



SOUTH AUSTRALIAN  
**CENTRE FOR ECONOMIC STUDIES**



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# **Modelling What Works Well in SA Works in the Regions**

## **Final Report**

Report commissioned by  
**Workforce Development Directorate**  
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## Contents

<b>Executive Summary</b>	<b>(i)</b>
<b>Acknowledgements</b>	<b>(iii)</b>
<b>1. Introduction</b>	<b>1</b>
1.1 Objectives, Methodology and Outputs	1
1.2 Literature Review	3
<b>2. SA Works in the Regions</b>	<b>12</b>
2.1 Overview and Objectives of the Program	12
2.2 Data	13
<b>3. Workforce Participation Partnerships (WPP: Victoria)</b>	<b>16</b>
3.1 Overview and Objectives	16
3.2 Overview of Program Data	22
3.3 Final Overview	24
<b>4. South Australian Case Studies</b>	<b>25</b>
4.1 Chose Your Future: Goal 100 Whyalla (South Australia Works in the Regions)	25
4.2 Whyalla Track Maintenance Program (South Australia Works in the Regions)	28
4.3 BoysTown Port Pirie (South Australia Works in the Region)	30
4.4 Kilburn/Blair Athol Employment Project	32
4.5 Australian Refugee Association – Connecting to Australia	35
4.6 Renmark Paringa Community Centre – Having the Edge	37
<b>5. Victorian Case Studies</b>	<b>41</b>
5.1 Victorian Cooperative on Children’s Services for Ethnic Groups (VICSEG)	41
5.2 Latrobe Valley Workforce Partnerships	45
5.3 Australian Manufacturing Technology Institute Limited (AMTIL)	47
5.4 Victorian Automotive Industry Training Board Inc (ATV) Automotive WPP	49
5.5 Electrical Trades Unions of Australia (ETU) Southern Branch: Trades Apprenticeship Program for Indigenous Communities	51
<b>6. Conclusion</b>	<b>54</b>
6.1 Consideration of Other Models	56
<b>Bibliography</b>	<b>58</b>
<b>Appendix A: Interview Schedule as a guide only to interviews</b>	<b>60</b>
<b>Appendix B: DFEEST Project Summary and Evaluation</b>	<b>67</b>
<b>Appendix C: The Context for Change</b>	<b>79</b>
<b>Appendix D: Definitions used in Administration of the WPP Program</b>	<b>90</b>
<b>Appendix E: Performance Indicators to Evaluate WPP</b>	<b>91</b>

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## Executive Summary

This report is concerned with ‘learning lessons’ from selected case studies of individual employment and training projects delivered through the South Australia “SA Works in the Region” program and the Workforce Participation Partnerships (WPP) program, an initiative of the Victorian government. It is part of a broader and progressive evaluation framework adopted by SA Works in the Regions; it is not an evaluation of the entire program nor are the researchers evaluating the impact of the program (i.e. the impact of the program on employment and earnings or the net effect on unemployment).

The study is intended to identify attributes of successful projects that are assisting South Australians who face the greatest difficulty in the labour market achieve employment outcomes, or other positive outcomes which may lead to employment. In essence, the question to be answered is:

“.... is it possible to identify and to extract lessons from some of the more successful projects to understand what makes for an optimal labour market program, measured against successful employment outcomes. Other positive outcomes include increased labour force participation and continuation in education and training program post program participation”.

A review of the literature on labour market policies and programs suggests there is broad agreement on several key principles to improve the effectiveness of labour market programs although “why some programs” work well is not always fully understood.

The key principles include:

- training should be closely targeted to the needs of industry or local employers and match the interests of the cohort of job seekers (latter involves careful selection of job seekers);
- programs should generally be small in scale and again, be targeted at skills in demand or the needs of employers;
- achieving a qualification or certificate is important for some participants and for some industries, as it signals to the employer competency, skills and employability;
- combination programs work best as they have the capacity to address ‘multiple barriers’ to employment and are able to be tailored to the needs of the individual. Combination programs may involve, *inter alia*, training on and off the job, work placement, mentoring, job search assistance, and follow up once in employment;
- early intervention is advisable, whether this involves the unemployed job seeker or those currently at school who are at risk of leaving school without sufficient a foundation to compete in the labour market; and
- there are job seekers with entrepreneurial skills and talents who have the capabilities and desire to commence their own business who would benefit from training and business start up support.

Voluntary participation is important, while local projects should attempt to mirror employment disciplines and conditions as much as possible.

Sections 2 and 3 provide a brief overview of SA Works in the Regions and the WPP program in Victoria. Both target the most highly disadvantaged, both give considerable weight to locally generated/designed projects to address local labour priorities; they differ in that the WPP program explicitly stated the objective was to address skills in demand or known job vacancies and full-time employment was the objective outcome. WPP was designed as an outcomes based funding model; SA Works in the Region was “less insistent” on employment outcomes. Both projects have been able to generate considerable involvement of employers and local organisations.

Sections 4 and 5 are devoted to 11 case studies (South Australia = 6 and Victoria = 5).

The individual case studies in Sections 4 and 5 commence with a piece “Learning Lessons” that summarise, in our view, the reasons why projects were successful. They include:

- demand drive model to address skills in demand in the local market, strongly supported by employers (e.g., Goal 100, Track Maintenance, VICSEG);
- apprenticeship access programs for the more disadvantaged, using employer networks, involving good selection processes, pre-employment training and post placement support (e.g., Latrobe Valley Partnerships, ETU, ATV Automotive);
- combination programs that emphasise learning and then applying skills in a workplace setting, plus personal counselling/support throughout to equip participants for the reality and discipline of the workplace (BoysTown, Kilburn-Blair Athol Employment Project, ARA);
- careful selection of participants matched to the level of training and intended outcomes is important (basic skills courses such as Renmark-Paringa, higher level such as ETU, AMTIL, and ATV). Not all will achieve employment outcomes;
- completing a qualification (where appropriate) combined with actual work experience indicates competency and employability (VICSEG, AMTIL, ETU, Track Maintenance);
- projects that identify an industry or occupation where skills are in demand and tailor pathways to meet this demand achieve high employment outcomes. Personal support, counselling, mentoring, etc., will be required by many participants but the focus should be to acquire tradable skills; and
- projects that offer tangible and realistic outcomes achieve high retention rates; mentoring especially for indigenous participants (often supported by well known sporting figures) is very beneficial overall.

There is no single, optimal labour market program. What the case studies illustrate is the diversity of responses to local labour markets and/or industry and occupational requirements. This is a critical design feature of both SA Works in the Region and WPP; it leads to agencies, organisations and employers taking responsibility to address skill shortages and recruitment difficulties.

There can be a tension between the objectives of “assisting the most marginalised/most disadvantaged” and a requirement to achieve employment outcomes. This is most evident in outcomes based funding models such as the Job Network. Notwithstanding, the priority should be that projects place the strongest emphasis on skills and transition to employment.

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The researchers believe that SA Works in the Regions program could benefit from further emphasising the following:

- strengthen the cooperation with local employers;
- give greater priority to skills formation for transition to employment;
- provide a stronger indication of intended outcomes by industry and/or occupation;
- first aim to target employment outcomes and then build into programs the necessary “wrap around welfare”, case management, mentor support as required as an aid to achieve those outcomes;
- to the extent possible enable participants to achieve a qualification which signals competency, skills and capability; and
- general community-benefit projects (e.g., CEP or WfD type projects) must always have a strong training and skills component that is relevant to the labour market and should not be funded otherwise.

### **Acknowledgments**

The South Australian Centre for Economic Studies would like to thank the project co-ordinators and staff from each of the programs we visited here in South Australia and Victoria. The commitment of project staff and regional co-ordinators to assisting job seekers is outstanding and brings credit to SA Works in the Region and the Workforce Participation Partnership program.

Staff of the Workforce Development Directorate (DFEEST) especially Ms Jenny Lauritsen, Ms Deb Selway and Mr Paul Frost from Employment Programs Directorate (DFEEST) provided wonderful support and assistance throughout the conduct of this study.

The Centre also records that the knowledge, experience and professionalism of those who deliver the individual projects to assist job seekers should not be underestimated. Some individuals have worked in employment assistance programs for a very long time and have built contacts and networks without which the projects would not be successful. Harnessing this local expertise is very important to the success of SA Works in the Regions and the Victorian Workforce Participation Partnerships program.

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## 1. Introduction

### 1.1 Objectives, Methodology and Outputs

The Department of Further Education, Employment, Science and Technology (DFEEST) commissioned the South Australian Centre for Economic Studies (hereafter the Centre) to review local labour market programs designed to assist the most disadvantaged enter into education, training and ultimately employment. In South Australia the various projects were funded and conducted under the *South Australia Works in the Regions* education, training and employment initiative. The scope of the review required the Centre to report on a number of projects which were funded through the Workforce Participation Partnerships (WPP) program conducted in Victoria, that were also designed to assist the most disadvantaged achieve sustainable employment outcomes.

#### 1.1.1 Objective

The principal aim of the project was to identify and document principles, criteria, methods and models for engaging persons who face multiple barriers in obtaining employment. This information would then be used to assist DFEEST and local Employment and Skills Formation Networks (ESFN) to further develop a range of workforce participation models for engaging persons who are most disadvantaged in the labour market. The ultimate objective was to assist individuals through improving opportunities for learning and/or training that lead to employment.

Other specific objectives were:

- document and discuss methods for assisting individuals gain employment, which include addressing personal, skills or qualifications barriers;
- report on strategies for supporting newly employed persons remain in employment;
- identify the critical components in various programs for achieving employment outcomes;
- consider high level principles and guidelines to support the implementation of proposed models; and
- consider the role of relevant networks/agencies, e.g. ESF Networks, ISBs, DEWR.

#### 1.1.2 Methodology

- examine existing documentation on innovative employment projects;
- identify 15 or so projects from across the regions that demonstrate effective approaches for engaging job seekers in employment, based on the following criteria: local response; minimum of 2-4 stakeholders; works with persons facing multiple barriers to employment; process for supporting new placements;
- select 8 or 10 most relevant projects, identified from project documentation;
- obtain input from Departmental officers involved in funding and supporting these projects;
- obtain input on strengths, weaknesses and future possibilities from persons engaged in delivering projects;
- speak with other relevant persons involved in selected projects;

- identify what is working and the reasons why it is; and
- document relevant findings.

In addition, the Centre agreed to conduct a limited literature review (international and national literature) on active labour market policies and programs, with a view to identifying any “lessons to be learned from the experience of others”. The Centre also agreed to review several projects funded under the Victorian Government’s Workforce Participation Partnerships Program (WPP) 2006-07 that were designed to assist the most disadvantaged enter the labour market and to achieve full time employment outcomes.

### ***Rationale***

Target 1.12 in South Australia’s Strategic Plan aims to increase the level of employment participation in SA to the same level as the Australian average by 2014.

To achieve this target it is envisaged that additional efforts, new strategies and new ways of working across government, industry and the community sector will be required to augment existing programs and projects.

The major focus of this project is to identify and document examples of projects or components of projects that are engaging persons with multiple barriers in employment. The project will seek input from those who know what works but don’t have time to write it up.

Overall, this study has relevance to eight of the target set out in the South Australian Strategic Plan shown here:

- Employment Participation (T1.12);
- Jobs (T1.10);
- Unemployment (T1.11);
- Aboriginal Unemployment (T1.26);
- Work-life Balance (T2.12);
- Economic Disadvantage (T6.5);
- Learning or Earning (T6.15); and
- People with Disabilities (T6.22).

### ***Scope***

The Department advised that initial research into *Workforce Participation in SA: Barriers and Opportunities* has concluded that future options to increase workforce participation are dependent upon:

- Arresting and reversing the decline of male labour force participation, especially of low skilled prime aged men.
- Sustaining and increasing female labour force participation, particularly the participation of women of childbearing age.
- Improving and extending the participation in the labour market of older South Australians.
- Improving the skill level of those currently peripheral to the workforce.

- Increasing the participation in further education and training of groups who have a struggle finding employment.

Due to the range of issues associated with the labour force participation of the groups identified above as well as the fact that regions are experiencing different economic and social conditions a number of different models were proposed to be investigated, for instance,

- Engaging older workers
- Engaging migrants
- Engaging and retaining aboriginal workers
- Engaging unskilled workers
- An employer model
- A union model
- An urban renewal model

Each model will be underpinned with principles necessary to support its effective development, implementation, monitoring and evaluation. An example of such principles includes a measure of flexibility to allow program administrators to adapt to the needs of individual participants.

### 1.1.3 Outputs

A pre-determined number of models/case studies, as specified above, that include:

- a broad rationale for engaging persons facing multiple barriers in employment,
- essential elements of each model,
- principles underpinning this approach,
- criteria for working with individuals and stakeholders and
- an evaluation component.

The models will be shaped by relevant information about projects in both South Australia and Victoria that are successfully increasing employment participation, e.g. of indigenous persons, women or in skill shortage areas.

The report will also draw on relevant approaches currently used in the Victoria Workforce Participation Partnerships Projects to prioritise partnership projects and to promote the government's commitment to this work through prominent use of SA Works branding.

## 1.2 Literature Review

In the Economic Issues Paper, "A Review of the Literature on Active Labour Market Policies"<sup>1</sup>, the South Australian Centre for Economic Studies conducted an extensive literature review of labour market policies and programs in an effort to address the question 'what makes for an optimal labour market program'. An important observation was that, because labour market programs (and individual projects) differ in terms of the policy objectives, the participant cohort, location, implementation and management, and that

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<sup>1</sup> SACES (2006), "A Review of the Literature on Active Labour Market Policies", planned publication in 2008, Economic Issues Paper series.

national, state and local labour market conditions vary over time and place, etc., it is difficult to make comparisons and unequivocally conclude particular factors contributed to the success or otherwise of various labour market programs. Further, evaluations of labour market programs can often inform us as to what works well but ‘not why it works’.

In concluding that there was still little knowledge about ultimately what makes for an optimal labour market program, the Centre noted that ‘judging the success of labour market programs also depends on the role one believes programs ought to play; as a policy response used to reduce unemployment in its own right, to help those who are currently unlikely to find a job become employed even if it is at the expense of some who are already in employment, as a complimentary policy to other policies designed to reduce unemployment (Neville, 2003) or for a range of reasons that might be summarised under the heading of ‘social and distributional equity’.

### **1.2.1 That the level of Aggregate Demand does matter ...**

It is significant to note that, many evaluations of labour market programs occurred in the 1980s and early 1990s, when deficient aggregate demand for labour was the prevailing norm in most developed OECD economies. Labour market programs were developed to ‘combat high and persistent unemployment’, particularly high rates of youth unemployment within these economies. However, from the late 1990s through to today, stronger economic growth and changes in the demographic profile of developed economies have given rise to very strong demand for labour. Thus the economic environment and the labour market are very different than previously was the case; the demand for skilled labour continues to be exceptionally strong. For example, it was reported that in Western Australia today, as that economy experiences a prolonged mining boom, there are just 1.2 unemployed persons for every 1 advertised vacancy.<sup>2</sup> *Ceteris paribus*, employment outcomes from labour market programs are likely to be exceptionally high if programs are appropriately designed and targeted to address skill shortages in such an environment.

As well, in recent years across most OECD economies, there has been considerable attention (at the policy and at the program level) paid to the interaction between income support and active participation in labour market activities, ‘welfare to work’ programs, job search activities, programs to increase workforce participation and the employability of job seekers. There has been a much closer integration of ‘active and passive’ employment assistance measures, programs and policies that has generated a variety of new approaches to assist jobseekers find and retain employment and to assist re-entrants to the labour force.

Notwithstanding that the economic environment is different and demand for labour is exceptionally strong, it remains to understand why some programs are successful in achieving high employment outcomes, why some programs/activities appear to work for ‘some groups and not others and in what circumstances’.

Based on a detailed literature review of labour market assistance programs and the Centre’s evaluation of labour market programs at the national level, in South Australia and in the State of Victoria we outline and consider below, some of those factors that appear to be significant in programs achieving high and sustainable employment outcomes and other positive outcomes such as retention in the programs, participation in training, return to education, and voluntary work. This discussion and summary of the researchers experience was written prior

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<sup>2</sup> *The Australian*, 11 January 2008.

to visiting, interviewing and reviewing the case study projects conducted under the SA Works in the Region Program.

This approach was important methodologically in that, *a priori*, the researchers set out from a 'basis of ignorance' to review each of the nominated case study projects in South Australia. We sought to understand the origin, design, nature, location, staffing, funding, etc, of each project, the participant target group and how they were selected, the quality of the relationship with community organisations and training agencies, the relationship with local employers, whether there were any special features that would help to explain 'successful outcomes' and what worked and why it worked. Thus, at the outset the researchers knew very little about any of the case study projects.

Those factors that the researchers considered may be important and which receive considerable attention in the international literature, are considered here.

### **1.2.2 Close Cooperation with Local Employers**

Martin (1998: p 17) suggests three elements that are crucial features in the design of public training programs:

- the need for tight targeting on participants;
- the need to keep the programs relatively small in scale; and
- the need to have a strong on-the-job component in the program, and hence to establish strong links with employers.

On the last of these points, where unemployment is high and job seekers are active, then employer based programs are likely to have a displacement effect; that is to say, it is the participants from the program who receive job offers rather than non-participants. However, there may be no displacement effect when unemployment is declining or very low as is currently the situation in several regional labour markets and industry sectors in South Australia.

