qualifications that support employment in the broader labour market.

The variability between State Government provision and delivery of VET can be an issue. In different states VET servicing arrangements apply which can limit the support available to Indigenous communities. Differing approaches between service providers at the local level can also have an impact on effectiveness of VET for community residents. In NT for example, DEWR's experience is that there is adequate flexibility in servicing from State based VET providers to remote communities. However, in Queensland current arrangements limiting the number of service providers to communities have been reported as a constraint.

Work readiness

Anecdotal evidence from employers suggest that a gap frequently exists between Indigenous VET graduates and their work readiness to participate in the work force. More needs to be done to assist and teach young Indigenous people the work skills and behaviours necessary to ensure ongoing employment, such as regular timely attendance. These skills and behaviours are taken for granted by many but are lacking for some Indigenous people, particularly those living in remote locations, due to inter-generational unemployment.

It is recognised that Indigenous people may need constructive assistance to open all available pathways for employment in order for them to have equal opportunities to enter work in the private and public sectors. Past experience

has demonstrated that a collaborative approach using workplace mentoring as a basis, can make a real difference to positive employment outcomes for Indigenous Australians.

A major objectives of the IEP is to further enhance the capacity of employers to undertake and sustain the employment of Indigenous Australians. It has been proven that an organised and targeted mentoring program can benefit both employers and employees often resulting in a fixed tenure of employment or longer-term retention for the employee. This improved relationship between employers and individual Indigenous staff combined with ongoing support to employers and mentees overcomes negative stereotypes leading to further placement opportunities for Indigenous jobseekers.

C) The effectiveness of competency-based training models to deliver an appropriate level or mix of skills necessary for employment of Indigenous people, including the achievement of the necessary standards of literacy and numeracy.

Competency Based Training models can deliver benefits for Indigenous people. Key issues to consider in relation to the effectiveness of models include:

- Recognition that literacy and numeracy is an issue for a considerable proportion of the Indigenous population particularly in remote and rural Australia where English is often a second or third language. Addressing these needs within the context of vocational training is likely to be more successful than delivering stand alone literacy and numeracy modules.
- Vocational training should adequately prepare job seekers for the workplace. Employers have indicated that with Indigenous job seekers in particular, including those with Certificate level qualifications, levels of work readiness are frequently inadequate (addressed previously).
- The infrastructure in remote communities is very often inadequate to support full delivery of competency based training, especially where CDEP is the only employer. For example, recognition of existing skills and knowledge is hampered by the lack of formal records of past vocational training activities retained at the community level and an inadequate number of accredited skills assessors.
- Recognition of cultural knowledge is particularly important in remote communities and an area that requires more attention. Cultural knowledge is recognised in Indigenous communities as an important skill particularly in the local labour market and these skills need to be translated and recognised by Government, training providers and employers.

D) The effectiveness of Commonwealth, state and territory-based initiatives to engage more Indigenous people in training and to encourage higher level skill acquisition in skilled trades and professions, including health and teaching.

Indigenous participation in the vocational education and training (VET) sector has increased significantly since 1996, however Indigenous students enrol in lower level qualifications and experience higher rates of non completion than all VET students. Indigenous VET students are twice as likely to be involved in TAFE multi-field education which is not related to a particular field of study but covers generic study, interpersonal and job-search skills. A smaller proportion of Indigenous VET students are studying at the Australian Qualification Framework Certificate IV level or above, compared with all VET students contributing to lower employment levels for Indigenous VET graduates. Improved school retention is central to supporting higher level skill acquisition and allowing the VET sector to focus on vocation training rather than delivering secondary school curriculum.

School retention

Educational attainment is important to life long employment outcomes. DEWR supports school retention through a number of initiatives, including through projects incorporating VET in schools. Vocational education and training provided in schools has the potential to significantly improve the labour market competitiveness of Indigenous young people through improving secondary school retention and work readiness. Vocational education and training that provides a better understanding of the world of work and facilitates the acquisition of work related skills enhances Indigenous young people's ability to gain and retain jobs. It also provides a base on which higher level skill acquisition can be built following school completion.