In the current labour market, the input of local employers in the design of labour market assistance programs appears to be advantageous in achieving sustainable employment outcomes, for the following reasons:

- genuine demand for additional employees and difficulty in recruiting new staff;
- employer specific training programs act as a screening device to reduce employment recruitment effort and costs;
- training programs help to test or assess the capacity of participants to meet future workforce demands (i.e., they are work ready) providing valuable insights and information to employers;
- higher skills at entry level provide immediate gains in productivity, and over the longer term;
- employers desire to achieve improvements in workplace retention and minimise turnover; and
- employer sponsorship and contribution to specific training programs are seen to contribute to social equity goals, as well as contributing to being a 'good corporate citizen'.

Later, we report (Section 4) that the Whyalla Track Maintenance Project was tightly targeted through the selection process, it was relatively small (20 persons) and was directly linked to the recruitment needs of the employer (it met all three elements as suggested by Martin). On the other hand, the Whyalla based Goal 100 program was relatively large but had very strong links with local employers. Goal 100 was supported by a number of employers who had previously committed to hire up to this number of graduates. Subsequent programs have been reduced in scale to a) meet employer requirements, and b) participating agencies felt that a smaller number of participants would assist with providing personal, one-to-one assistance that was required by many participants who previously had been marginalised from the workforce.

Both these programs were successful because they addressed employer's expressed needs. It could not be said that they displaced other workers (i.e., no displacement or deadweight loss effects), as both projects were specifically designed as a method of recruitment. The GGT Latrobe Valley project (see Section 5.2) funded under the Victorian Workforce Participation Partnerships (WPP) program, where 50 disadvantaged young people received extensive pre-employment training, on-the-job placement with a host employer and extensive post-placement support to assist the job seeker and the employer, is another example of the sustainable employment outcomes where specific job related training is provided in response to known job vacancies.

From a review of a number of employment assistance programs funded under SA Works in the Regions and the Victorian WPP program, training programs that combine classroom learning and on-the-job work experience (skill enhancing activities) coupled with meeting the requirements of local employers appear to achieve solid and sustainable employment outcomes. These 'local projects' are targeted at local labour demand and they expose participants to the realities of employment. Depending on the individual needs of the cohort of participants, the programs provide 'wrap around welfare support', assistance with cultural issues, assistance with literacy and numeracy and other support services as required (e.g., post program support, mentoring). They may also provide additional support to the employer either through "handling the paperwork", providing rotation to other employers if the placement is not working and intervention to assist the employee where they are experiencing difficulties. Support services contribute to high retention rates while in training. For some projects, the guarantee of employment once training was completed also assisted with retention rates.

### **1.2.3 Early Intervention**

The literature points to the need for early intervention in regard to young people at risk of long-term unemployment and the relative ineffectiveness of labour market programs as a primary means of assistance for this group. "It cannot be over-emphasised that if young people leave the schooling system without qualifications and a good grounding in the 3Rs, it is wellnigh impossible for labour market programs to overcome these handicaps later on." (Martin 1998: p 20)

However, when disadvantaged young people do engage in labour market programs the role of the 'adult mentor' appears to be very important in program retention, building a young person's self esteem, developing skills and acquiring a positive attitude to work. Several labour market programs the researchers reviewed in Victoria and South Australia (e.g., BoysTown in Port Pirie) reinforce this conclusion.

### 1.2.4 Wage Subsidy

Programs that involve the use of a wage subsidy for employment in the public sector have generally not been successful in achieving sustainable employment outcomes. Wage subsidy programs applied in the private sector, unless to assist with self employment,<sup>3</sup> are rarely successful in creating sustainable employment and may give rise to large displacement effects. They are usually justified on redistributive grounds. SA Works in the Regions has not funded wage subsidy projects *per se*, although participants in some training programs may receive a small payment to cover expenses provided by a future employer. The Community Jobs Program (Jobs and Training) in Victoria which was replaced by the WPP program did provide a wage subsidy for employment in a community organisation for up to twelve weeks. Generally, the trainee was not retained by the community organisation at the end of the subsidy, although many trainees were successful in securing employment in the private sector following their participation in the program.

### 1.2.5 Skills Formation and the role of Training

There is considerable support for the findings of Moskos (2007a) that policy measures and individual programs which emphasise skills formation do assist with employment outcomes and on-going participation in the labour market. Where skills formation and training is employer specific, employment outcomes are even higher. Moskos (p. 23) notes:

“The increased demand for skilled workers in the South Australian labour market suggests that policy measures aimed at increasing participation in the workforce should pursue avenues for improving the skill level of those currently peripheral to the workforce. It also suggests that increasing the participation in further education and training of groups whose labour is not currently being utilized by the labour market would go along way in offsetting any future decline in economic growth caused by the ageing of the population.”

In her review of the literature on labour market programs Moskos (2007a, p. 36) summarises some key points as to what works best among labour market programs. They include the following:

- work experience and training programs appear to be the most suitable approaches to improving the employment outcomes for medium and long term unemployed people, particularly when the two are combined;
- training programs have the most impact when they are targeted at the labour demands in particular regions;
- for short time unemployed people job matching appears to work well; and
- post-placement support services are particularly useful in both engaging employers to employ disadvantaged job seekers and ensuring lasting employment outcomes for unemployed persons.

The ABS in “Barriers and Incentives to Labour Force Participation”<sup>4</sup> recently reported that the main difficulty in finding a job reported by people who were available and looking for a job or work with more hours was ‘lacks the necessary training/qualifications/experience’. Over two thirds of respondents to this category were women. Other barriers most often referred to were difficulties in accessing transport, some form of personal disability and that the conditions/arrangements were not suitable. Moskos (2007a, p. 32) also noted (inferring

<sup>3</sup> South Australia conducted a very successful Self Employment Ventures Scheme (SEVS) in the late 1970s and early 1980s to assist the unemployed start their own business.

<sup>4</sup> Australian Bureau of Statistics (ABS), “Barriers and Incentives to Labour Force Participation”, Cat No 6239.0, December 2007

from national data) “that skills and experience are crucial to the employment prospects of unemployed persons, with 46 per cent of unemployed people considering that the main barriers they faced in securing employment were lacking the necessary skills and experience and/or insufficient vacancies for people with their skill level”.

Because labour market programs are ineffective in increasing employment opportunities (that is to say, of themselves they do not create vacancies) then training of itself is unlikely to be very effective in meeting the needs of both employers and job seekers. However, whether in a depressed or a buoyant labour market, where training for specific skills is undertaken that meets the demands of the local employers/the local labour market, then training is more likely to be effective. Some types of training programs are more suited to buoyant labour market conditions (i.e., WPP, Private Industry Partnerships (USA), demand led approaches to skills shortages).

Another lesson from the literature is that training programs appear to be more effective for women than men and more effective for adults than for youth. Training does appear to help women re-entrants into the labour force (Webster, 1997; Fay, 1996; Dar and Tzannatos, 1999). This finding supports the training component and the design of the Parents Return to Work Program, which assists parents returning to work to update skills, knowledge, their curriculum vitae and job search skills.

Overall the review of literature suggests that training programs tend to be more successful if they are long and lead to a formal qualification. The formal qualification helps to establish a competency (i.e., a set of skills) which is recognised by an employer. On balance, the Centre’s review of the literature suggests that, if training is to be part of an active labour market policy, it should be incorporated as only one element of a combination program (see below). Our observation from other labour market evaluations, the literature review and interviews with WPP and CJP-JT providers in Victoria and project sponsors under the SA Works in the Regions is that training is almost always incorporated with other assistance measures.

### **1.2.6 Combination Programs**

The Workforce Participation Partnerships (WPP) conducted in Victoria in 2006-07 and similar programs conducted overseas such as Private Industry Partnerships in the USA (Gore 2005) are examples of combination programs (i.e., skills training, work placement, mentoring, personal assistance) with a very strong emphasis on the needs of the local labour market. To that extent they reflect a priority in policy for ‘demand-led approaches to meet address skill shortages in the local labour market’. They can be conducted to address skill shortages in specific occupations or to address more general shortages within an industry (e.g. automotive industry or machine operators across various industry sectors). The Centre has previously commented on these types of programs as being a ‘response to the existence of a large number of jobless persons at the same time as employers in certain sectors were reporting recruitment difficulties, skill shortages and high levels of employee turnover’ (SACES 2005).

They are most often closely targeted, participants are carefully selected to assess their interest in employment in the industry/occupation, and the programs are small scale and have significant industry input into the design of the relevant training course, and most importantly, a commitment by employers to take on graduates. The Private Industry

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Partnerships program in the USA actually requires employers to sign up to take graduates prior to the commencement of any program.

### **1.2.7 Assisting the Most Disadvantaged**

The literature does support the need for ‘wrap around welfare’ or ‘life-first’ approaches to labour market programs, especially those designed to assist the most disadvantaged job seeker, arguing that attention needs to be paid to the life circumstances of the individual (e.g., family issues, homelessness, prior education experience, assistance to address problems with drugs and alcohol and cultural and family circumstances such as generational unemployment). Retention in the program and employment outcomes will be that much harder to obtain and sustain without individualised or personal assistance in many case. The Commonwealth’s Personal Support Program (PSP) recognises this necessity for job seekers who face multiple barriers to participation in the labour market, and is specifically designed to address ‘life circumstances’ prior to tailoring assistance for employment outcomes.

### **1.2.8 Community Projects**

Most researchers and authors are critical of community projects or ‘welfare to work programs’ such as Work for the Dole (WfD) as being generally ineffective in improving employment outcomes. This is largely attributed to the fact that they are neither demand led in origin and for the most part divorced from the realities of the labour market. Most significantly, and this is an important comparison with WPP and SA Works in the Regions, evaluations of Work for the Dole conclude that many participants are frustrated and disappointed that WfD was not tailored to their career aspirations and the work skills they sought to acquire. In addition, because WfD projects are managed by not-for profit organisations many participants who are seeking to enter a trade or particular industry such as retail are not able to acquire the skills that would help achieve these aims.

All the above stresses the need to design and approve projects that have local employer involvement, address employment opportunities that are available at the local level, and improve both skills and personal attributes related to the world of work. At the same time projects should continue to encourage all participants to continue with their job search while undertaking their project in order that participants do not become ‘locked into’ labour market assistance and training programs/projects. Where projects are linked directly to employers and a commitment to employ graduates (as in several WPP and SA Works in the Regions projects) the likelihood of this ‘lock-in effect’ is much reduced.

### **1.2.9 Counselling**

Effective counselling tailored to the needs of the individual seems to be especially important for those who face multiple barriers to employment. Assignment of a personal adviser, information on labour market opportunities, assistance with making job applications, information on training opportunities and follow-up assistance after program participants have found employment, all seem necessary for promoting post-program employment outcomes. For the most disadvantaged in the labour market, counselling on matters other than those to do with the labour market such as financial issues, substance abuse, accommodation and child care issues may be an important first step to get them into a position where they can engage employment, in job search and/or be assisted to be job-ready.

### 1.2.10 Conclusions

While the review of literature points to several factors that appear to be important in the design of labour market assistance programs, it is important to acknowledge that many evaluations of such programs took place under different circumstances. However, while the economic environment is different today and demand for labour is exceptionally strong, unemployment remains a concern, particularly for disadvantaged job seekers, re-entrants to the labour market, many job seekers with a disability and other groups. There still remains a degree of uncertainty about 'why some programs work'. Accordingly, we should be cautious in urging recommendations and not to be too proscriptive about the types of programs that ultimately receive funding.

The researcher's review of the literature does suggest that there is broad agreement on the following key principles to improve the effectiveness of labour market programs:

- 1) training should be closely targeted to the needs of industry or local employers and match the interests of the cohort of job seekers (latter involves careful selection of job seekers);
- 2) programs should generally be small in scale and again, be targeted at skills in demand or the needs of employers;
- 3) achieving a qualification or certificate is important for some participants and for some industries, as it signals to the employer competency, skills and employability;
- 4) combination programs work best as they have the capacity to address 'multiple barriers' to employment and are able to be tailored to the needs of the individual. Combination programs may involve, *inter alia*, training on and off the job, work placement, mentoring, job search assistance, and follow up once in employment;
- 5) early intervention is advisable, whether this involves the unemployed job seeker or those currently at school who are at risk of leaving school without sufficient a foundation to compete in the labour market;
- 6) there are job seekers with entrepreneurial skills and talents who have the capabilities and desire to commence their own business who would benefit from training and business start up support; and
- 7) evaluation should be built into the design of program, it should provide an assessment of program outcomes and hence effectiveness of the program over time. For example, if the measured outcome is sustainable employment, then this needs to be followed up for a minimum period of time. If the outcome is to place job seekers into employment or into a specific occupation, where there is a demand for skilled workers, then the actual job placements should match those skills in demand in that occupation or that industry.

Campbell (2001) suggests that in addition to the above, other critical factors for success for labour market projects include that participation is voluntary, that job search continues to be encouraged while on the program and should be an integral part of the process (to avoid 'lock in effects') and that programs should mirror employment 'disciplines and conditions'.

Finally, Table 1.1 (originally drawn from Webster (1997) and expanded) summarises the relative efficacy of different labour market programs by the groups most assisted.

The researchers have taken this discussion and the various points raised in evaluations of labour market assistance programs and then sought to assess whether the ideas and issues considered here are relevant to ‘successful projects’ in the WPP program in Victoria and projects funded under SA Works in the Regions.

**Table 1.1**  
**Relative efficacy of labour market programs**

<b>Program Type</b>	<b>Appears to Help</b>	<b>Appears not to Help</b>
Training: classroom	Women re-entrant	Youth, older males and groups with low education
Training: on-the-job	Women re-entrants, youth with sufficient education	
Placement assistance	Most unemployed	Most adult unemployed
Job Creation	Very disadvantaged, long-term unemployed	
Job search assistance	Most unemployed, women and parents returning to work,	
Special youth measures		Disadvantaged youth
Wage subsidy	Most unemployed, long term unemployed	
Combination programs	Youth, long-term unemployed	

Source: Webster (1997, p. 29), Martin (1998, p. 16) and SACES based on literature review.

Some of the questions we were interested to explore include:

- how has local employer involvement been achieved, with what benefits/outcomes;
- are there any elements in combination programs that appear to work well for some groups;
- are smaller projects (in terms of participant numbers) always more successful in achieving sustainable employment outcomes;
- does local employer involvement influence employment outcomes and what is the nature of this;
- can GTO’s extend on their networks with employers to provide for more disadvantaged job seekers and if so what is required to assist this group of job seekers;
- how can unions and employer associations’ best respond to skill shortages;
- what type of programs best assist new migrants and refugees gain skills, build on existing qualifications, overcome cultural barriers, and more speedily enter the labour force.

## 2. SA Works in the Regions

### 2.1 Overview and Objectives of the Program

*South Australia Works* is the State Government's main learning, training and employment initiative designed to improve workforce participation and employment outcomes. The program provides employment opportunities and training for people who experience difficulty securing and maintaining employment. It recognises that the pool of available labour has shrunk dramatically as the South Australian labour market has moved towards "full-employment", leaving an increasing number of people who face significant barriers to employment. There is consequently a need for labour market initiatives that not only leverage disadvantaged people into employment opportunities, but also link potential employees with emerging skill needs.

In the 2006-07 financial year South Australia Works learning and work program had 25,035 participants across seven priority areas: regions, communities, young people, indigenous people, mature aged job seekers, industry and the public sector. Not all participants were unemployed; participants may have attended a career expo, conference or employment related information session and workshop. Some of these participants could potentially be employed, but are seeking to change careers, students and those contemplating leaving school seeking information on job/career opportunities. A total of 7,945 employment outcomes are reported to have been achieved by project sponsors.

*South Australia Works in the Regions* was launched in December 2003 as a 10 year coordinated strategy to improve regional employment outcomes and assist those persons who have difficulty engaging the labour market. Under this approach, local communities have responsibility for identifying their employment and training needs and implementing programs to address these needs and assist those persons facing barriers to employment. This is formally achieved through the Programs' Grantees (13 Regional Development Boards and the City of Onkaparinga, Northern Futures Inc., Western Futures Inc. and the North East Development Agency Inc.) and through the Employment and Skills Formation Networks (ESFN) (see Table 2.1 for a complete list of Networks and their auspice organisations).

Employment and Skills Formation Networks are comprised of representatives from Regional Development Boards, local, state and federal government, industry, training and education providers (e.g., TAFE) and other local community organisations. The Networks are co-located with Regional Development Boards and local government. Each network's activities are facilitated and coordinated by Executive Officers who are funded by support grants. The Executive Officers and Networks are supported by Employment and Skills Formation Teams within DFEEST and Regional Coordinators employed by DFEEST who are located in the regions.

Each Network is required to develop a 3 year Employment and Skills Formation Strategic plan for their region. These plans include a summary profile of the labour force in the region, especially those who are most disadvantaged. They also identify emerging labour and skill requirements in the region, education and training initiatives and strategies to address these needs, the nature and scope of such initiatives including partner organisations, funding requirements to deliver initiatives including potential sources, and targets and other evaluation mechanisms to enable the evaluation of labour market initiatives.

Each Network is also required to prepare a Regional Annual Action Plan which helps to facilitate the actual implementation of the program and allow the program to respond to

changing local needs. The annual plan identifies the actual strategies and initiatives that will be funded, including the outcomes that are expected.

Funding for the initiatives identified in the Employment and Skills Formation Plans are provided through funding agreements between the Minister for Employment and Training and each Grantee. Grantees are generally Regional Development Boards and Local Governments that were responsible for negotiating with DFEEST the establishment of the Employment and Skills Formation Network in their region (see auspice organisations in Table 2.1).

**Table 2.1**  
**Employment and Skills Formation Networks in South Australia**

<b>Employment and Skill Formation Network</b>	<b>Auspice Organisation</b>
Adelaide Hills Regions at Work Network	Adelaide Hills Regional Development Board
Eastern Adelaide Regions at Work Network	North East Development Agency
Barossa and Light Workforce Development Network	Barossa Light Development Inc.
Eyre Region Employment and Skills Formation Network	Eyre Regional Development Board
Fleurieu Employment and Skills Formation Network	Fleurieu Regional Development Inc.
Kangaroo Island Employment, Education and Training Network	Kangaroo Island Development Board Inc.
Limestone Coast Employment and Skills Formation Network	Limestone Coast Regional Development Board
Mid North Employment and Skills Formation Network	Mid North Regional Development Board
Murraylands Employment and Skills Formation Network	Murraylands Regional Development Board Inc.
Northern Adelaide Employment and Skills Formation Network	Administered through Northern Futures
Flinders Ranges and Outback Employment and Skills Formation Network	Northern Regional Development Board Inc.
Southern Flinders Employment and Skills Formation Network	Southern Flinders Regional Development Board
Riverland Employment and Skills Formation Network	Riverland Development Corporation
Southern Metropolitan Employment and Skills Formation Network	City of Onkaparinga
Western Adelaide Regions at Work Network	Administered through Western Futures (City of Port Adelaide Enfield)
Whyalla Employment and Skills Formation Network	Whyalla Economic Development Board Inc.
Yorke Region Employment and Skills Formation Network	Yorke Regional Development Board Inc

## 2.2 Data

### 2.2.1 Region Characteristics

There are some significant differences between the various Employment and Skills Formation Network regions in terms of labour market characteristics. Table 2.2 shows that there are significant variations in terms of the relative size of the labour force and level of unemployment in each region. Such variations together with other differences in terms of industry structure, economic growth prospects, size of disadvantaged populations and other socioeconomic characteristics emphasize the advantages to taking a localised approach to labour market planning and intervention. For instance, the Northern Adelaide Region has a relatively high level of unemployment which reflects that it has significant pockets of disadvantage communities, including long-term unemployed and migrants. The target groups face significant barriers to employment and requires tailored services that meet their needs, such as programs that improve their general employment skills and English language skills.

**Table 2.2**  
**Labour Market Characteristics of Regions, 2006**

<b>ESFN Region</b>	<b>Estimated Resident Population<sup>(a)</sup> (Persons)</b>	<b>Labour Force<sup>(b)</sup> (Persons)</b>	<b>Unemployment<sup>(b)</sup> (Persons)</b>	<b>Unemployment Rate<sup>(b)</sup> (Per cent)</b>
Adelaide Hills	53,129	35,316	943	2.7
Barossa and Light	27,024	15,936	443	2.8
Eastern Adelaide	343,432	222,691	7,695	3.5
Eyre	27,369	19,074	706	3.7
Fleurieu	32,041	14,240	728	5.1
Kangaroo Island	3,583	2,252	49	2.2
Limestone Coast	50,989	33,741	1,400	4.1
Mid North	12,455	8,461	226	2.7
Murraylands	28,980	16,894	926	5.5
Northern (Port Augusta) <sup>(a)</sup>	24,041	16,339	879	5.4
Northern Adelaide	168,041	99,751	8,309	8.3
Riverland	26,547	17,380	863	5.0
Southern Adelaide	191,660	121,081	7,281	6.0
Southern Flinders Ranges	18,164	11,061	640	5.8
Western Adelaide	222,363	127,826	7,639	6.0
Whyalla	17,719	11,337	726	6.4
Yorke	33,275	18,354	789	4.3

**Note:** <sup>(a)</sup> As at 30 June 2006.

<sup>(b)</sup> Year average estimate based on quarterly estimates.

**Source:** ABS, *Statistics*, Demography, and DEWR, *Small Area Labour Markets*, data file.

## 2.2.2 Program Expenditure, Participation and Outcomes

Table 2.3 shows the aggregate funds committed, number of participants and employment and training outcomes by Employment and Skills Formation Network regions in 2007. A total of 2,581 employment outcomes were anticipated from SA Works in the Regions projects funded in 2006-07 and this figure has been surpassed as shown in Table 2.3 (N=3,142 outcomes achieved).

The greatest number of employment outcomes in aggregate terms were achieved in Northern Adelaide (401), Southern Adelaide (299), Whyalla (260) and Western Adelaide (227) and each of these regions have a significant number of unemployed persons.

Overall, the program is well targeted in terms of regions, the relative size of the workforce, the aggregate number of unemployed persons and the funding provided to each region, to facilitate a localised response to labour market characteristics of individual regions.

**Table 2.3**  
**SA Works in the Regions**  
**Funds committed, participants and outcomes, 2006-07**

	Total Funds Allocated in Funding Deed	Total Anticipated Participants (Funding Deed)		Total Actual Participants		Total Anticipated Employment Outcomes	Total Actual Employment Outcomes to Date	Total Anticipated Accredited Training Hours (Funding Deed)	Total Actual Accredited Training Hours Delivered to Date
		High	Low	High	Low				
Adelaide Hills	\$300,000	260	0	332	306	135	129	13,250	18,597
Barossa Light	\$270,000	248	0	251	252	102	132	20,770	25,199
Eastern Adelaide	\$385,000	265	0	480	0	135	200	8,750	33,971
Eyre	\$400,000	238	0	275	3	142	162	34,220	37,979
Fleurieu	\$420,000	375	0	530	2,954	174	164	33,600	24,486
Kangaroo Island	\$151,000	70	0	154	0	30	75	7,800	7,428
Limestone Coast	\$300,000	508	0	330	2,516	230	162	13,000	13,686
Mid North	\$300,000	170	0	238	73	60	128	19,300	25,043
Murraylands	\$300,000	340	0	379	1,022	163	173	17,600	14,819
Northern Adelaide	\$614,000	570	0	759	160	361	401	38,150	53,297
Northern (Pt Augusta)	\$400,000	385	0	198	2,025	126	90	30,492	13,554
Riverland	\$400,000	325	0	580	353	143	271	14,800	26,086
Southern Adelaide	\$662,500	427	0	520	200	265	299	26,600	40,338
Southern Flinders Ranges	\$400,000	223	0	286	0	146	153	56,800	57,810
Western Adelaide	\$400,000	254	0	373	1,500	144	227	31,500	63,818
Whyalla	\$400,000	195	0	343	734	156	260	57,975	101,619
Yorke	\$310,000	160	0	236	404	69	116	8,300	25,427
<b>Total</b>	<b>\$6,412,500</b>	<b>5,013</b>	<b>0</b>	<b>6,264</b>	<b>12,502</b>	<b>2,581</b>	<b>3,142</b>	<b>432,907</b>	<b>583,127</b>

### 3. Workforce Participation Project (WPP: Victoria)

#### 3.1 Overview and Objectives

##### Box 3.1: Summary

- Broader economic and demographic change supports the policy of increasing workforce participation rates;
- WPP - a **dual linkages model**, very flexible, each project is a “**black box**”;
- Six core principles summarise the design, objectives, implementation and outcomes of WPP. The program is premised on a central role for a broker organisation that contract with DVC to deliver agreed outcomes, supported by partnering organisations;
- A diverse range of projects have been funded. There is considerable flexibility in the way projects aim to achieve the agreed outcomes. This reflects the target group of participants, the different partnership arrangements and the skills shortages to be addressed;
- WPP is one component of strategies to address barriers to employment, and skills shortages;
- Critical role for the broker in establishing linkages, partnerships;
- Need to be aware of the nature and the reason for skills shortages as directly influences project activities;

The Workforce Participation Partnerships (WPP) program was designed to assist disadvantaged job seekers re-enter the labour market, while simultaneously meeting skill shortages across Victoria. The program was one part of a broader policy framework to increase workforce participation across Victoria, recommended by the Workforce Participation Taskforce in its 2005 report. The Department for Victorian Communities (DVC) administered the program by providing grants to projects. Projects were selected following an application process.

##### 3.1.1 Context for Change

Employment is, for many people, fundamental to economic success and self-esteem. The objective of employment for all who want it is therefore fundamental to a socially inclusive society. In *A Fairer Victoria: Creating Opportunity and Addressing Disadvantage* (2005), the Victorian Government outlines strategies and policies to, *inter alia*, “Reduce barriers to opportunity” and “Build stronger communities” and policies to assist people with disadvantages in the labour market.

As a result of strong economic growth combined with low unemployment figures, there have emerged skill shortages in the Victorian labour market. Skills shortages are observable at the industry and occupational level and also by location or place. Skills shortages may be even more acute in some regional localities.

In some regions, LGAs or suburbs there are “pockets” of high unemployment. Paradoxically, at times of strong economic growth and skills shortages there are regions that experience high unemployment and where individuals face barriers to employment. Yet at the same time many employers are also experiencing persistent difficulties in recruiting and retaining staff. This situation can constrain output and economic growth.

It is clear as evidenced by, *inter alia*, skills shortages, high rates of job vacancies, the rate of workforce exits and demand for skilled labour in regional areas that responses are required on the *demand* side of the labour market.

Equally, in order to address, *inter alia*, social disadvantage, assist in reducing unemployment still further, increase training rates and reduce wastage rates, to respond to industry and occupational skills in demand and location /place skills shortages, *supply* side responses are also required.

The Workforce Participation Partnership program did address the demand side and the supply side of the labour market simultaneously; that is to say employers/industries were to benefit from addressing skill shortages and jobseekers were assisted to overcome barriers to participation and thereby achieve sustainable employment outcomes. The Workforce Participation Partnerships program (WPP) was one component of much broader strategies and policies designed to overcome barriers to employment (thereby helping to achieve social inclusiveness) and to address skill shortages in the labour market.

The broader context for change includes:

- prospective demographic change and an increase in the dependency ratio;
- that workforce participation rates influence the size of the economy, its per capita income, living standards and capacity to generate wealth; and
- that higher participation rates help to alleviate budgetary pressures.

A more detailed discussion of the broader context for change is included in Appendix C. This was developed for the evaluation of the WPP program in Victoria, but similar arguments are relevant to South Australia and could be said to “underpin” the SA Works in the Region initiative.

Specifically, Workforce Participation Partnerships (WPP) was designed to address two key priorities:

- 1) increase sustainable employment opportunities for Victorians facing significant barriers to work; and
- 2) respond to areas of emerging labour and skill shortages.

The WPP sought to foster a range of flexible support services for job seekers, including *inter alia*, skills training, work experience together with individual case management, post placement support, mentoring and counselling.

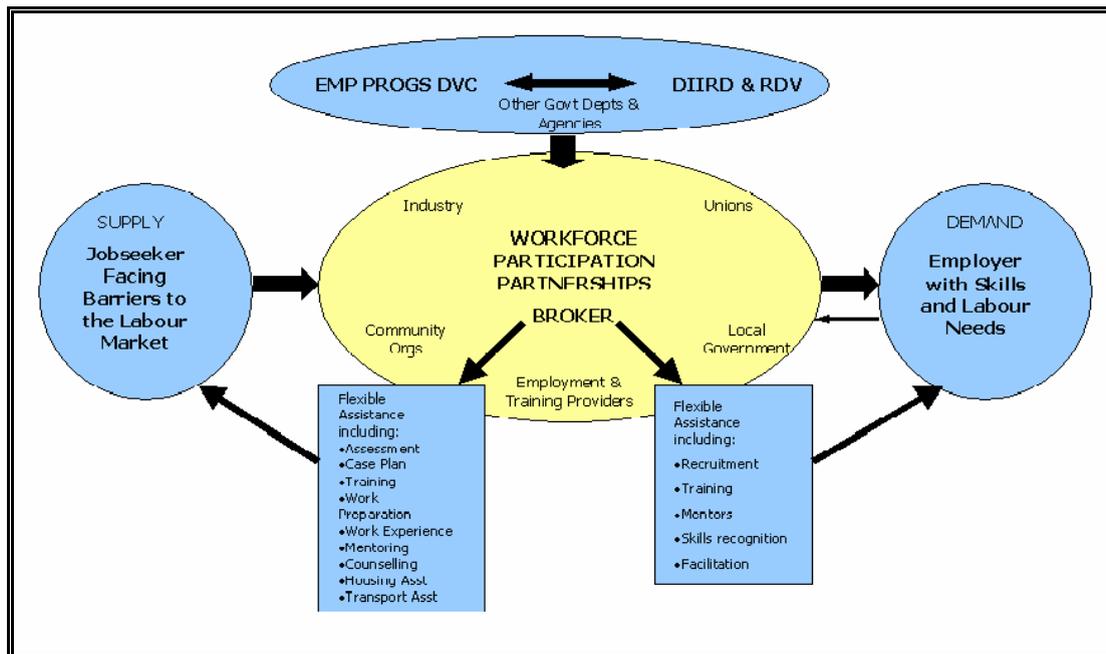
The design of WPP, as the name suggests, emphasises working in collaboration or partnership with local and regional industry groups, unions, Commonwealth and State agencies to achieve employment outcomes. The lead agency in the partnership is called a broker. Together, the broker and the supportive partners are required to place job seekers in employment for a minimum of 16 weeks in industries and occupations with identified skill shortages.

### **3.1.2 Program Logic for the Dual Linkages Model**

A model or organisation chart shown here as Figure 3.1, illustrates the basic structure of the program, the relationships between potential stakeholders and that flexible assistance is a key aspect of the program.

The key agent in the administration of the WPP is the broker. DVC is the principal funding organisation, while community groups, industry, employers and unions act in a support role to the broker linking the supply side of the labour market with the demand side. A ‘support role’ can be as simple as providing advice, but can extend to very active participation including, *inter alia*, providing employment opportunities, mentoring, provision of training, work experience and counselling. Organisations other than the DVC may contribute funding to a project (a fact emphasised in the application process), but this was not a compulsory requirement.

**Figure 3.1**  
**Organisational Chart for the WPP**



Source: DVC WPP presentation slides (2005).

The WPP program is described as a **dual linkages model** in which successful outcomes must be achieved for both the job seeker and the employer. It is a dual linkages model because the demand and supply side of the labour market are equally in focus.

The rationale for describing our program logic model as a **dual linkages model** can be summarised as follows:

- the *process* involves linkages to achieve dual outcomes;
- outcomes are intended to meet the needs of the employer and the job seeker;
- the dual outcomes are real/tangible and the payment schedule reflects this;
- the *broker* takes responsibility to establish linkages to meet the needs of the employer and the job seeker;
- there are known skills shortages while there are many job seekers. To obtain equilibrium a systematic effort to “fix” the linkages problem is required;
- all stakeholders are able to draw-in or link up WPP with other programs, funding and resources; and
- projects are intended to link the supply side and the demand side of the labour market.

In the absence of satisfying dual outcomes - for the employer and the job seeker - then the program would simply have a focus on either the unemployed job seeker and their employability, and essentially be a case management model (supply side) or conversely it would have a focus on job matching, training or perhaps migration to satisfy only the demand side.

However, dual outcomes require satisfying or meeting the needs of both parties. That is, matching the supply and demand side, the job seeker and the employer.

Applications were assessed against six selection criteria (or six principles) and four questions shown at Table 3.1.

**Table 3.1**  
**Selection Criteria for Projects**

Six Principles	Four Questions*
1 Target Disadvantaged Job Seekers	1 Why do you want to do the project (20 per cent)
2 Target Areas of High Need	2 How will the project effectively address the need (30 per cent)
3 Complementary Programs	3 Who will be involved in the project (20 per cent)
4 Value for Money	4 What will the project achieve (30 per cent)
5 Development of Partnerships	
6 Sustainable Employment Outcomes	

Note: \* Figures in brackets are relative weightings.

Source: DVC Workforce Participation Partnerships: Description and Guidelines.

### 3.1.3 Aims, Objectives and Six Principles

The aims and design of the WPP are best expressed by the six principles guiding the implementation of the program<sup>5</sup>. These six principles are summarised below:

#### 1) *Targeting of disadvantaged job seekers*

The WPP provides job opportunities for highly disadvantaged job seekers who face significant barriers to employment. The WPP addresses some of the imbalance identified by the Victorian Government within the Victorian labour market.

In summary, those who experience significant disadvantage in accessing employment include, *inter alia*:

- People from Culturally and Linguistically Diverse (CALD) backgrounds;
- Refugees and recently arrived migrants who are ineligible for Commonwealth support;
- People with disabilities or mental illnesses;
- Mature aged people;
- Disadvantaged youth;
- Homeless;
- Aboriginal and Torres Strait Islanders;

<sup>5</sup> SACES evaluated the WPP program based on these six key principles. The evaluation was required to “assess program implementation and performance against the six principles of the program”, to provide information about future program directions and to assess employment outcomes of the program, addressing job seekers’ barriers to participating in the workforce and assisting industries/employers to meet their skill and labour needs.

- Recently retrenched workers;
- Ex-offenders; and
- Residents of Neighbourhood Renewal Areas

This list is not exhaustive. Target groups such as the homeless and recently released offenders and others who are ineligible for employment assistance qualify as disadvantaged as do the long term unemployed. Their inclusion in the target population of the WPP is, *prima facie*, justified.

In previous labour market program evaluations, SACES reported that employment prospects of recently released offenders and homeless were found to be significantly lower than the general program population. These groups (and others) required more extensive assistance to achieve similar employment outcomes to other target groups. Unit costs per projects can be expected to vary dependent upon the client group to be assisted.

### **2) *Areas of high need (i.e., higher than average unemployment)***

Special consideration was given to projects that sought to place job seekers from areas with significant economic disadvantage, such as high rates of recorded unemployment and long-term unemployment, regions that had demonstrated skill shortages and a strong demand for labour and Neighbourhood Renewal Areas (NRAs). The Neighbourhood Renewal program is funded by the Victorian Department of Human Services.

### **3) *Complementary programs***

It was important that the WPP did not duplicate assistance provided by other programs. The WPP initiative was structured to complement programs by providers such as Job Network or non-profit organisations and to complement and utilise available State and Commonwealth assistance schemes and programs. WPP sought to coordinate assistance from many different interests through a broker organisation, rather than duplicate other forms of assistance.