The Department of Education, Science and Training (DEST) and DEWR work together to establish linkages between education and training programmes and employment assistance to support the transition of Indigenous youth from school to work. Examples of Joined Up Programmes for Indigenous Youth (JUPIY) projects around Australia include:

- school based traineeships and apprenticeships allowing achievement of both academic and employment qualifications;
- linking Year 11 students to VET activity in schools and Year 12 students to employment and further training/education;
- employment in the state public service;
- a focus on pre-employment skills, mentoring and cultural awareness enabling part time employment while at school to improve job readiness;
- a focus on young people who have dropped out of school (including CDEP participants); and

- linkages to industry including mining, manufacturing, hospitality and retailing, through work experience and ongoing jobs at the completion of schooling.

There is considerable potential for JUPIY to deliver improved outcomes for Indigenous youth.

The Australian Government recently announced funding under the Indigenous Employment Policy for Indigenous Youth Employment Consultants in recognition of the need to boost education and employment outcomes for Indigenous young people. Up to 30 Indigenous Youth Employment Consultants will work with Indigenous youth to encourage better transitions from school to work by connecting them with both work opportunities and further education and training. The Consultants will be engaged by Job Network members in areas with active labour markets and will target three groups of Indigenous young people, those :

- disengaged from school;
- entering the workforce after leaving school; and
- continuing with education and training before entering the workforce.

Training initiatives linked to employment

Pathways to employment

Pathways to Employment is a joint project involving DEWR, ANTA and, until recently, ATSI and is a component of the *Partners in a Learning Culture: Blueprint for Implementation*. The Blueprint is the endorsed framework through which improved employment outcomes through education and training for Indigenous Australians will be progressed.

Under the contract with DEWR, ANTA is undertaking the *Pathways to Employment* project to identify the vocational education and training needs of Indigenous people participating in a number of targeted CDEPs.

The *Pathways to Employment* project aims to:

- Develop more strategic, long-term coordinated links between Community Development Employment Projects (CDEP), the training system (public and private training providers in co-ordination with State and Territory training authorities) and sustainable, mainstream employment outcomes;
- Develop a framework that can be consistently applied to all CDEPs in future so that project outcomes are sustainable; and
- Ensure that individuals undertake formal training that will lead to long-term employment outcomes

The project is in the early stages of implementation with a contract end date of 31 December 2006.

Other STEP support

A way of providing better linkages to VET for Indigenous people has been through DEWR's Structured Training and Employment Projects (STEP), which provides flexible financial assistance for projects that offer structured training

that leads to ongoing employment for Indigenous job seekers. The aim of STEP is to generate job opportunities and increase occupational skill levels for Indigenous Australians. Assistance is tailored to the needs of individual employers and may, for example, include funding for the development of Indigenous employment strategies, mentoring support, training and wage subsidies. This flexibility ensures the training involved in the project is appropriate for the job and participant as illustrated below:

STEP project leads to higher skills & employment in Darwin

In Darwin a young man of 19 enrolled in the Warrgamugardi Yirdiyabura programme funded by Woodside, Roebourne Workers Aboriginal Corporation and STEP. It is a four month nationally accredited program carried out at TAFE including a two-week-long work experience module when participants work at Woodside in either Woodside positions or with any of its contractors. The program is designed to teach the participants in construction, rigging and scaffolding, and they gain senior first aid certificates. The young man, after completing the program, secured a position working with Darwin Inspection Testing Service. They are contracted to test welding on the new onshore liquefied natural gas facility on the Burrup Peninsula. He so impressed the contractor that he was sent to Perth and Melbourne for further training in this specialised field. This individual's achievements were reported in the press and he was nominated for a CLIEP National Indigenous Award.

STEP supports CDEP participants gain higher level skills in the health industry.

Queensland Ambulance Service, Cairns

In Queensland, the Cairns office of the Queensland Ambulance Service (QAS) with funding provided through STEP, supported 9 CDEP participants commence accredited training in an Associate Diploma of Applied Science (Ambulance)/Diploma of Health Science to gain professional Paramedic qualification. **Five** participants have so far received qualifications and a number of others are awaiting final assessment.

The QAS Officers have been appointed to a number of locations including Weipa, Yarrabah, Atherton, Edmonton, Mareeba and Cairns.

The National Indigenous Cadetship Project (NICP) can also be used to up-skill Indigenous people who are currently in the workforce. For example, NICP has been used in Tasmania to assist an Indigenous Teacher's Aide to undertake a teaching degree and become a teacher. The following case studies provide examples of other NICPs.

Health Workers Strategy, South Australia

In South Australia the National Indigenous Cadetship Project is supporting the development of Indigenous health workers beyond Certificate IV in Primary, Community or Psychiatric Health. Most of the ten who have commenced in enrolled nursing will progress to hospital based General Nursing training in 2005. This will increase the number of qualified Indigenous health professionals and assist in overcoming local nursing shortages.

Deacons Lawyers and Rio Tinto

In a variety of locations across the country the National Indigenous Cadetship Project is being used to assist many Indigenous students complete their studies and gain relevant work skills.

Deacons Lawyers recognises the importance of creating opportunities for Indigenous Australians in higher skilled and management positions and have provided eight cadets valuable work skills with this internationally recognised law firm.

Rio Tinto has commenced 27 cadets since 2000, many of whom have successfully completed their cadetship and are in ongoing employment with Rio Tinto in various locations around Australia. Cadets undertake degrees in many disciplines relevant to the work place such as Applied Science, Engineering and Business.

E) Models for engaging industry and Indigenous communities in partnerships to develop long-term employment opportunities for Indigenous people—in infrastructure development through to the arts—and the limitations and opportunities these confer.

Partnerships between industry and the Indigenous community can work to achieve significant employment outcomes for Indigenous Australians. DEWR provides support for a range of partnership models that vary according to locations, employment opportunities and the stakeholders involved. The Prime Minister, Premiers and Chief Ministers (through COAG) have emphasised the importance of mainstream services and programmes effectively addressing the complex employment and training needs of the majority of the Indigenous population concentrated in metropolitan areas. As part of the mainstream provision of employment services, DEWR has improved measures for Indigenous job seekers under the Active Participation Model, funds Indigenous specialist Job Network providers and funds Indigenous Employment Centres to work with CDEP participants and Job Network Members to improve employment opportunities for Indigenous Australians. Indigenous specific programme funding under the Indigenous Employment Policy supports a wide range of partnerships across metropolitan, rural and remote locations.

In DEWR's experience, models that directly engage industry and Indigenous communities are more likely to exist in regional and remote areas of Australia than in large urban centres where identification of Indigenous communities is often more complex.

Partnership Models

Industry based strategies

Includes industries or the development of industries that represent opportunities in the areas in which Indigenous people live and/or have particular skills and/or rights. For example, Indigenous arts, aquaculture, forestry cultural and eco tourism ventures, fishing and mining. It also includes industries where increased Indigenous involvement has important multiplier effects like health and education and targeting industries in which there are skill shortages like building and construction.

The Indigenous Arts Strategy (IAS) is an example of developing an industry that could potentially provide employment opportunities for Indigenous Australians in regional and remote areas. The IAS is part of a whole of Government effort. Its aim is to develop an over-arching strategy for the future sustainability of the arts and arts related activity in regional and remote areas. The Strategy aims to strengthen Indigenous arts centres through:

- Stabilising funding, which includes Governments working cooperatively to develop long-term support strategies for Indigenous arts centres, improve funding models and improve grants management practices;
- Developing Business management, which includes assisting Indigenous arts centres to develop business plans, governance and accountability practices, book keeping and administration and marketing and promotion of Indigenous visual arts;
- Supporting employment and training opportunities for Indigenous Australians, includes increasing employment opportunities for Indigenous Australians in art centres, assisting arts centres with human resources management, increasing access to professional development for arts centre staff and supporting a network of Arts Development Officers for regional areas;
- Promoting professional art practice, includes developing an accreditation program for arts centres, developing Codes of Conduct to encourage increased professionalism in relationships between artists, arts centres and the market, providing technical skills development opportunities for artists, providing skills development opportunities for art centre coordinators and increasing awareness of moral rights and intellectual property issues;
- Supporting community capacity and maintenance of culture which includes supporting the maintenance and transfer of language and culture through art practice, supporting the role of arts centres in creating stronger communities, improving physical infrastructure and fostering respect for ownership of stories and techniques.
- Improving data collection and research, which includes undertaking an ongoing program of research and industry analysis and encouraging great sharing of information between all stakeholders.

The Australian Department of Communication, Information Technology and the Arts is the lead agency for the Strategy. Agencies working closely with the Department of Communication, Information Technology and the Arts on the pilot include Aboriginal and Torres Strait Islander Services, the Australian Department of Employment and Workplace Relations (DEWR) and the Australia Council.

DEWR involvement in the Strategy aims to increase the skills base and employment opportunities for Indigenous Australians to support Indigenous art centres through the provision of funding under the Government's Indigenous Employment Policy (IEP).