### **4) *Value for money***

Value for money was stated by the DVC as an important criterion they would use to assess and select projects. This meant considering the number of contractual employment outcomes, the overall project cost, the cost of the project per participant, and an assessment of any risks associated with the project. Consideration was also to be given to the location of the project, the likely efficacy of the method of assistance, and the capacity of the broker organisation to effectively manage the project.

### **5) *Development of partnerships***

Emphasis was placed on broker organisations developing partnerships with other organisations. Projects were required to demonstrate the involvement of partners, such as local employer groups, unions, local government, community organisations and non-profit organisations.

### **6) *Sustainable employment outcomes***

The objective of the WPP was to achieve employment outcomes; sustainable, permanent employment in locations (i.e., place) and industries or occupations with documented skill shortages. Applicants were required to demonstrate how the project would meet existing skill shortages in the labour market. Sustainable employment was defined as a minimum of 30

hours a week, for at least 16 weeks over a twenty week period. Additional information on skill shortage was obtained from regional analysis and documentation from DEWR.

### 3.1.4 Program Organisation and Funding

Some \$24.6 million was allocated to the WPP program for the period 2005-06 and 2006-07.<sup>6</sup> The level of financial assistance provided to each project depended upon the nature of the project, the client group, the length over time over which the project was to run, the number of approved employment outcomes and the extent of sponsor contribution and support. Other factors taken into consideration included the identified skill shortages and industry demand, the type of assistance to be provided, the level of disadvantage of participants, regional and/or statewide activity and the capacity and capability of the sponsor organisation. Projects were also evaluated on the basis of stated outcomes and cost of delivery, reflecting the requirement that projects provide value for money.

There were no limitations on exactly what types of skill shortages or disadvantaged job seekers the projects should address. Special consideration was given to projects in areas with high levels of unemployment, areas of high socio-economic disadvantage and Neighbourhood Renewal Areas. Projects could be of any size; in practice, funded projects ranged from 15 up to 300 participants. WPP grants were ultimately provided based on the ability of projects to deliver services in relation to the six key principles outlined by the DVC.

Grants were provided directly to broker organisations for the administration of the projects. The role of the lead agent or broker was to coordinate employer, agency and community interests and manage the project. Broker organisations were contractually responsible to the DVC for the delivery of the project, which included responsibility for the financial administration of the project.

One of the design characteristics of the WPP was that although all applications were to be assessed against the six principles, there was no template or single project design that limited or constrained the way in which project sponsors could match the needs of employers with individual job seekers. The range of measures stated by project sponsors to be used to achieve outcomes included:

- Training;
- Work preparation;
- Work experience;
- Mentoring and Counselling;
- Working placement and wage subsidy;
- Housing assistance; and
- Transport assistance.

Thus, the nature of the projects funded by the WPP was very diverse, due to the fact that they were designed and administered by broker organisations, they were not centrally planned and innovative ideas to obtain employment outcomes were actively encouraged.

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<sup>6</sup> Treasury Budget Paper No. 3, \$24.6 million allocated to achieve a minimum of 2,000 sustainable employment outcomes. The Department set an objective to achieve 3,000 employment outcomes within the budget provided.

The three most common forms of program assistance - training, work preparation and work experience - were typically described as “tailored to the specific skill shortages and/or needs of the job seekers that are targeted”. Industry and employer groups involvement in planning training and work experience was very important, to ensure that relevant skills and training were incorporated in individual projects.

More intensive support requirements for job seekers experiencing severe disadvantage in the labour market meant some projects planned to use quite intensive assistance measures. For example, some projects designed counselling and mentoring for job seekers, whose difficulties in entering the labour market were of a more personal nature (e.g.: psychological, family issues, etc.).

### 3.2 Overview of Program Data

The Centre provided a final evaluation report to DVC in September 2007 although the program was not to be finalised until December 2007. The following is based on results for 83 WPP projects that commenced prior to July 2007.

Table 3.2 provides selected summary statistics on the WPP up to August 2007 - 98.5 per cent of project funding has been allocated for 96 projects with over 8,600 participants and over 2,200 outcomes as at August 2007. In this final evaluation the Centre noted that participant numbers had increased by 41 per cent in the period April to August 2007, placements had increased by 65 per cent and employment outcomes by 123 per cent so that outcomes were accelerating with the passage of time.

Employment outcomes were 66 per cent for males and 34 per cent for females, although participant registrations remain almost evenly distributed at 53/47 per cent.

**Table 3.2**  
**Selected Summary Statistics: January to August 2007**

	<b>First Progress Report January 2007</b>	<b>Second Progress Report April 2007</b>	<b>Final Report August 2007</b>
Projects	52	89	96
Funding	\$16.6 million	\$23.5 million	\$24.2 million
Per cent of Funding	73 per cent	96 per cent	98.5 per cent
Participants	3,876	6,118	8,649
Placements	1,323	2,174	3,588
Employment Outcomes	503	1,013	2,264

Source: DVC data base, January 2007, April 2007 and August 2007.

A summary of key results to August 2007 showed that the WPP program had achieved the following (N=83 projects<sup>7</sup>):

- registered 8,649 participants<sup>8</sup>;
- had placed 42 per cent of all participants;
- 2,264 employment outcomes (26 per cent of all participants);
- estimated to achieve 3,000 to 3,100 employment outcomes by December 2007;

<sup>7</sup> Total number of projects funded N=96, but only 83 projects could be evaluated for employment outcomes as at date of report.

<sup>8</sup> Definitions relating to commencements, registered participant placement and employment outcomes are shown in Appendix D.

- placed 1,000+ participants in DEWR identified occupations where “skills were in demand”;
- 450 apprenticeship outcomes and 250 traineeship outcomes;
- involved over 1,500 individual private employers providing employment outcomes;
- outcomes in regional Victoria and for the more disadvantaged Neighbourhood Renewal Areas were above the all program average;
- met the twin objectives of:
  - assisting the most disadvantaged enter or re-enter the workforce at entry level positions for which they have received some training/work preparation; and
  - placing participants into positions where skills are in demand, thereby matching the job seeker (supply side) with employer requirements (demand side).

The Centre concluded that the entire WPP program had been well managed and was cost effective in achieving employment outcomes. Significant strengths of the program include the involvement of private employers, the ability therefore to achieve sustainable employment outcomes, matching of disadvantaged job seeker with skills in demand, the diversity of program providers including industry associations and employers and unions and the targeting of the program.

Because outcomes could continue to be achieved from the time the Centre delivered its final report through to December 2007, we provided an estimate of the expected number of outcomes<sup>9</sup> by year end.

Table 3.3 estimates that an additional 800+ employment outcomes would be achieved, so that total outcomes were within the range 3,000 to 3,100 and the projected cost per outcome at approximately \$7,800. The Centre further assumed that approximately 8,700 participants were registered with WPP so that the cost per participant is estimated at \$2,700-\$2,800 per participant.

Over 1,350 WPP sustainable employment outcomes will be in occupations where DEWR has recorded “skills in demand” by December 2007.

**Table 3.3**  
**Expected Employment Outcomes as at end December 2007**

Employment Outcomes achieved as at August 2007	2,264
Expected employment outcome end December 2007	800-830
Total number of employment outcomes	3,064-3,100
Projected cost per employment outcome	\$7,800-\$7,900
Total participants	8,700
Cost per participant	\$2,700 to \$2,800

Source: SACES calculations.

<sup>9</sup> The number of employment outcomes are those that meet the criteria and for which a project is paid. It is possible for a project to achieve a higher number of employment outcomes than that for which they are paid.

### 3.3 Final Overview

Both SA Work in the Regions and WPP were designed to accommodate localised responses to the labour market, although the design and the implementation of the two programs and individual projects differs; both sought to increase labour force participation, impact on unemployment while maintaining that the most disadvantaged job seekers should receive assistance.

The Victorian WPP program maintained an unwavering focus on meeting skills in demand, placing job seekers in known job vacancies that had been substantiated by labour market analysts and local intelligence. Full-time employment (16 weeks at 30 hours per week) was the objective outcome. The program also required partners to link-in with the broker.

SA Works in the Regions was “less insistent” on employment outcomes, yet achieved these nevertheless. The method of funding 17 local ESFN meant that local projects were generated but there appears to be no objective test that each project necessarily addressed local employment demands. On the other hand, because the WPP program was so structured as to pay only for employment outcomes, then an incentive existed to recruit participants who were most likely to succeed. This may not always be “the highly disadvantaged”. It is important to be aware of these incentive effects in an outcomes based funding model.

While differently structured, both labour markets programs appear to be successful in attracting financial contributions and in-kind support from employer groups, other tiers of government and community organisations.

## 4. South Australian Case Studies

In this Section we discuss the six case studies of successful projects in South Australia and in Section 5 we consider five successful projects/models in Victoria. Each of the case studies contains an introductory section on “learning lessons” intended to highlight the characteristics of each project and why the project was successful. In Section 6 we attempt to draw out from the literature and these case studies some principles, design characteristics and objectives that appear to be important in:

- achieving sustainable employment outcomes;
- continuing to assist the most disadvantaged;
- matching the demand and supply side of the market to address skill shortages; and
- building on existing networks/practices for more effective outcomes.

### 4.1 Choose Your Future: Goal 100 Whyalla (South Australia Works in the Regions)

#### 4.1.1 Learning Lessons

Goal 100 is an example of a ‘demand driven model’, where there was a clear focus on employment outcomes and addressing skills in demand at a regional level.

A commitment by employers to hire graduates was a strong incentive to participate and continue in the program. The program ran over 20 weeks and achieved almost a 100 per cent retention rate, illustrating the importance of this commitment. The promise of future employment in turn generated a commitment from job seekers to ‘stay the course’.

Specific industry based training (demand driven program) achieved sustainable employment outcome one year after the program and has provided a platform for the program to be repeated.

Community support and co-operation was a visible and significant element of this project. The design of the program, in providing holistic support for participants, and a strong emphasis on peer support and leadership reflected an understanding of the needs of the most disadvantaged/ the most marginalised job seekers. Assisted retention rate.

Training providers are able to respond to the specific needs of industry (“industry set the requirements”) and individual employers in well structured and well funded programs, where specific skills, hands on training and the status of being ‘work ready’ are agreed between all providers.

#### 4.1.2 Overview, Background, Organisation and Funding

The background to this project was the inability of OneSteel, following the near completion of Project Magnet at their Whyalla site, to secure sufficient interest in employment at the Whyalla steel making facility. They had advertised positions in the normal way (through newspapers, the Job Network and via word of mouth) but had received insufficient job applications or applicants were not able to demonstrate they possessed the required work skills. Up to 50 vacancies for operators and semi-skilled personnel were available within the company. The company was forced to consider advertising in Port Augusta and Port Pirie,

and possibly even overseas. The company and other employers were clearly frustrated with this situation given that unemployment was still relatively high in Whyalla.

OneSteel and several major employers in the heavy engineering sector, DFEEST and the Whyalla Economic Development Board (WEDB) met and designed the Goal 100 program. As with the Track Maintenance project, a very significant element of the Goal 100 program was the involvement of local service providers, including *inter alia*, the local Job Network members, and the Bungala Indigenous Employment Centre. The commitment of employers to provide employment at the conclusion of the program was another important element of the program, not the least of reasons that it provided the incentive to retention in the program over a 20 week period. Thus, community support and the co-operation of local service providers was a visible and significant element.

The program was 20 weeks in length and involved both on and off the job training. This is a relatively extended period of time for which participants had to attend and commit to gaining work and life skills. The program built in student, educator and employer networks to support each participant, including a component ‘I make a difference’ to address social, family, emotional and personal issues confronting a number of the participants. There is no doubt that the program dealt with many job seekers who had experienced extended periods of unemployment (some had been unemployed for more than five years) and were truly marginalised job seekers. This makes the achievements of this program even more exemplary.

A training supplement of \$10 per day paid fortnightly did cause problems for some participants (Centrelink assessed income received for benefit and housing assistance and reduced assistance) and left them financially worse off. The training supplement has not been included in Goal 100 Mark 11.

#### **4.1.3 Process Including Selection of Target Group**

Demand for the program was very strong with up to 350 unemployed persons registering for the first intake and 320 for the second. As unemployment has fallen in Whyalla (from 12.0 per cent (May 2006) to approximately 5.3 per cent in October 2007) applicant numbers for employment programs under the banner of ‘Whyalla Works’ have declined to 200.

The design of the Goal 100 program was ‘not set in concrete from day one’; in fact several contributing organisations described a process of responding as required or ‘making it up as we went along’. The point is that the 20 week program was flexible in its design although there was no wavering from the ultimate goal (sustainable employment) of the program. Here participants were required to demonstrate that they were capable of attending the program over 20 weeks, from 9 until 5 each day, whether it was in a classroom setting, attending a worksite or day trip, sporting or other forms of physical activity. This was described as ‘meeting the rhythms of working life’. Industry set the standard in this regard.

TAFE as the training provider successfully built into the project a life skills component to assist those who had been unemployed for a considerable length of time, including health and fitness, assistance with family issues, drug and alcohol support, career planning, problem solving and personal development. Peer support groups provided opportunities for leadership, attendance at management meetings by peer support leaders and help to others. In this way, leadership skills in helping others were incorporated into the program.

The Goal 100 program had a mix of age groups, male and female, non-indigenous and indigenous participants and it appears that the program was successfully able to integrate all participants to achieve the personal goal of employment, using peer leadership groups, building group identity to achieve successful outcomes, etc.

#### **4.1.4 Outcomes**

Measured solely by sustainable employment outcomes, Goal 100 was a successful program. "Employment Extra", a publication of the Department of Employment and Workplace Relations recorded that "100 participants began the Goal 100 program with 79 graduating including 11 females and 16 indigenous participants. Eighty-one participants had either started work or received a job offer including some who didn't complete the program but found work as a direct result of their participation. OneSteel gave a guarantee to employ 50 graduates, and ultimately employed 65". At the time of interview the project sponsor reported that to their knowledge some 80 participants were still employed.

It was highly successful as measured by the retention rate over 20 weeks.

#### **4.1.5 Conclusion**

Demand driven programs, where local employers identify a need for skilled employees and combine with local service providers to design specific training programs, with a commitment to employ the graduates of such programs, are likely to be successful in today's job market. Goal 100 is a significant program for that reason, but also because of the number of participants and the retention rate for a 20 week training program (albeit not all this time was spent in the classroom). The commitment to employ appears to be a significant element in the success of the program.

TAFE as the principal training provider, in co-operation with other agencies demonstrated that it was capable of the meeting the needs of 100 participants, with technical (job specific skills training) but also incorporating life skills training, personal development, assistance with family and personal issues and building a peer group culture that enabled the high retention rate.

A back of the envelope calculation is that this program for a total cost of approximately \$800,000, in placing 80 previously unemployed persons into sustainable employment would save the Commonwealth in welfare payments approximately \$1.8 million per year, result in the payment of wages of \$3.2 million per year with personal tax revenue accruing to the Commonwealth of \$0.6 million per year. There are clearly many other savings and benefits to account for, at the personal, family, community and public agency level.

For employers, there are many benefits and reasons why they should financially support this type of demand driven project. They have access to a more highly productive workforce from day one, a 'work ready/work hardened' trained workforce, where training is industry or job specific. Employers benefit by reducing recruitment or search costs. Employers also contribute to strengthening community relations and are seen to support the local community. The co-operation across service agencies in the design and delivery of Goal 100 is not quantifiable in dollar terms; however, that Whyalla Works is now planning Goal 100 Mark 3 illustrates the value of the networks and relationships established through these programs.

## **4.2 Whyalla Track Maintenance Program<sup>10</sup> (South Australia Works in the Regions)**

### **4.2.1 Learning Lessons**

Specific industry based training for known job vacancies resulted in immediate employment outcomes and sustainable outcomes up to two years after the program.

Relatively small scale, short and targeted training program with classroom and on-the-job learning.

A 100 per cent retention rate resulted from effective selection of jobseekers, the commitment of Transfield Services to employ all graduates and payment over the life of the course (during training and then job placement).

The involvement of local service providers was considered to be a strong element of the overall program, where each partner provided their specialist expertise. For example, Access Working Solutions (AWC) identified that Job Network providers and the Indigenous Employment Centre (IEC) were important in jobseeker selection, based on their knowledge of each individual. Community support and co-operation was a visible and significant element of this project

The other outstanding element in this industry generated program is that it involved the most highly disadvantaged, the most marginalised job seekers, yet through the design of the program it succeeded in achieving 100 per cent retention rate in the program and employment outcomes. Indigenous job seekers were a key target group. Potential to replicate the program to meet occupational demand in the mining sector.

### **4.2.2 Overview, Background, Organisation and Funding**

The Track Maintenance Program involved a partnership between DFEST including Regions at Work and Aboriginal Employment Programs, Access Working Solutions (AWC), Transfield Services, ASK Employment Service, DEWR, WEDB, Job Network providers and Bungala Indigenous Employment Centre. Access Working Solutions (AWC) was instrumental in sourcing additional funds to support training.

The objective of the program was to provide Transfield Services with a rail track maintenance workforce to assist with its contract to maintain services to OneSteel's rail assets in Whyalla on behalf of the Australian Railway Group. Transfield Services is a leading provider of operations, maintenance and asset management services across 11 industry sectors with contracts in Australia, New Zealand, Malaysia, Fiji and the Middle East.

Transfield Services has a long history of commitment to employ indigenous jobseekers and has an active company policy in this regard. Others involved with the program refer to Transfield as 'having an empathetic management philosophy to support indigenous employment and training'. Transfield Services is a registered RTO; it provided the actual training. Jobseekers were paid<sup>11</sup> while they undertook the training, including four weeks on the job at OneSteel.

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<sup>10</sup> This program was finalised in October 2004 so it was not possible to speak with several participating agencies or graduates from the program, were staff and participants had moved on over time.

<sup>11</sup> Average wage was approximately \$600 while off the job training including at OneSteel site rising to \$700 once on the job.

AWC acted as the project co-ordinator including bringing together the funding, recruitment selection, organising training, payment of wages and general administration. The project received income of \$40,400 not including additional commitments in kind by Transfield Services, OneSteel, WEDB and others. For each of the indigenous job seekers Bungala contributed \$1,000 for the four weeks training.

### 4.2.3 Process Including Selection of Target Group

Some 60 people responded to the invitation to attend an information session and to register with the project, from which 40 jobseekers were interviewed and a final selection of 20 long-term unemployed and indigenous job seekers commenced on the program. Of the twenty young unemployed jobseekers 8 were indigenous and 12 non-indigenous.<sup>12</sup> At the conclusion of the program up to 16 received an offer of employment, while the remaining four persons received job offers with other local employers. The indigenous job seekers had been on CDEP and were considered to be 'far off from being work ready', according to AWC and the job network providers. The jobseekers graduated from the course with a Certificate 2-Rail Infrastructure Maintenance which is recognised by the Transport and Distribution Training Framework.

Transfield Services adhere to the philosophy that participants 'learn in the work environment' and the best way to achieve this is to have the commitment of employers. Placement and training in the work environment means that new employees are 'work hardened', they have realistic expectations about the world of work and the demands of the job. Thus, the program was designed so that course work in a classroom setting is minimised to those essential requirements for work in any industrial setting (OHS, workplace responsibilities, etc) and time on the job is maximised. Critical to this objective was the supportive role played by Transfield Services, AWC and Bungala, whereby several components of the coursework/instruction, was able to be delivered on site. Other groups such as ASK Employment Service, AWC and Bungala provided additional support to all participants in addressing any behavioural or attitude problems.

### 4.2.4 Conclusion

Achieving almost a 100 per cent employment outcome is a very positive reflection on the program. If the program was to be repeated then providers indicated they would like to increase still further the number of indigenous job seekers.

As at November 2007 staff from Transfield Services indicated that up to 12 of the original participants were still employed within the company (some in Whyalla, several in Port Lincoln), and that several had left to take up further study. So, based on evidence available to the researchers it can be said that sustainable employment was achieved from a course which trained participants for known job vacancies.

There is no doubt that this industry generated program recruited and trained some of the most highly disadvantaged job seekers in the region. The commitment to employment and payment while in training assisted in a high retention rate, but so did specialist recruitment by AWC and the way training was organised.

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<sup>12</sup> Various figures for the number of indigenous participants were quoted but it appears up to eight were indigenous based on payments from Bungala.

This form of industry based training for known job vacancies appears to be very successful.

This specific or targeted method of recruitment contributed to retaining participants in the training course and then into sustainable employment. It is beneficial to employers in the long run as the 'new employees' are work ready, they have an understanding of the job, and receive training that is likely to contribute to higher productivity from day one. The employer benefits from job specific training and reduced search costs.

Transfield Services recognise this and demonstrate not only their commitment to employ indigenous workers but also to contribute significant financial resources (\$26,900) and in kind support to this method of recruitment. Employment service providers and AWC strongly support these programs because they lead directly to employment.

### **4.3 BoysTown Port Pirie (South Australia Works in the Regions)**

#### **4.3.1 Learning Lessons**

BoysTown is committed to assisting the most marginalised in the workforce who struggle to find and hold employment even in a strong labour market. An outcomes based funding model would not be appropriate for this group of participants nor the provider.

Classroom learning coupled with very extensive youth work and personal counselling, personal support and skills development through work experience. The level of personal support ('wrap around welfare support') is a critical aspect of the program.

Renovation of SAHT properties is similar to the Victorian Urban Renewal projects, where participants learn and then apply skills in real life settings. Career pathways are individually mapped out and placement is sought with supportive local employers.

Strong support from local employers who have been 'prepared to give the kids a go' in real life work projects. BoysTown stated that the Employment and Skills Formation Network was significant in gaining employer support and opening up opportunities for work experience. Strong, local networks appear to be important.

Commitment from SA Works in the Regions plus undertaking community projects meant the activities were highly visible in the wider community, thereby gaining further support and acknowledgement within the wider community.

Stress on participant's learning and then applying skills in workplace settings.

#### **4.3.2 Overview, Background, Organisation and Funding**

BoysTown is an incorporated company managed by a board of directors on behalf of the De La Salle Brothers. A national organisation with its headquarters in Queensland, BoysTown has an annual turnover of \$5million per annum and assists up to 1,200 young people each year. BoysTown commenced operations in Port Pirie in 2004. The organisation has a philosophical commitment to "support children, young people and families to overcome the most severe disadvantages-problems such as abuse, homelessness, long-term unemployment and mental illness".

Under the Regions at Work Program BoysTown conducted four pre-employment programs over eight weeks with up to ten participants in each program (40 participants over a twelve month period). Participants are aged between 16 and 21 years of age. The program involves six weeks accredited training (240 hours) and two weeks on the job work experience (60 hours). Accredited training was provided by BoysTown qualified trainers and trade supervisors. Regions at Work provided up to \$50,000 for four the courses while the BoysTown organisation provided a sponsor contribution of \$121,000.

BoysTown has established its own workshops and businesses premises where students are able to gain real life experience in trade skills, including concreting, metal fabrication, hospitality, horticulture, carpentry, electrical, plumbing and general construction. Up to 50 per cent of all participants have gained employment or have enrolled in further study, including in traineeships. BoysTown has refurbished up to eight properties owned by the South Australian Housing Trust on a contract basis.

### **4.3.3 Process Including Selection of Target Group**

BoysTown has consciously sought to register and train the most disadvantaged job seekers, including indigenous persons. It worked closely with Job Network providers, Families SA and other community welfare organisations to select each group of participants. Self referrals or family referrals were also accepted. The local indigenous community is not homogeneous and conflicts sometimes arise between different groups. BoysTown has been able to address some of these conflicts while retaining participants in the training courses, thus helping to break the cycle of dependency, so the benefits of the programs extend well beyond the transmission of skills and training.

Participant's often required remedial instruction in literacy and numeracy skills and because of long term unemployed, general improvements in living skills, communication and personal development. Poor family backgrounds, 'kids knocked from pillar to post' and low self esteem often characterise many of the participants. BoysTown provides 'wrap around welfare support', including personal support, life skills development and then workforce skills, including follow up while in the workforce and mentoring by supportive employers. Youth work support and mentoring while under going training are vital elements of the program.

In the researcher's view an outcomes based funding model where the provider was paid for employment outcomes alone would not assist either the provider or the participants. It is a simple fact that 6 weeks classroom based learning and 2 -4 weeks on the job training is not sufficient to fully address personal barriers in order to sustain employment outcomes. The participants need longer time under mentoring systems, within the BoysTown supervised environment or supportive private employers to raise their self esteem, build confidence, develop a positive attitude to work and the confidence to extend their skills and capabilities. An outcomes based funding model would see, either the provider select a different target group that was more certain to gain employment, or 'push' the current group of program participants to hard. There is a trade-off between selecting the 'best kids' in preference to the more marginalised and those with greater barriers to overcome.

#### **4.3.4 Conclusion**

Local employers have hired graduates from each of the four projects. Local community representatives acknowledged the projects undertaken and completed by BoysTown indicating a high degree of visibility within the local community. Employment outcomes appear to be within the range of 35 to 40 per cent of all participants.

The researcher's observations and discussions with local community networks, including Job Network providers, is that BoysTown is assisting the most marginalised in the job market through specialised training, local employment placement and mentoring. We were able to speak with a number of current students working in various trades on the school site and the new workshop.

BoysTown has been able to invest in its own workshop premises and thereby provide even further training opportunities. The researcher visited the new premises to observe shop fitting for the new welfare clothing store and setting up the new workshop, including electrical work under supervision, carpentry, painting, wall fixing, welding and plumbing. Each of the graduates was working under supervision of skilled tradespersons.

The new training facility is a potential site for a self sustaining business having bid for a contract to supply packing material for exporters to China. Further expansion is proposed by BoysTown.

Social benefits include that participants develop some structure in their lives, they are able to drop in to the training facilities and continue to develop activities they have commenced (e.g., horticulture, maintenance of buildings) and the projects completed by BoysTown are well known within the community.

### **4.4 Kilburn / Blair Athol Employment Project**

#### **4.4.1 Learning Lessons**

One on one case management is the key to the success of this program which assists people who face significant and/or multiple barriers to employment. Developing a trusting relationship with the client to identify the key issues (e.g., personal, family) that affect their ability to gain and hold employment and responding to their needs in a prompt manner are two key reasons for the success of the program. Having good quality people to delivery the program/case management is also a significant factor.

Developing partnerships and networks with local community organisations is critical in terms of gaining referrals and being able to refer individuals to appropriate services. Fostering partnerships with local employers has been challenging and a weakness of the project although recent developments – i.e., relationship with Korvest industries – suggest that this is gradually being overcome.

Outcomes cannot be measured only in terms of employment. Individuals may face significant personal issues (i.e., drug and alcohol addiction, lack of housing) which ultimately prevent them from gaining employment. Addressing such issues can represent a significant outcome for an individual but may not immediately lead to an employment outcome given that other factors must also be addressed (i.e., improving pre-employment skills). Important non-employment outcomes include improved confidence and self-esteem.

Leveraging people into sustainable employment is challenging given that clients often have little to no work history (e.g., a culture of unemployment), while the jobs they often gain entry to (i.e., casual, low paid given their skill level) are often not conducive to sustainable outcomes. Achieving successful employment outcomes also depends on linking people with jobs they are interested in.

The short term and/or recurrent nature of funding provided by the SA Works in the Regions program does not fit well with the type of long-term case management services required to support individuals. The problems faced by these individuals often require significant time to address, while the skills and knowledge needed to assist them (i.e., developing networks with other local community groups and employers) can also take time to develop.

#### **4.4.2 Overview and Background**

The Kilburn Blair Athol Employment Project was launched by Enfield Community Health in 2005. The project evolved from community consultations in 2002 which identified a lack of relevant services (e.g., counselling) and high unemployment as two major issues facing youth in the region. These issues reflect the relatively disadvantaged nature of the region, which tends to suffer from a range of adverse social issues including poverty, drug and alcohol abuse, crime and youth unemployment.

The project uses a variety of methods including one on one case management to identify and address the multiple barriers to employment that participants face while also taking steps to improve their pre-employment skills. Clients participate in accredited training courses and community projects in order to help them develop the necessary entry level skills needed to qualify for identified occupations available in the region. A range of other support and assistance is provided to improve job readiness skills, including assistance with job searching, resume preparation, assistance with interviews, and transport. The latter is a significant issue for some people and a Drivers Training program has been established to enable some participants to obtain their learners permit.

In addition to providing mentoring and advocating support, one on one case management allows issues below the surface affecting an individual's ability to gain employment (e.g., domestic abuse, drug and alcohol) to be identified and appropriate support organised (e.g., referral to appropriate services). Case management is carried out through a partnership approach involving workers at Lutheran Community Care, a youth worker at the Port Adelaide Enfield Council, and Community Development workers at Enfield Community Health.

#### **4.4.3 Process Including Selection of Target Group**

The project was initially intended for youth but an increasing number of 'new arrivals' (e.g., refugees from Sudan and Iraq) were attracted to the project in lieu of significant pockets of migrant communities in the region. As a consequence, the target group and range of support services provided has evolved over time to include relevant services such as English classes for migrants and refugees. This is very similar to the experience of VICSEG in Coburg in Victoria (see Section 5.1) which is a major provider to ethnic groups, refugees and migrants. In addition to youth and "new arrivals", target groups now include women, indigenous persons and people re-entering the workforce.

The project was originally advertised in local newspapers but subsequent advertising has not been required as new participants have been sourced largely from referrals from previous participants and partner organisations. This reflects the general satisfaction that participants have derived from the program and the significant benefits that flow from effective partnerships and networks with other local community groups.

#### 4.4.4 Outcomes

The anticipated and actual outcomes of the program are presented below. Outcomes have been better than expected. Participation has exceeded anticipated levels while employment outcomes have either exceeded or been close to expected levels. The popularity of the project is demonstrated by participation for the 2007-08 phase of the project: there were over 50 participants at the time of writing (late December), well in advance of the target of 30 participants by May 2008. Better than expected participation is due to the high level of unemployment in the Enfield, Kilburn and Blair Athol areas.

Good employment outcomes are facilitated by intensive case management and the high quality of case managers who are able to respond promptly to participants needs. Achieving sustainable employment outcomes is important since it helps to improve many areas of an individual's life, such as their financial, health, housing well-being, self-esteem and confidence. Maintaining sustainable employment outcomes are facilitated by providing clients with ongoing support. Clients sometimes return to seek assistance with finding new employment, obtaining drivers licences, dealing with health issues, legal issues, housing issues etc.

Performance indicators	2005-06	2006-07
Participants		
Anticipated	20	30
Actual	54	36
Employment		
Anticipated	12	15
Actual	23	13

Note: Derived from "What Works Well - Project Summary".

There are challenges associated with maintaining sustainable outcomes. Many of the jobs that participants are placed into are of a casual nature or are poorly paid, meaning there is reduced incentive to maintain employment given the prospect of losing income support payments. Furthermore, the nature of most participants is that they have minimal work experience and understanding of employers' expectations, meaning they are at greater risk of losing employment. An important factor in achieving sustainable employment outcomes is to link people with jobs that they are interested in.

#### 4.4.5 Conclusion

The Kilburn Blair Athol Employment Project has delivered better than expected participation and employment outcomes in a region of relatively high disadvantage. While the ultimate sustainability of employment outcomes are somewhat uncertain, the nature of the clients (i.e., facing multiple barriers, minimal skills and work history, poor general employment knowledge) and the jobs they are leveraged in to (i.e., casual, low paid) means that there are

inevitably significant challenges associated with maintaining these people in sustainable employment.

The strengths of the program derive from the intensive case management approach adopted and the close partnerships forged with other local community organisations. A lack of links with local employers is perhaps the only major weakness of the program. However, the recent establishment of a relationship with Korvest Industries who has itself taken steps to establish a local business association represents a possible turning point.

## **4.5 Australian Refugee Association – Connecting to Australia**

### **4.5.1 Learning Lessons**

Developing effective partnerships with other local organisations, which has taken a number of years in some instances, has been very important to the success of the project. In particular, a partnership with the Skills Centre at Thebarton Senior College has enabled the development of training programs tailored to the needs of the target group (i.e., refugees and migrants).

Developing trusting and honest relationships with clients and employers is probably the most critical aspect of the project in terms of achieving employment outcomes. Developing relationships with clients allows other barriers to be identified and addressed (i.e., lack of transport, mental illness). The importance of honesty reflects that participants need to be realistic in terms of the type of work they may obtain, while employers need to be realistic with regard to the actual skill levels of refugees and migrants (generally lower than expected by the employer), and the difficulties that these individuals may experience during the initial stages of employment.

The effectiveness of the project was improved by the complementary services offered by the ARA. These additional services (i.e., settlement, other employment services) assist in terms of providing referrals to the training program and supporting the overall case management process.

That refugees and migrants generally have a positive attitude towards work tends to help achieve employment outcomes. Nonetheless, in addition to having similar barriers to employment as other job seekers (i.e., lack of skills and work history), they also face some unique barriers such as mental illness (i.e., from detention), poor language skills and qualifications not being locally recognised.

### **4.5.2 Overview and Background**

Migrants and many refugees typically have limited skills and work history, which means their employment opportunities tend to be restricted to low skilled or production-based occupations. The Connecting to Australia project provides migrants and refugees with basic vocational education and training in order to provide participants with general up-skilling, improved practical skills and increased knowledge about Australian workforce practices.

Two separate training programs are provided: a basic general engineering training program and a building and construction training program. The training programs run for three days a week over a nine week period and includes one week of work experience placement. The

Australian Refugee Association (ARA) uses its links with employers to then place participants in employment.

The project is the result of a partnership with Thebarton Senior College. The establishment of The Skills Centre at the college allowed vocational education and training services to be provided to individuals outside the school. Building and construction and general engineering programs were developed with 14 places being made available in each program.

#### **4.5.3 Process Including Selection of Target Group**

Participants were recruited through a variety of sources but primarily through the ARA's various refugee and migrant services. The majority of participants were clients who were already registered with the ARA's Employment services. (In addition to training, ARA provides assistance with job seeking, resume preparation, job interview preparation, occupational, health and safety and workers rights.) There were more than 700 job seekers registered with ARA's employment services in 2006-07, meaning there was an ample supply of potential participants. Nonetheless, participants were also sourced through advertising and referrals by other ARA departments (especially the Settlement Department) and from Job Network members, especially ARA Jobs Pty Ltd. ARA's other functions complemented the employment project not only in terms of referrals but also through overall case management.

The majority of clients are male given the nature of the training programs (building and construction, and engineering) which typically lead to male dominated occupations. The difficulties faced by female refugees and migrants are generally greater as they tend to have less proficiency in English and lower levels of education relative to their male counterparts. There is also the issue in some cultures of women not being expected to work.

#### **4.5.4 Outcomes**

The project can be characterised as being successful in terms of achieving its expected outcomes and particularly given the target group of refugees and new migrants. It has achieved its expected number of participants.