To date the Department has made funding available under the IEP's Indigenous Small Business Fund (ISBF) for a major Indigenous arts centre peak body to enhance business development in Indigenous arts centres in the Northern Territory and the Kimberley Region of Western Australia. A second project to support local Indigenous people to undertake training targeted at working in Indigenous art centres is currently under consideration.

Another, industry based strategy supported by DEWR is illustrated below.

Industry Strategies at work in the Northern Territory

Fourteen Northern Territory Indigenous students received awards for their welding and engineering studies undertaken through a new training programme delivered at Charles Darwin University.

Local industry and proponents of major construction projects have shown great interest in this project and it is expected that participants who successfully completed the programme will be offered jobs. Six participants have already been signed up as Certificate III New Apprentices to work with Bechtel at the new gas facility being constructed in Darwin. Other participants have been employed by a local engineering firm. The Territory Construction Association is extremely confident that all participants will be employed in relevant fields.

The project is the result of collaborative efforts between the Territory Construction Association (TCA), the Northern Land Council, the Welding Technology Institute of Australia, DEWR, the NT Government and JobNetwork members. DEWR provided funding through the Structured Training and Employment Programme (STEP).

The Programme involved 11 weeks of intense training conducted at the university and four weeks' work placement and training with local private sector businesses.

The Territory has skill shortages in a number of areas, including welding. This programme is an example of how to address those shortages by working together to grow a local workforce while giving young Territorians the skills they need to take advantage of the many job opportunities opening up in the Northern Territory. The project is an excellent example of how both the Australian and NT Government can work together in a strategic partnership to achieve local labour market solutions and generate employment for local Indigenous jobseekers.

Limitations – These strategies may involve the development of local industries and require significant medium to high risk investment which Indigenous communities may be unable to make.. Long term subsidies may be necessary (including though the employment of CDEP labour). There are limited skills in communities to develop such businesses and sometimes only a small number of jobs generated.

Opportunities – It is important to support the development of industries in areas in which Indigenous people live.utilising the skills Indigenous people have. Such activity could underpin the development of a local economy and have a significant impact on Indigenous communities. Increasing the employment of Indigenous people in the health and education 'industries' can have a positive impact on the health and educational attainment of Indigenous people.

Place based strategies

Funding under the Indigenous Employment Policy is flexible enough to support partnership arrangements that respond to local circumstances.. While, by definition, these strategies are as various as the conditions they are designed to address they have in common a bringing together of labour supply and demand in a particular area.

Moree Aboriginal Employment Strategy (AES)

The original purpose of the AES was to develop a strategic approach for the cotton growers' association to facilitate an equitable share of employment and career development opportunities for Indigenous people. This involved providing permanent employment opportunities for Indigenous people in the cotton industry, promoting the industry's understanding of issues important to Indigenous people and encouraging the industry to become more accessible to Indigenous people.

DEWR funding has enabled the AES company to undertake many functions including:

- Job placement, the mentor service (covering participants, employers and community activities), training (for example in cotton classing) and transport to work;
- Work experience placements for school students;
- Community development activities such as the local Aboriginal football team, activities for young people such as Croc Eisteddfod and encouraging major employers to sponsor local activities; and
- Reconciliation activities such as erecting a prominent sign proclaiming that Moree is leading the way in Aboriginal reconciliation.

The Moree AES is currently being evaluated to assess the effect of the approach on improving the employment situation of Indigenous people living in regional towns which have significant Indigenous population and a poor history of Indigenous employment. A similar approach has recently been launched in Dubbo.

Ladders to Success in Shepparton and Mildura

A project that involves all levels of Government (Commonwealth, State and Local), this project is jointly funded by both the Commonwealth and State governments. It also involves wide spread support and involvement by the private sector business community. Ladders to Success was brought to government by the Shepparton Indigenous community. Progress of the project is monitored by a Board of Management comprising highly respected people from the local business community and the local Indigenous people. DEWR and the Victorian Government are represented on the Board as Government advisers.

Another aspect of the project is that it is an employment project in reverse. Usually employment projects are funded on the premise that there are unemployed people and jobs need to be found. This project already had pledges for 100 jobs from 60 private sector employers.

Furthermore, a similar project to Ladders to Success operates in Mildura which has many of the same features of Ladders to Success. The project commenced on 1 July 2003 and as at May 2004, 37 Indigenous clients have been placed, which is ahead of targets at this stage.