An advantage associated with migrants and refugees is that they often have a genuine desire and need to work in order to improve their lives and support their families. However, they have their own unique problems which inhibit their ability to obtain employment. These problems raise difficulties in terms of leveraging people into work after completing the training. For instance, some individuals may suffer from mental illness due to their experiences, have a general lack of knowledge about Australian workplace practices and employers' expectations, and/or have poor English language skills. Employment outcomes were sometimes prevented by individuals wanting to undertake more English language training after completing their construction training despite having sufficient English language skills to secure employment.

Other barriers to employment experienced by migrants and refugees include a lack of skills and employment history, and a lack of access to transport (i.e., drivers licence). Overseas qualifications not being recognised locally is another disadvantage sometimes experienced by refugees.

While there is no explicit long-term monitoring of outcomes, that there are relatively few return clients suggests that there seems to be some lasting employment outcomes. One strategy used to promote sustainable employment outcomes is reinforcing to employers the need to contact the ARA to discuss any problems that arise. This allows the ARA to perform a mediation role to address the issue or, if it cannot be addressed, commence the process of leveraging the person into some other form of employment.

#### **Expected and Actual Participation and Employment**

Performance indicators	2007
Participants	
Anticipated	28
Actual	28
Employment	
Anticipated	19
Actual	19

#### **4.5.5 Conclusion**

The strength of the program derives from the close partnership forged with the training provider (the Skills Centre, Thebarton Senior College) and the way in which the project is complemented by ARA's other migrant and refugee services. The vocational training provided enables participants to secure a foothold in the labour market while case management allows other barriers to employment to be identified and addressed.

### **4.6 Renmark Paringa Community Centre – Having the Edge**

#### **4.6.1 Learning Lessons**

The most critical aspect of the program in terms of achieving employment outcomes was providing participants with general/basic employability skills. The majority of people assisted experienced difficulty with gaining or maintaining employment. A basic level of skilling was required to leverage these people into employment.

Another important aspect of the program was planting the idea (i.e., "seed") of employability as being a desirable objective and outcome. Some individuals in need of assistance have been raised in a culture of unemployment and have a poor conception of the benefits that employment provides. Encouraging a positive associate with employment enhances the desire and scope of the individual to improve their employability skills.

Partnerships are vital in terms of transitioning people to employment. Effort was put into networking and developing partnerships with other service providers, including training organisations (TAFE, schools), employment service providers (Centrelink, employment agencies), community organisations (St. John), employers and other relevant organisations (i.e., Regional Development Board). Such partnerships help to connect with target groups, deliver appropriate training and education outcomes, facilitate referral of individuals to appropriate services, and establish pathways to employment.

Maintaining employment outcomes is assisted by the employer and individual having an understanding of each others needs. On one hand there is a need to have an understanding of the employer's perspective, while on the other hand employers need to have an understanding of an individual's circumstances, at least to an acceptable degree. An important example is an understanding of cultural issues in respect of indigenous people.

The co-location of the project with the secondary school and other community services (e.g., Child & Adolescent Mental Health Service, Disability Advocacy, Families SA, Legal Aid etc) was as an important advantage. The co-location was initially due to the perceptions of some organisations (i.e., school) that the community centre attracted "undesirable people). However, this perception has now changed as it is realised that the community centre provides referral centre and service provider.

Successful programs ultimately need to be tailored to the needs of the target group. For example, a subsequent project was tailored to the needs of indigenous persons by emphasising cultural awareness issues.

#### **4.6.2 Overview and Background**

The Renmark Paringa Community Centre (RPCC) provides information and referral services to the local community in relation to a range of community services. The Having the Edge Program was developed by the RPCC to address friction in the local labour market between the supply and demand for labour. There is an unmet demand for low skilled labour in the region yet there remains a pool of unemployed people who face multiple barriers to employment. Some local job seekers are viewed by employers as either being unsuitable to be given an employment opportunity or unable to sustain employment. Similar perceptions and negative attitudes of employers to some sections of the community in Colac (Victoria) were addressed by a WPP program. As a consequence, the Having the Edge program was devised as a pre-employment skills program to improve participants' general employability skills and address other individual barriers in order to help them gain and sustain employment.

The program provided a mixture of basic training, mentoring, assessment and case management through a collaborative partnership approach. Participants were provided with a range of pre-employment skills training including, inter alia, job preparation, resume preparation, job seeking, letters of application, interview presentation skills, and employer and workplace requirements. Additional training and information was provided by partner organisations including St. John Australia (first aid training), Centrelink (i.e., Centrelink services and methods), and a large local horticultural employer (employment opportunities).

Providing individual case management was an important component of the project as many of the participants face significant personal barriers to employment, such as drug or alcohol addition, mental health issues, culture of unemployment (i.e., third generation unemployed). It was necessary to identify and address such barriers – for example by referring the individual to appropriate health services – in order to successfully leverage the individual into employment.

### 4.6.3 Process Including Selection of Target Group

The project targeted those persons who struggle to gain or maintain employment and who would benefit from participating in the program. This included long term unemployed, indigenous persons, youth, mature age persons and Work for the Dole participants.

Participants were recruited from the RPCC's existing client base and via links developed with other employment and community organisations (i.e., Interwork, Riverland Special School, Community Bridging Services, Aboriginal Sobriety Group, Commonwealth Rehabilitation Services and Active Consulting). Of the groups targeted, 3 disabled people and 1 indigenous person participated in the project.

### 4.6.4 Outcomes

The project was successful in terms of meeting its anticipated outcomes (see table below). A total of 13 people commenced the project with 10 people obtaining employment by the completion of the project. Of the 10 employment outcomes, 2 were permanent positions while 8 were casual positions.

Providing on-going support to the individual and advocating on their behalf were identified as two key factors in facilitating sustainable employment outcomes. The community centre provides participants with an ongoing reference point in terms of a location for accessing general support and acting as a referee for employment applications. However, achieving sustainable employment outcomes is made difficult by the fact that many of the available jobs in the region are of a seasonal and/or casual nature.

**Expected and Actual Participation and Employment**

Performance indicators	2004/05
Participants	
Anticipated	12
Actual	13
Employment	
Anticipated	8
Actual <sup>(a)</sup>	10

**Note:** <sup>(a)</sup> Derived from "What Works Well – Project Summary".

The project also had important outcomes in terms of improving participants' confidence and self esteem which helped them to reconnect with society.

As a consequence of the success of this project, similar training programs have been run with a different emphasis (e.g., Youth Arts Project, retail). These projects seek to address basic skills that are in demand in the region.

#### **4.6.5 Conclusion**

The project helped to better match labour force supply and demand in the region by improving the general/basic employability skills of people that experience difficulty in gaining or maintaining employment.

Partnerships played an important role in terms of facilitating the project. Appropriate partnerships help to connect with target groups, deliver appropriate training and education outcomes, facilitate referral of individuals to appropriate services, and establish pathways to employment.

There is scope for replicating this program in other regions. The program provides the general outline of the type of support that is required to assist those persons who have difficulty gaining or maintaining employment (i.e., developing general employability skills and cultivating the idea that employment is an attractive option). The main change required would be to tailor the program to the needs of the local target group(s) and local conditions.

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## **5. Victorian Case Studies**

### **5.1 Victorian Cooperative on Children's Services for Ethnic Groups (VICSEG)**

#### **5.1.1 Learning Lessons**

VICSEG is highly regarded by local employers and is successful in achieving employment outcomes, because it is able to target training at labour demands in the local region and has built up strong relationships with employers, so that opportunities for formal work experience or employment flow directly from these relationships.

Training programs require participants to achieve a qualification (Certificate 3); graduates enter employment with a platform to build on the qualification already achieved and many go onto Diploma level studies.

The program further demonstrates, that by improving the skill level of those peripheral to the labour market, labour market interventions are able to increase participation in the workforce. VICSEG is particularly successful in increasing female participation in the labour force. The program demonstrates that the pathway of further education and training of groups whose labour is often not utilized can achieve higher workforce participation.

Most successful in assisting new migrants and refugees to gain a qualification and work experience to improve literacy and numeracy and quickly gain an appreciation of the workplace.

#### **5.1.2 Overview, Background, Organisation and Funding**

VICSEG is a well established community and training provider and has provided employment and training services to ethnic groups very successfully over a number of years. Their dense ethnic community and employer networks provide a platform to understand ethnic community employment requirements and employer needs. These are often very specialised such as requiring employees with specific language skills to cater for aged and child care clients from ethnic backgrounds.

VICSEG New Futures Training is a registered training organisation; historically courses have included bi-lingual training. The organisation received \$450,000 for 150 employment outcomes where an employment outcome was 30 hours per week over 16 weeks. The project commenced in May 2006 and is due for completion in December 2007. The project was called 'New Life –New Workplace' and was located in Coburg, in the Moreland LGA in metropolitan Victoria. The region is home to many newly arrived migrants including refugees. Coburg is one of the most cosmopolitan centres in metropolitan Victoria.

The project application accurately cited skills shortages in aged and disability care. To illustrate the demand for project participants, the application noted that in similar projects in the past many participants gained employment before project completion. Also, the industry is predicted to expand due to the new Welfare to Work regulations and the increase in the number of funded child care places.

VICSEG has extensive experience in providing employment projects assisting CALD, migrant and refugee job seekers, and particularly placing women into aged care and childcare places. Previous projects have been highly successful, achieving near full employment outcomes. Past projects include the Community Jobs Program (Jobs and Training), DEETYA Special Pilot Projects, and the New Work Opportunities Program. VICSEG conducts its training programs internally as it is also a Registered Training Organisation.

### **5.1.3 Process Including Selection of Target Group**

This project was contracted by the Department of Victorian Communities to supply up to 300 Certificate III places in Aged Care accredited training (and 150 employment outcomes). Graduates were employed in occupations related to Childcare (including Family Day Care), Aged Care and Disability Care.

Mentoring was also a key component of this project through the use of previous participants now in employment. The largest expenditure item was on training in preparation for work.

The project aimed to assist CALD jobseekers, especially recently settled refugees and recently arrived migrant women (not eligible for Job Network services) to find places in child care, aged care and other semi-skilled positions in the human and community service sector. They are often a substantial hidden unemployed sector in the community. Refugees from recently settled communities - mainly women - are amongst the most disadvantaged jobseekers in the community. They require accessible training, support and mentoring to enter employment. Refugees often lack basic education; they have experienced severely disrupted education and have little or no experience of the Australian workplace. They require targeted vocational training to equip them for employment.

Employment outcomes were achieved by providing extensive pre-employment and Australian workplace familiarisation courses; employment focused training, mentoring and employment support once in the workplace.

Participants were recruited from existing pools of applicants that had expressed interest in programs offered by VICSEG. Participants were referred from partner organisations, such as Centrelink, women's refuges, welfare programs, youth agencies, Job Network providers, and a range of ethnic community organisations and through word of mouth.

Assistance was centred on four key points: effective pre-employment training, accredited vocational training, mentoring from community members currently in the care sector, and sustained follow up supervision in employment. Pre-employment training involves familiarising job seekers with no prior experience in the Australian job market, and providing career guidance before training. Mentoring from people of their own cultural background in employment provides encouragement. All participants are expected to gain a Certificate III in the appropriate care-giving field, with the option of further study provided by VICSEG. Finally, follow up employment supervision is designed to bridge any cultural or communication gaps between employer and employee in the early stages of employment.

Training courses are sometimes mixed classes; others are for one particular ethnic group (e.g., Chinese, Iraqi, and Sudanese). Classes are duplicated - once with a native language teacher, a second with an English teacher, so that training is designed to advance literacy and

numeracy skills, reinforce prior learning, while educating for the essential skills and knowledge required for the workplace.

Barriers to employment include cultural familiarity, knowledge of work customs/practices/ethics, language barriers and qualifications obtained overseas which are not recognised here in Australia. Selection processes identify barriers such as the need for specific language classes, written skills development, refugee status and other relevant personal characteristics and that less than one quarter of current registrations were registered with the Job Network.

VICSEG has partnerships with employers in the relevant industries, employment program providers, local government, and many ethnic community organisations. This has been achieved through previous projects that assisted CALD job seekers into employment. Employers had significant input into the direction of training programs provided to participants through feedback from prior projects.

#### **5.1.4 Conclusion**

The program registered up to 600 participants, principally CALD, recently arrived migrants and refugees, and achieved 150 employment outcomes. In addition, the program provided over 300 training experiences. The cost per employment outcome was \$3,000; the cost per person assisted into employment or receiving training was \$1,000 per person.

The researchers met with a group of 15 participants from countries as diverse as China, Taiwan, Somalia, Horn of Africa, Iran, and Iraq who were completing their Certificate III in Child Care and Aged Care confirming the diversity of the intake into the program. All had significantly benefited from the program, with most securing employment prior to completion.

This WPP project easily attracted the target group they specified in their application. It is providing training, mentoring and work placements for known job vacancies in Aged Care and Child Care and employers recruit directly from VICSEG. The agency and the WPP program have a high public profile.

In terms of employment outcomes, VICSEG met its contractual obligation, although the researchers noted specifically that two issues are important as they can influence outcomes:

- a) many participants have child care responsibilities, care of their elderly parents and/or study and are not able to work more than 20 to 25 hours per week; and
- b) the relevant employment sectors only offer part-time or casual employment of approximately 20 hours per week, at least in the first instance.

When evaluating this program SACES noted that in many cases full-time employment of 30 hours x 16 weeks is not feasible. It was recommended that a simple formula would be to achieve a total of 480 hours of employment by any combination of hours and weeks. This would meet the objective of sustainable employment. It would also reward any program that achieved the required number of outcomes, reflect industry practice, take account of personal circumstances and change in personal circumstances and also reflect higher rates of workforce participation.

VICSEG maintained contact and follow-up sheets on all participants. They are completed when mentoring or co-ordinator visits are undertaken in the workplace and every time a contact is made with a client. This is an example of good internal management designed to achieve outcomes.

The agency reinforces employment outcomes through job search training, addressing employer specific needs such as for bi-lingual employees, additional training courses and mentoring support in work experience placements. That employers regularly contact VICSEG highlights their visibility in the CALD communities and aged/child care sector.

It is the researcher's assessment from visiting the program, interviewing VICSEG management and training staff, interviewing participants and discussions with employers that the VICSEG is providing a very high quality training, mentoring and employment placement service. It provides considerable other benefits - community engagement and involvement of diverse groups of refugees - that were not able to be reflected in the Department's database or the absolute number of employment outcomes. It is obvious that participants value highly the assistance of VICSEG, they are committed to their training courses and very appreciative for the assistance provided through WPP program.

VICSEG is an example of a highly professional, community organisation with extensive experience in assisting special groups of unemployed persons or those currently not in the labour force, achieve employment outcomes. Funding to organisations such as VICSEG and other specialist providers should take a long term outlook; funding could be trialled for a three year period with agreed outcomes, where it is most likely that outcomes/targets will be exceeded. The reason for this is that longer term funding would assist management to adopt longer term goals, to retain specialist staff and to develop pathways for graduates with employers that are desired by local employers. Longer term funding also enables adjustments to be made within programs as they are required, either because local employer/employment needs have changed or the cohort of job seekers varies over time.

The Victorian Workforce Participation Partnerships (WPP) program sought to assist the most disadvantaged in the labour market, to simultaneously address skill shortages and to increase workforce participation. The specific program conducted by VICSEG for refugees and new migrants, addressed all three objectives (above) and is an illustration of:

“...the most compelling case is for increasing the skills of those currently peripheral to the workforce, as it is those people on the margins of the labour market who offer by far the greatest source of additional labour resources for Australia. Perhaps more importantly, they are also the group who most need decent and steady work in order to be able to construct good lives for themselves and their families”<sup>13</sup>

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<sup>13</sup> NILS Workforce Participation in South Australia: Barriers and Opportunities April 2007

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## **5.2 Latrobe Valley Workforce Partnerships**

### **5.2.1 Learning Lessons**

Group Training Company with established networks and employer relationships has the capacity to extend group apprenticeship arrangements for the more disadvantaged.

The Group Training Company was able to extend the period of pre-employment training to ensure the more disadvantaged jobseekers were work ready and capable of being immediately productive. A strong introductory training package and intensive post placement support (if required by the individual and the employer) were strengths of this project. Both aspects 'add value' for the employer.

Group Training was also able to recruit potential early school leavers and those at risk of unemployment by providing a pathway or transition to employment. This is an example of a successful early intervention to assist those at risk of unemployment.

The 'partnerships' relevant to the program were those already established with host employers by GGT, rather than having to construct or develop partnerships to satisfy program guidelines.

### **5.2.2 Background, Organisation and Funding**

Gippsland Group Training Ltd (GGT) is a registered group training organisation and a registered training organisation (RTO) with seven sites across Victoria in which it conducts pre-employment and apprenticeship training. The organisation has two intakes of apprentices per year, in January/February and June/July, in which up to 1,200 apprentices are employed. GGT supports over 900 host employers and was clearly able to demonstrate employer participation and willingness to hire WPP graduates at the time it applied for funding.

GGT received \$350,000 under the Victorian Government's Workforce Participation Partnerships program with an obligation to place 50 WPP participants into sustainable employment. At the end of the funding period for the program (30/6/2007) GGT had actually placed 130 persons selected through the WPP program into apprenticeships in the Latrobe region. At the time of application the cost per project outcome was \$7,000 per participant, but in achieving 130 outcomes the actual cost fell to approximately \$2,700 per participant. GGT continued to receive financial support from the Commonwealth (\$4,000) for general administration of the group training and placement program, for the placement of apprentices with host employers, including financial assistance with work related tools and clothing and off the job training.

The WPP funding enabled two additional objectives to be addressed:

- the more disadvantaged jobseeker or those likely to leave school early with insufficient skills and education required to compete in the workforce were able to enter apprenticeship training; and
- skills and occupations identified as being in demand by employers in the Latrobe region were specifically targeted through recruitment under the WPP program.

### 5.2.3 Process Including Selection of Target Group

One aspect of this particular program was that is provided a transition or pathway for those young people who were at risk of early school leaving and unemployment, in that this group were able to enter the GGT 12 week training program direct from school. Gippsland Group Trainings did not differentiate between WWP recruits and those recruited in the normal twice yearly intake. Employers supported the program through acting as host employers, again without differentiating between the two groups of new apprentices.

They were interviewed by GGT staff and entered the 12 week pre-employment training program, and were required to reach a certain level of competency prior to any work placement with a host employer. In some cases, for the more disadvantaged, the period of training extended beyond the twelve weeks. A strong introductory training package is considered to be a strength of this project, to ensure that each participant was work ready. Additional training was provided to improve literacy and numeracy and maths skills and to address 'poor attitudes' towards learning and training. This was successful in that GGT achieved 130 sustainable apprenticeship employment positions for the more disadvantaged job seekers. Apprentices included in plumbing carpentry, electrical, boilermaking, welding and motor mechanics

The project demonstrated that the 'more disadvantaged' are able to enter, with appropriate education and training, employer support and mentoring, the more highly skilled career pathways and to achieve sustainable employment.

### 5.2.4 Conclusion

Gippsland Group Training has demonstrated that by providing a pathway for those young people who have left school early and have experienced a spell of unemployment, or those at risk of unemployment, that early intervention is able to ensure sustainable employment outcomes.

The WPP participant group were treated no differently to the normal apprenticeship intake, although they received further support and education/training to overcome any barriers to achieving a successful employment outcome. Some 130 participants achieved a successful outcome and are still in employment (according to the DVC database as at November 2007).

This program was also clearly successful in meeting the need of employers for skilled and productive apprentices as was required under DVC WPP guidelines.

Group Training Organisations have considerable expertise in delivering pre-employment training. Most are capable of modifying pre-employment training to assist the disadvantaged and to ensure this group of job seekers are work ready.

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## **5.3 Australian Manufacturing Technology Institute Limited (AMTIL)**

### **5.3.1 Learning Lessons**

AMTIL established National Up Skill and Placement Project supported by an industry steering committee and dedicated project team.

The strength of the project rests on the direct links with AMTIL member employers, the screening and support provided by the AMTIL project team to unemployed participants and close liaison with TAFE. Genuine awareness of industry needs by AMTIL in each state saw employment outcomes achieved and a commitment by all partners to the continuation and refinement of the project.

It further highlights the ability to meet skilled employment demands on a national or state industry wide basis where detailed understanding of employer needs is in place and specific geographic considerations are incorporated.

Mature-age unemployed have been successfully engaged in the project, demonstrating the capacity to identify, train and support older unemployed into employment in the technologically advanced manufacturing sector when appropriate systemic supports operate.

### **5.3.2 Overview, Background, Organisation and Funding**

AMTIL is a proactive national industry association who initiated the Up Skill Project in South Australia, Victoria, Queensland and New South Wales utilising a mix of government funding sources. The Victorian project received \$90,000 for 30 places. Funding nationally included \$120,000 from DEWR, \$100,000 from the Queensland Government, \$50,000 from South Australia, and \$57,000 from the Job Seeker account.

Industry commitment was ascertained by the conduct of a national metal industry survey with an 80 per cent positive response rate to the project concept.

AMTIL had limited experience of working on a direct employment project of this type and no previous exposure to working with the disadvantaged unemployed.

In addition to Federal and State governments, project partners included Job Network agencies, Registered Training Organisations, most notably TAFE colleges, and metal manufacturing industry employers.

The Up Skill Project was an administratively complex and ambitious national project. The differing and specific demands of relevant state governments added to this complexity, with particular difficulties experienced in Victoria under the WPP project.

The project sought to identify and develop a pool of industry-ready employees to meet short and medium term shortage of skilled employees across the advanced metal manufacturing sector. Training was provided for a minimum level 1 or 2 Certificate in Engineering Production (CNC machining) in accordance with employer survey results.

### 5.3.3 Process Including Selection of Target Group

The original project sought to train 180 participants nationally to Certificate I or II level and to assist with placement of 135 participants into sustainable jobs in the Precision Engineering Sector. The project target groups were specified as the mature aged, retrenched workers and disabled job seekers. Placement of jobseekers with disabilities was highly dependent on individual capabilities to perform in the engineering sector.

Participants were selected from Job Network, external recruitment agencies, consultants, and through internal referrals. The selection process included a mechanical aptitude assessment and personal interview and training needs assessment by AMTIL project staff. Personal contact and assessment by AMTIL staff was considered vital to achieving overall success through all stages of the process.

Participants were assisted primarily through training and work placements with employers, including an individualised training course depending on current knowledge and capabilities. They undertook between 320-400 hours training followed by pre-employment training and interview run by AMTIL project staff, including CV preparation, interview techniques and general information relevant to employment in the sector.

AMTIL maintained contact with TAFE course staff and project participants during training and attempted to deal with participant difficulties during this period. The ability to retain trainees was attributed in a large part to the quality of the TAFE training experience. Accreditation was dropped from Level 11 to Level 1 and an increase in manual training hours was adopted after employer and participant feedback.

Those who completed training were then directed towards work placement opportunities in the industry. On completion of placements, AMTIL sought to match participants with vacancies in the sector through industry contacts or by the continuation of the work experience placement into an employment contract.

### 5.3.4 Conclusion

The numbers of unemployed placed in work experience and employment are still being resolved for the Victorian component of the project. AMTIL is still tracking all those employed through the project and the employing firms. No apprenticeships have resulted from the project however four Victorian participants are undertaking further training.

Mature aged workers have proven to be the most successful in achieving outcomes for the industry. Few referrals were received under the disability category and younger workers proved more difficult to retain in training.

Motivation, willingness to learn and an understanding of working in the advanced manufacturing industry have been the most highly valued attributes of participants and led to positive employer attitudes towards the project. The aptitude testing and screening of suitable candidates was especially valued by employers.

AMTIL is reporting increased employer interest in AMTIL's services and clear interest in the continuation of the project. Employer feedback indicates a growth in awareness of the benefits of tailored training courses specific to the needs of their individual firm and greater

confidence in the TAFE sector to deliver appropriate training when supported and guided by industry.

Some expectations of participants were not well met. The low rate of entry level pay was an obstacle for mature age workers. Younger trainees clearly benefited and required greater levels of support and all participants sought higher levels of mentoring. Future intakes will be reduced in number to allow for provision of extended mentoring and support to all participants. All training will be offered at the Cert1 level with an increase in hours on CNC machines.

## **5.4 Victorian Automotive Industry Training Board Inc (ATV) Automotive Workforce Participation Partnerships**

### **5.4.1 Learning Lessons**

ATV, the peak training body for the automotive industry identified available jobs within the industry that were not being adequately filled via existing training and employment networks. The project created another mechanism to attract more apprentices into automotive trades and offered a structure of support for the employer and employee.

Justification for the project lies primarily in the provision of opportunity for disadvantaged young people to access apprenticeships. The funds provided to RTO's and the Job Network served to encourage a recruitment drive directed towards a wider pool of potential recruits for automotive apprenticeships.

The sustainability of these disadvantaged apprentice recruits has not yet been fully tested as it is still early in their apprenticeships. What also remains unanswered is whether this project will overcome the inherent difficulty of attracting and retaining apprentices overtime, as it is acknowledged that the low level of industry trainee wages has been a factor in retention.

The response of smaller employers to the project is also deemed particularly important as they are significant employers in the industry. ATV has reported that these employers have been less inclined to use Group Training Organisations to support their apprentices as they wished to retain them as their own employees. It is believed that this has exacerbated retention difficulties. The WPP project overcame this barrier by funding GTO involvement in recruitment and support to apprentices whilst allowing the employer to retain their role as employer. This demonstrates the potential role for GTO's in the recruitment and support of disadvantaged job seekers into the apprenticeship systems and provides a mechanism for greater support to apprentices and employers in regional and rural areas.

### **5.4.2 Overview, Background, Organisation and Funding**

The project received \$320,000 for 80 employment outcomes with up to 100 negotiated individual work placements. WPP funds were able to be rationalised by the incorporation of AAP funds when trainees met the AAP criteria. The project goal is to achieve commencement and completion of apprenticeships and traineeships in areas of identified skills shortage in metropolitan and regional areas.

The automotive employer sector consists predominantly of small business (less than 10 employees) including vehicle dealerships, specialised and general repairers. The project aimed to establish an 'Automotive Employment Network' to coordinate industry employers with job vacancies with job seekers across the State with particular emphasis on smaller employers.

ATV identified skill shortages in the automotive sector specifically, mechanics, automotive electricians and fitters, panel beaters, car re-sprayers and automotive retail assistants. The key sectors identified were vehicle and trailer manufacturing, automotive retail including dealerships and general repairers, marine retailers and aftermarket sales and service.

In seeking to establish an "industry owned and responsive" job network type structure it appears to have garnered support from across the industry and identified partners (e.g., VACC, AMWU, Auto Centre for Excellence, Group Training Victoria).

### **5.4.3 Process Including Selection of Target Group**

The project targeted youth (aged 15-24), mature aged and retrenched job seekers (with limited job opportunities). However, participants from any disadvantaged group could have been targeted subject to local demographics. Processes were established by the key partners to ensure that trainees fell within the target group to ensure their distinction from non-targeted young people still being placed as part of standard GTO practice. The different process resulted in the employment of a number of older young people than is usually seen in apprenticeships. Attraction of mature aged and retrenched workers to the project was largely unsuccessful.

GTO's assumed the prime responsibility for the recruitment and selection of trainees, on a statewide basis. A work plan was developed with the trainee. Work placements were then developed with the employers and participants training requirements were articulated. Matching the participant with a mentor and the provision of on-going support was also developed by the GTO.

Partners were principally the Group Training Organisations and the lead broker is the Victorian Automobile Chamber of Commerce Group Apprenticeship Scheme. Industry partners were allocated target numbers by the ATV and were responsible for the selection and recruitment of participants, matching them to employers and providing the necessary post placement support to ensure completion. A \$2,000 payment was made by ATV to partners for each participant in several instalments subject to agreed performance measures.

The Negotiated Work Placement and Training Plan requirements were approved by the ATV project staff and acted as the first performance measure followed by an employment outcome measure, also approved by ATV

### **5.4.4 Conclusion**

Active co-operation of 14 partner organisations, with VACC carrying the largest caseload as originally anticipated. Regional partners had been reporting a slow take-up rate as the drought had significant impact on labour demand in most rural areas, however, take up rates improved significantly over the life of the project.

The understanding by small employers that they may access GTO's as brokers to WPP, rather than as providers of apprentices is seen as a key industry development strategy.

The additional funds made available to GTO's under this scheme has been the primary mechanism by which GTO's have offered additional assistance or been willing to work harder to attract the more disadvantaged young person.

Accordingly the program is a welcome addition from an ATV, employer and GTO perspective. The project appears to have attracted only young people, with GTO's reporting that the group was more disadvantaged than the usual apprenticeship applicants.

However young people employed under the project did not demonstrate any particular knowledge of the scheme when interviewed. This reinforces an ATV concern that the project needs substantial promotion within the TAFE network to students who are undertaking pre-vocational courses, have an interest in learning, training and employment in the automotive sector, but are yet to commit to an apprenticeship.

## **5.5 Electrical Trades Unions of Australia (ETU) Southern Branch: Trades Apprenticeship Program for Indigenous Communities**

### **5.5.1 Learning Lessons**

The ETU project entailed the recruitment, selection, pre-employment training and placement of indigenous young people in electrical apprenticeships. There was special interest and experience of ETU staff engaging with Indigenous youth through a variety of sporting activities and a known group of young people became the initial intake for the project. The Union had established relationships with employers in the construction industry who had indicated an interest in attracting more apprentices and saw merit in the project concept. Equally important was the existing contacts the ETU had within the metropolitan indigenous community in Melbourne.

The Plumbers Union had some experience of supporting young indigenous people into plumbing trades and also provided assistance to ETU on the project. This advisory support proved very significant in assisting the ETU staff on the project. The training was provided by VICTEC, the largest training body for electrical apprentices in Victoria, an organisation that had well established connections with the ETU and was well regarded by employers. The project also had significant support from within the Victorian Government and there was considerable cooperation across Departments to assist with the projects' operation.

The coalescing of all these variables provided a basis for the project success. However additional resources were given to the project by both WPP and the ETU as the mentoring support component was extensive. These resources included the employment of a well known indigenous footballer to work with trainees. "Word of mouth" awareness of the project has grown within the indigenous community. However, after hours sporting involvement is still deemed vital to team and relationship building with the trainees.

Preliminary testing such as an aptitude test for all candidates is now seen as critical to the success of the project. Employment in electrical trades demands that the individual must have basic competence in mathematics and an ability to undertake the study. Ensuring that an indigenous young person is sufficiently able in this area to succeed both in the pre-employment and apprenticeship training program required to meet industry standards has

proven challenging. The mentoring process is still required to continue to ensure that the trainees pass the license tests during each phase of their apprenticeship. The ETU accepts that it will need to actively assist the apprentices for the duration of their 4 year apprenticeship.

### **5.5.2 Overview, Background, Organisation and Funding**

The project received \$179,500, and was designed to assist 15 participants (10 metropolitan, 5 regional). Regional places were not pursued in the first intake as there were difficulties with promotion and identifying suitable young people in regional areas. The project pulled back from this activity, choosing to consolidate the success of the project in metropolitan area. The major project expenses were for mentoring and pre-employment testing, training and work preparation.

The project application identified trade based employment opportunities in Melbourne due to skill shortages, specifically electricians or linesmen 4 year apprenticeships. Both Electronic Equipment trades (ASCO 4315-11) and Electronic Instrument trades (ASCO 4314-13), as well as Electrical Powerline trades (4313-11) have been identified as skills shortage occupations in the STNI Eligibility List (i.e., state nominated list).

### **5.5.3 Process Including Selection of Target group**

Participants were selected from the Indigenous community in Melbourne, and through networks the ETU had developed with employers and training organisations.

After candidate selection, the participants were assessed for their pre-employment training needs. The pre-employment training was critical in several respects. It represented the first hurdle to overcome for participants, demanding intensive support by ETU project staff. Training requirements were negotiated with individual needs accommodated by the RTO, VICTEC in order to achieve high retention rates. The training component was counted as an equivalent of 6 months of the 4 year apprenticeship.

Employers were sought for all participants during their 16 week pre-apprenticeship training if they demonstrated a readiness for employment. Written contracts guaranteeing employment were negotiated and signed at the outset via ETU project staff. Participants were placed directly into apprenticeships with employers (where possible), or directly into pre-apprenticeship, induction or pre-employment training programs.

The indigenous and non-indigenous case managers provided mentoring for participants throughout the duration of the project, including training programs, on-site support during employment, and helped participants find a work-life balance. This particularly involved engaging with the young people on weekends through sporting activities such as football and cricket. Mentoring participants and consulting employers to achieve sustainable outcomes was described as “a major focus of the program”.

#### **5.5.4 Conclusion**

Attracting suitable candidates became the primary requirement for the success of the project. The consequence is that the most disadvantaged indigenous youth will not be eligible for the project. However ETU report that the very existence of the project provides real encouragement to indigenous young people still in the secondary education sector, particularly with regard to continuation with maths studies

ETU report that the project has progressively build goodwill between employers, the union, training organisations and indigenous community. There is considerable interest in the model in other States and across the union movement as a whole and the project is continuing to operate in Victoria.

The project commenced as a pilot project, with the hope of providing a model for similar future projects to assist young Indigenous youth. The project has now combined formally with the Plumbers Union to extend the scope of the project and to provide apprenticeship opportunities for those young people who have less competence in mathematics.

Consideration is now being given to revive the regional implementation of the project given the greater awareness of the project within indigenous communities' throughout the State. Assistance by indigenous government agencies is also providing a platform of appropriate indigenous regional contacts.

## 6. Conclusion

The SA Works in the Region and the Victorian Workforce Participation Partnerships programs both are premised on the need to assist the most highly disadvantaged job seekers find and retain employment.

Seventeen Employment and Skills Formation Networks that include representatives of other regional bodies and stakeholders facilitate this work. Seventeen Grantees identify training and skills formation needs in their respective regions and respond appropriately. Ultimately, the objective of the program is to improve regional employment outcomes. There is a high degree of decentralisation within the program and a considerable diversity of approaches to labour market assistance measures at a regional level. Several projects the researchers reviewed were directly related to the recruitment needs of employers, for known job vacancies with a commitment by employers to hire course graduates. Other projects were readily able to engage participants, address social and personal barriers but had less obvious connections with employers or to specific job opportunities. Overall, projects sought to improve or increase the skill level of the participants.

The Victorian WPP program stated the first of six principles that “highly disadvantaged job seekers who face significant barriers to employment” represented the target group and that the principal objective was to achieve:

“employment outcomes; sustainable permanent employment in locations and industries or occupations with documented skill shortages. Applications for funding were required to demonstrate how the project would meet existing skill shortages in the labour market.”

Sustainable employment outcomes had a relatively exact definition<sup>14</sup> of 30 hours per week times 16 weeks.

The WPP program is an example of an *outcomes based funding model* where the delivery agent/broker was paid to achieve a certain number of training places (i.e., commencement and actual participants) and a certain number of employment outcomes. The individual projects that were funded *named* the industry and/or the occupations that they anticipated participants would enter and the skills/qualifications they would achieve during the program.

For example,:

“Provide intensive support, training and work experience for 20 local residents into employment in skills shortages (building and construction, tourism, hospitality and aged care) in the Colac Otway Shire”, or

“... train participants to Certificate I or II level and to assist participants into sustainable jobs in the precision engineering sector.”