Limitations – If the strategy is limited to one or two industries (eg cotton industry in Moree) employment outcomes may be susceptible to industry peaks and troughs.

Opportunities – The benefits can go beyond employment and include improved relations between Indigenous and non-Indigenous people in the location concerned. In addition, models like Ladders to Success provide an opportunity for a number of small employers to be involved in a joint project.

Employer based strategies

The Corporate Leaders for Indigenous Employment Project (CLIEP) is based on a partnership between individual companies and the Australian Government. The aim of the project is to encourage private sector companies to develop a strategic approach to generating more private sector jobs for Indigenous Australians. As previously stated, there are currently almost 70 companies signed up to the Corporate Leaders statement, committed to providing employment opportunities for Indigenous people.. A full list of Corporate leaders for Indigenous Employment can be found at www.workplace.gov.au

For example, Hamersley Iron (under Rio Tinto's Corporate Ladder banner) works closely with the Pilbara communities of Roebourne and Tom Price, providing employment opportunities and business opportunities through apprenticeship and traineeship programmes. Hamersley Iron has also supported a number of education based programs for primary school aged children and have granted local contracts to an Indigenous community in Roebourne for gardening services.

Argyle Diamond Mine in Western Australia

The Argyle project is a good example of a Corporate Leader working in partnership with the Indigenous communities in the East Kimberley. For example, Argyle has strong links with Doon Doon a local community and built the Doon Doon Roadhouse for the community. Argyle is now making it possible for two women from Doon Doon to undertake a Commercial Cookery Traineeship. They will work mainly in the Doon Doon Community store and spend 2 days a month on site at Argyle getting work experience in Argyle's very busy on-site kitchens.

These women both have children, so managing their time, work and studies requires a high level of commitment to ensure they succeed.

Argyle have also assisted a young man completing his Construction Traineeship in Halls Creek. This young man first started out at the mine, but found it difficult to settle in to the mining way of life. So instead of cancelling his traineeship, Argyle found a construction company in Halls Creek that was willing to take him on. Now he has moved back to his own community and is still employed. This is a great outcome because the young man is thriving in his role in Halls Creek and will eventually get his Certificate and may eventually return to the mine with new found confidence.

In both of these cases, Argyle is supporting people to gain skills and the confidence to work in their chosen areas and also to be competitive for employment in the region if they wish. By these people working in their own communities, it is anticipated that they will pass on skills to other people and use these skills to help build and maintain their own communities.

Argyle is very committed to their Indigenous trainees and continue to monitor these participants as if they were on site.

In addition to engaging individual employers, industry and Indigenous communities by funding a large and diverse range of employment and training projects under STEP, the department also has a contract with the Australian Chamber of Commerce and Industry (ACCI) to improve employment outcomes for Indigenous Australians. The contract draws on ACCI's position to achieve maximum leverage through its peak industry body status to secure greater employment outcomes in the private sector for Indigenous Australians. The arrangements include:

- provision of strategic level advice to the Department from an industry perspective on employment of Indigenous Australians in the private sector;
- provision of coordinated industry advice to the Department on aspects of the Government's Indigenous Employment Policy (IEP);
- working with industry associations to secure the development of Indigenous Employment Strategies in which industries and organisations commit to generate Indigenous employment outcomes and promote Indigenous enterprise opportunities;
- assistance with business development opportunities under the IEP; and
- identification and promotion throughout the ACCI network of case studies of private sector businesses employing Indigenous Australians and/or encouraging Indigenous enterprise.

Limitations – Where contracts are with individual employers, employees' ability to gain accredited and transferable skills should be considered. In addition, while leading companies and businesses are quick to take on the responsibility of being a corporate leader, the implementation is dependent on each individual entity of the company or business which can result in slow employment outcomes.

Opportunities – Large companies lead by example which can create a flow on effect for other companies and businesses. The model also show cases positive employment outcomes through the *Corporate Leaders for Indigenous Employment Awards* and creates role model not only in the business arena but for Indigenous people in general.

Broader Partnership Frameworks

Shared Responsibility Framework – The Commonwealth Government has agreed to work closely with State and Territory Governments in a number of Indigenous communities and regions to provide programmes and services in a more coordinated and flexible way based on priorities agreed with communities. A fundamental principle of this approach is the development of

specific Shared Responsibility Agreements which enable communities to identify their own priorities and set out clearly defined roles and responsibilities of all parties in implementing the agreement.

Under the Wadeye agreement in the Northern Territory, DEWR supports a local jobs strategy which has seen the establishment of the 'Thamarrurr Employment, Training and Participation Committee' (TETPC). The Committee will look after all employment, training and participation initiatives at Wadeye. A partnership has been formed between Thamarrurr Regional Council and Group Training NT to develop a business plan for the TETPC and to identify priority projects to be undertaken at the community level. Group Training NT will also deliver training to Committee members. The initial priorities identified by the Committee are; work experience and school to work transition; new apprentices in construction and the development of a work orientation program. The committee will also work on succession plans for targeted community jobs. Partnerships will be formed with Registered Training Organisations to deliver on site accredited training to community members. This is a move away from off the job training being delivered at external locations and will increase local participation rates. Literacy and numeracy will be delivered concurrently with all training to maximise outcomes for local people for whom English is a 2nd or 3rd language. This is a new approach and will involve interpreter and mentor support along the way. Future planning will include JN Services to Wadeye, the development of a 'Commercial Development Corporation' and small family oriented business activities.

- *Community Participation Agreements (CPAs)* - Aboriginal and Torres Strait Islander Services (ATSIS) has a program called *the CPA Initiative* (Community Participation Agreements / Capacity Building Initiative).

The CPA Initiative can help remote communities to increase the social, cultural and economic participation of community members on income support (e.g., Newstart or Youth Allowance).

To address welfare dependency, communities can use the CPA Initiative to:

- identify ways people can participate in their communities in return for their income support; and
- plan, negotiate and manage agreements with:
 - community members who receive income-support to take part in community activities in return for their income-support, and
 - government and non-government service-providers to provide (or improve) services needed to encourage and support community participation.
- *Indigenous Land Use Agreements (ILUA)* - An initiative contained in the Howard Government's 1998 amendments to the *Native Title Act 1993*. An ILUA is a voluntary agreement about the use and management of land, made between a native title group and others. An ILUA can be a practical option for resolving native title issues as it allows people to make

agreements about how land is used without entering into other future act processes such as the right to negotiate process. While ILUAs can be made separately from the native title determination process, they may also be negotiated at the same time as consent determinations of native title.

ILUAs can provide a way for native title parties to negotiate either financial benefits or various types of non-monetary benefits, including participation in potential business activity and employment opportunities. For example, negotiating an ILUA with a mining company may not just be an opportunity for native title parties to gain financially in return for their agreement to the grant of a mining permit – it may also provide an opportunity for native title parties to negotiate employment opportunities for local Indigenous people such as traineeships and apprenticeship.

Anecdotal evidence suggests that employment outcomes from ILUAs have been limited to Indigenous communities who have been proactive in seeking employment opportunities for the community. Stronger relationships between Government's, Native Title Representative Bodies, Industry and Native Title Claimants could be developed to assist Indigenous people to obtain greater employment outcomes.

In summary, DEWR Indigenous programmes support a wide range projects that involve partnerships. DEWR does not promote a particular 'industry and Indigenous communities' partnership model as necessarily leading to better outcomes than another model partly because it is difficult to assess their relative effectiveness and transferability (one size does not fit all). It is perhaps more useful to identify characteristics of a partnership arrangement or strategy that are likely to support strong employment outcomes. In DEWRs experience, successful projects involving partnerships between industry and Indigenous communities are generally those with:

- direct involvement of Indigenous communities/ groups (representing labour supply) and employers (representing labour demand) with an emphasis on shared responsibility;
- a commitment to achieving realistic goals and an understanding of the issues by the parties involved;
- access to flexible support (eg funding, training provision etc) to ensure effective place based approaches;
- cross portfolio government support contributing to integrated approaches;
- pre-employment work readiness training for those Indigenous people with a limited employment history; and
- on-going mentoring support for employees to assist with retention in employment.

Conclusion

Because of the disadvantage experienced by Indigenous Australians, both the supply of a job ready workforce and employer demand for that workforce need to be stimulated if Indigenous unemployment is to be effectively addressed. Through the Indigenous Employment Policy's flexible suite of programmes DEWR is well placed to support employer commitment. The role of developing a job ready labour supply is well suited to IECs, Job Network and CDEP organisations. Improving the links between the employment functions of CDEP and DEWR would maximise positive outcomes.

Appendix A

Indigenous Employment Policy Evaluation Stage Two—key messages

Impacts and improvements

1. The IEP is meeting its primary objective of improving the employment prospects of Indigenous Australians, particularly in the private sector (but it is clear more still needs to be done). The programmes in the IEP provide a flexible approach to meeting the various challenges of high levels of Indigenous unemployment.
2. Each year around 28,000 Indigenous job seekers have been assisted through the main programme elements of the IEP.
3. The difference that IEP makes to participants (the improvement in outcomes resulting from assistance) is a strong result by international standards. Results for Job Network (Intensive Assistance) and Wage Assistance found that job outcomes were increased from 14.9% to 23.5% (a net impact of 8.6 percentage points) and 39.6% to 50.8% (a net impact of 11.2 percentage points) respectively. Estimates suggest that IEP is responsible for between 2,400 and 4,300 jobs per annum.
 - a. This is a substantial number, given the size of the Indigenous labour force (about 125,000).
 - b. It shows a range of flexible, practical programmes which ask the private sector to make a commitment and can make a difference.
4. The IEP has a range of programmes that are working well from an employer perspective.
 - a. Wage Assistance is effective in drawing in new employers from small and medium-sized businesses.
 - b. STEP and Corporate Leaders have a positive effect on employers' hiring decisions and encourages those employers who have employed Indigenous people before to employ more highly disadvantaged Indigenous job seekers, to use mentoring to encourage retention and contributes to workplace change.
5. The IEP appears more effective at boosting ongoing job opportunities in regional locations where Indigenous unemployment is higher.
6. Recruitment into STEP and employment outcomes can be improved particularly through Job Network and IECs using innovative and proactive forms of support identified in good practice studies in the report.

- a. New arrangements for Job Network and IECs include incentives for providers to offer similar innovative services using funding set aside to assist job seekers move into employment.
7. Early findings from the report have influenced the ongoing improvements and the design of new programmes.
- a. New Indigenous Employment Centres, based in CDEPs in areas with good labour markets, to help job seekers move off CDEP into mainstream employment.
 - b. New STEP projects use mentoring to increase retention rates with many targeting young people.

Future challenges

1. For the IEP and Job Network more focus is needed on helping those Indigenous people who are relatively more highly disadvantaged (less skilled, educated or job-ready).
 - a. The new Job Network contract provides substantial assistance to the most disadvantaged and is now delivering more jobs than ever.
 - b. Employers are using STEP assistance to take more disadvantaged job seekers.
 - c. Job Network and IECs are placing more job seekers than ever. Many are using Wage Assistance, which has been shown to have a strong impact.

2. A major challenge is to provide employment assistance for the rapidly growing Indigenous population, which will continue to see a significant inflow of young people into the labour force.
 - a. Increasing numbers of young people are looking for work through Job Network and IECs.
 - b. The new Job Network contract removes limits on available places and all eligible job seekers receive timely personalised assistance to help them into employment.
 - c. The number of participants benefiting from STEP and WA continues to grow.

3. The IEP has shown it is contributing to economic and social change, but this takes time.
 - a. The report shows positive progress made since Stage One evaluation.
 - b. The IEP is part of a broader cross portfolio approach which tackles social, educational and economic disadvantage.
 - c. The IEP is meeting the challenge of addressing the needs of job seekers and employers through Job Network, Indigenous Employment Centres and STEP, micro enterprise funding and support and the Indigenous Community Volunteers.

4. The Government is trialling new and innovative ways to share responsibility with Indigenous communities and State governments for better outcomes in eight regions—the extent of disadvantage requires government to test new ways of delivering services.
5. The report highlights the need for an increased focus on Indigenous young people as a critical issue for the future.
 - a. Improvements to target Indigenous young people have been introduced into existing programmes (early access to Intensive Support Job Search Training and innovative school to work projects in STEP).
 - b. Improvements are in train, including measures designed to encourage increased retention levels among Indigenous students and ensure a smoother transition from school to work.
 - c. In addition, there is a need for an increased focus, within the IEP, and across government, to develop measures that will support and promote stronger Indigenous economic development.
6. Data quality improvements are needed to support future policy development and evaluation. In particular, better quality information is required on underemployed and discouraged Indigenous workers, CDEP participants and their use of mainstream services and the characteristics of STEP participants who are not registered with Centrelink.