WPP also sought to respond to emerging labour and skill shortages.

SA Works in the Regions and WPP are designed to accommodate regional diversity through local training and employment outcomes, both seek to develop community partnerships and to meet business and industry needs.

<sup>14</sup> Projects could apply for part-time, but on-going employment outcomes to be accredited for payment.

The South Australian program goes further, in the attempt to “foster leadership and strengthen the capacity of local communities” and to “share responsibility for training and employment outcomes”. One test of this strategy is the involvement of local employers so that identified skill shortages are addressed.

WPP “starts” at the demand side - what is the planned outcome, have the employment or skills shortage been identified and will this local project meet that need.

There is no *right or wrong* approach, no single program design or one best project!

SA Works in the Regions in our view could benefit from incorporating the following:

- strengthen the cooperation with local employers;
- give greater priority to skills formation for transition to employment;
- provide a stronger indication of intended outcomes by industry and/or occupation;
- first aim to target employment outcomes and then build into programs the necessary “wrap around welfare”, case management, mentor support as required as an aid to achieve those outcomes;
- to the extent possible enable participants to achieve a qualification which signals competency, skills and capability; and
- general community-benefit projects (e.g., CEP or WfD type projects) must always have a strong training and skills component that is relevant to the labour market and should not be funded otherwise.

The researchers would *not advise* that SA Works in the Regions move to an outcomes based funding model for the reason that it will create conflict with a most important objective of “assisting those highly disadvantaged in the labour market.” There are many who are marginalised from the workforce,<sup>15</sup> yet there is a need to be careful that “individual deficit theories” are not a primary rationale for labour market assistance programs. Public data and surveys inform us that the unemployed themselves report their main difficulty in finding a job is that

“they lack the necessary training, qualifications and experience”.

So skills and experience are crucial to the employment prospects of the unemployed person (see Moskos, 2007).

BoysTown at Port Pirie, Whyalla Goal 100 and the Track Maintenance Program all placed skills, a job/employment first - assistance with personal, social, financial and family issues was built into the program, but skills for employment came first.

Similarly, VICSEG assisting new migrants and refugees placed skills, a qualification, work experience and employment first, while along the way, language, cultural and other barriers were addressed; similarly the AMTIL and the ETU projects with young indigenous job seekers.

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<sup>15</sup> All acknowledge that many unemployed persons do face barriers, often multiple barriers in trying to secure employment.

The literature review suggests that labour market programs are ineffective in increasing employment opportunities (that is to say, of themselves they do not create vacancies) and that training of itself is unlikely to be very effective in meeting the needs of both employers and job seekers. However, in a buoyant labour market, where training for specific skills is undertaken that meets the demands of the local employers/the local labour market, then training is more likely to be effective.

## 6.1 Consideration of Other Models

Some consideration could be given to what are three other models for project funding.

The first is the Group Training Organisation (GTO) model and that it is possible to build on the GTO model, to recruit the more disadvantaged job seeker, provide more intensive pre-employment preparation and support in employment. It would be possible to deliver this as an outcomes based funding program. The general approach could be to trial this approach with an organisation operating in, for instance, the northern or southern region of Adelaide where there is demand for apprenticeships. An existing organisation would be funded to achieve a certain number of additional placements and to ensure that the participants came from the more disadvantaged job seekers. Because GTOs have extensive employer networks they are well placed to assess local demand, job vacancies and the capacity and willingness of employers to hire additional apprentices.

The “union model” (e.g., Electrical Trades Union, Victoria) delivered agreed outcomes for indigenous young people. A critical and distinctive element in this model is the mentoring provided by union members, skilled tradespersons, indigenous sporting identities and the commitment of building industry employees. It could be replicated for a trade skill area or specific industry such as mining.

The “union model” demonstrates the strength of personal mentoring and support to disadvantaged job seekers, while the focus on skills in demand meant that each participant achieved an employment placement. The combination of mentoring and support and then employment has provided real incentives to assist indigenous job seekers participate in training, learn work/trade skills and then perform on the job.

The third model, to assist women who are refugees or newly arrived migrants, is that of targeting employment in aged, children and community care sector. They are often a neglected group yet many are seeking to enter the workforce as clearly shown in the Victorian VICSEG project.

The researcher’s review of the literature does suggest that there is broad agreement on the following key principles to improve the effectiveness of labour market programs:

- 1) training should be closely targeted to the needs of industry or local employers and match the interests of the cohort of job seekers (latter involves careful selection of job seekers);
- 2) programs should generally be small in scale and again, be targeted at skills in demand or the needs of employers;
- 3) achieving a qualification or certificate is important for some participants and for some industries as it signals to the employer competency, skills and employability;

- 
- 4) combination programs work best as they have the capacity to address ‘multiple barriers’ to employment and are able to be tailored to the needs of the individual. Combination programs may involve, *inter alia*, training on and off the job, work placement, mentoring, job search assistance, and follow up once in employment;
  - 5) early intervention is advisable, whether this involves the unemployed job seeker or those currently at school who are at risk of leaving school without sufficient a foundation to compete in the labour market;
  - 6) there are job seekers with entrepreneurial skills and talents who have the capabilities and desire to commence their own business who would benefit from training and business start up support; and
  - 7) evaluation should be built into the design of program, it should provide an assessment of program outcomes and hence effectiveness of the program over time. For example, if the measured outcome is sustainable employment, then this needs to be followed up for a minimum period of time. If the outcome is to place job seekers into employment or into a specific occupation, where there is a demand for skilled workers, then the actual job placements should match those skills in demand in that occupation or that industry.

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## Appendix A

### Interview Schedule as a guide only to interviewers

#### General Interview Schedule for Victorian WPP Projects And SA Works in the Regions Program

##### Background Notes Only

Both State programs specify assistance to the most disadvantaged in the local labour market.

Attempting to understand the nature of the local disadvantage which may be personal, cultural ...e.g., 2<sup>nd</sup>/3<sup>rd</sup> generation unemployment, disaffected youth, unwillingness to participate in education and training, local employer attitudes, lack of assistance from the Job Network or simply not registered, loss of skills over time, transport or travel impediments, types of jobs on offer such as temporary which can cause on-off benefit problems, low wages, etc

Victorian WPP projects have been evaluated on the basis of successful employment outcomes of full time work for 30 hours per week over 16 weeks. WPP had a very clear employment outcome focus, including meeting skills in demand which were to be addressed by each project. Data is summarised as at end October on attached sheet for registrations, placements into employment and then outcomes as defined above.

In 2004-05 employment outcomes were defined as '20 hours per week for 13 or more weeks'. Currently, employment outcomes are defined as any paid work including but not limited to apprenticeships, traineeships, group training and self employment. There is no delineation between full-time and part-time employment and there is some variation between regions in the definition they use.

There may be quite specific elements of a 'local nature' that contributed to the success of each project and the authors of each project may 'define success' in other than employment outcomes.

Is there a continuing role for these programs (now and in future) and what should they emphasise given the changing nature of the labour market? For example, skills are necessary for on-going employment, trade training is a pre-requisite for higher wages, on-going employment, individual mastery of the labour market, flexibility and mobility, and one's life...are we learning critical lesson which might for example warrant a policy response such that "all 16-18 year olds or even older' must be in either employment, education or some form of training. Compact with youth?

Other groups including retrenched workers, those re-entering the labour market, new migrants/refugees, those with a disability.....what do we know about what works for these groups.

Judging the success of labour market programs ...is the goal to reduce unemployment, re-arrange the queue by assisting the more disadvantaged, respond to the demand side of the labour market (employers state 'they need these people/skills') or the supply side as in making the unemployed more employable through whatever means?

State:                                      South Australia                                       Victoria

Name of Project: .....

Location of Project: .....

Persons attending interview: .....  
.....  
.....

**Interview Schedule** (*guide only*)

**The Project**

- Tell us a little about the program, I understand it involves...  
.....  
.....  
.....
- What role did local factors play in terms of the need for the program (i.e., local economic, social and environmental issues, industry/employer requirements, etc).  
.....  
.....  
.....
- Did the program evolve in response to factors/difficulties that arose? If so, how did it respond?  
.....  
.....  
.....
- Reasons for under/over achievement in relation to expected outcomes.  
.....  
.....  
.....
- What were the main challenges encountered in delivering the project and reaching expected outcomes (i.e., delivering expected project outcomes)?  
.....  
.....  
.....
- Sustainability of the employment outcomes achieved. Will they have a long lasting or significant impact? Critical reasons why?  
.....  
.....  
.....
- What is the scope for replicating this project in other regions?  
.....  
.....  
.....

**Partnerships**

Note: In Victoria the partnerships will be different and for each project, so issue here is to document partnerships and how they were of value to achieving outcomes. (local knowledge, education/training/ understanding employers needs, matching employee and employer).

? Identify the real value of partnerships? (e.g., of employers, training bodies, welfare agencies, Centrelink, others)

.....  
.....  
.....

• Did relationships with members of the Employment and Skills Formation Network have an impact of the effectiveness of the program? If so, what type of impact was there (i.e., positive/negative, and in what sense)

.....  
.....  
.....

• The effectiveness of any role played by Centrelink.

.....  
.....  
.....

**Focus on Disadvantage and Multiple Barriers to Employment  
(same target groups, multiple barriers in SA and Vic)**

Identify major barriers to employment (personal, early school leaving, skills/qualifications, motivational, local labour market, attitude of employers, etc) and how best to address these.

.....  
.....  
.....

Most critical aspect of program in achieving employment outcomes?

.....  
.....  
.....

Strategies to help maintain participants in employment?

.....  
.....  
.....

Could system wide response (such as all 15-19 year olds be required to be in employment/ education/training) rather than one off projects better address the barriers to employment

.....  
.....  
.....

**Labour Market Conditions**

- What do you see as the main challenges in relation to improving workforce participation in your region and in general?

.....  
.....  
.....

- Have you observed any long-term trends in the labour market or for those with disadvantage, that require on-going programs?

.....  
.....  
.....

- Distinctive differences/challenges faced by males relative to females?

.....  
.....  
.....

- ? Distinctive differences/challenges faced by older workers relative to younger workers?

.....  
.....  
.....

- ? Balance in the program between Skills in demand in the region (i.e. jobs requiring certain skills, apprentice/trainee) vs Supply Side issues (job ready, attitude, improving motivation, etc).

.....  
.....  
.....

**Role of the Works in the Region Program (or WPP)**

- The importance of funding provided by the program. Would it have proceeded without the program?  
.....  
.....  
.....
  
- Other funding (\$) and or in-kind support to the program?  
.....  
.....  
.....
  
- Was there a commitment from employers to hire and success of this?  
.....  
.....  
.....
  
- Assessment of administrative requirements of the program overall? (helpful, useful, a burden)  
.....  
.....  
.....
  
- ? Importance of security of funding, commitment over period of several years rather than “stop/start” nature of program funding (Could be a (+) in SA, and a (-) in case of WPP.  
.....  
.....  
.....
  
- Are there other forms of assistance that could be provided that would help achieve project outcomes/increased workforce participation?  
.....  
.....  
.....

**Final Comments**

? Any other final comments that highlight the usefulness of the program

.....  
.....  
.....

## **Appendix B**

### **DFEEST Project Summary and Evaluation**

**PROJECT – Choose Your Future (Goal 100)**

<b>Region/Year:</b>	Whyalla 06/07
<b>Sub-Contractor:</b>	Whyalla Economic Development Board
<b>Start Date:</b>	04/09/2006
<b>Completion Date:</b>	19/01/2007
<b>Target Group:</b>	LTUE, Indigenous, People with barriers to employment.
<b>Anticipated participants:</b>	100
<b>Anticipated employment outcomes:</b>	100
<b>Anticipated volunteer/further education outcomes:</b>	None listed
<b>Budget SA Works:</b>	\$140,000 (see below)
<b>Budget Other:</b>	\$510,000 DFEEST, DEWR, Whyalla City Council, Local Industry (see below)
<b>Other Partnerships/Linkages:</b>	One Steel, Bungala Aboriginal Corporation, Salvation Army Employment Plus and ASK Employment Services, as well as many other businesses and groups through the Whyalla community.

**Actual Outcomes – Taken from project completion forms (if applicable)**

*\*Note figures are taken from Mk 1 project as it has most up to date paperwork- (progress form dated 19/01/2007)*

	15-24		25-39		40+		Indigenous		Disabled	
	M	F	M	F	M	F	M	F	M	F
<b>Actual Participants</b>	36	1	31	10	19	3	22	6		
<b>Employment Outcomes</b>	21	1	21	8	17	2	9	5		
<b>Accredited Training Hours</b>	12039	334	10367	3344	6353	1003				
<b>Non-Accredited Hours</b>	9850	273	8483	2736	5198	820				
<b>Volunteer Work</b>										
<b>Further Education or Training</b>										

**Project Description:**

Create your future: Goal 100 is a 20 week training program for 100 local participants. We divide the 100 participants into eight groups and train all participants in a mix of industry and life skills to have them job ready at the completion of the project.

With industry support, we are able to offer employment opportunities to each participant who successfully completes the program.

Under the model, participants are expected to attend Monday to Friday, from 8am to 5pm, which equips them well for getting into the rhythms of a normal working-life. Training – both theoretical and hands-on – is provided, as is life coaching and work experience placements.

The major focus of the project is to provide the long term unemployed and other groups disadvantaged within the Whyalla labour market with the opportunity to develop practical skills in demand within the heavy engineering and resource processing sectors and to assist them to transition into full-time ongoing employment. Participation on this program is purely voluntary.

For those participants experiencing difficulties with issues such as substance abuse, support is provided where possible to ensure that participants have the best chance of success.

**Project Partners:**

One Steel: Sponsorship of 50 participants  
BHP Billiton: Sponsorship of 10 participants  
Marand Precision: Sponsorship of 2 participants  
BIS Industrial: Sponsorship of 5 participants  
Whyalla City Council: Sponsorship of 5 participants  
Action Engineering: Sponsorship of 1 participant  
HWE Mining: Sponsorship of 5 participants  
ASK Employment  
Salvation Army Employment Plus  
Bungala Aboriginal Corporation  
DEWR – Funding for 27 Indigenous participants via (STEP)  
Upper Spencer Gulf Development (DFEEST)  
CEG Contribution (based on 50 apprenticeships)

(Financial contributions of individual partners has been deleted)

**Outcomes:**

79 participants graduated from the project whilst 86 secured employment following completion of the course. To date approximately 80 participants are still actively employed.

**Project Strengths:**

The major strength of Goal 100 has been the collaborative approach taken, with WEDB acting as the broker between the various agencies to the benefit of the whole project.

Under the model, participants are expected to attend Monday to Friday, from 8am to 5pm, which equips them well for getting into the rhythms of a normal working-life. They are expected to advise if they are not attending, and if they don't, they are issued with a written warning. Attendance is monitored carefully and employers who have taken on Goal 100 participants have noted the dedication of participants in this regard.

There is a lot of one-on-one work done with participants by the Project Manager to ensure that they are being completely supported through the project.

A variety of aspects to getting 'work-ready' are covered through the project - hands on skills ideal for heavy industry with a focus on course components including welding, manual handling and occupational health, safety and welfare; a strong focus on life skills throughout the program ensuring participants were involved in courses which included health and fitness, career planning and problem solving; personal development.

## PROJECT – Whyalla Track Maintenance Project

<b>Region/Year:</b>	Whyalla - 04/05
<b>Sub-Contractor:</b>	AWS Training Pty Ltd
<b>Start Date:</b>	01/07/2004
<b>Completion Date:</b>	21/10/2004
<b>Target Group:</b>	Indigenous, LTUE
<b>Anticipated participants:</b>	20
<b>Anticipated employment outcomes:</b>	20
<b>Anticipated volunteer/further education outcomes:</b>	None listed
<b>Budget SA Works:</b>	\$5,000
<b>Budget Other:</b>	\$5,000
<b>Other Partnerships/Linkages:</b>	AWS, Transfield

### Actual Outcomes – Taken from project completion forms (if applicable)

	15-24		25-39		40+		Indigenous		Disabled	
	M	F	M	F	M	F	M	F	M	F
<b>Actual Participants</b>	4		14		2		7			
<b>Employment Outcomes</b>	4		14		2		7			
<b>Accredited Training Hours</b>	480		2240		480					
<b>Non-Accredited Hours</b>										
<b>Volunteer Work</b>										
<b>Further Education or Training</b>										

### Project Description:

Transfield Services was contracted on behalf of the Australian Railroad Group, to provide maintenance services to OneSteel's rail assets in Whyalla. Transfield planned to increase its local workforce by 20 workers and were encouraged to consider alternative sources of labour by the projects Sub-Contractor, Access Working Solutions.

Access Working Solutions worked with the local Job Network provider and the Indigenous Employment Centre (Bungala) to source participants and additional funds to support training.

Sixty people expressed an interest and attended an information session. Access Working Solutions conducted initial interviews and identified 40 potential candidates including long term unemployed and Indigenous people. Candidates had medical checks and proceeded to final interviews with Transfield Services.

Twenty long term unemployed people commenced a one month induction and training program and were subsequently offered employment as Track Maintenance Workers, under a contract of training, undertaking a Certificate II in Rail Infrastructure Maintenance. Six of these workers were Indigenous.

### Project Partners:

Access Working Solutions (AWS) – Sub contractor  
 Transfield Services – Employer/Contractor to OneSteel for track work.

### Outcomes:

All participants found ongoing employment at the completion of the program.

**Project Strengths:**

- Employer commitment
- Cooperative effort by service providers
- Effective selection process
- Support from funding bodies/regional

The flexibility of *South Australia Works in the Regions* allowed for an immediate and tailored response for the employer. *South Australia Works in the Regions* contributed \$5,000 and additional training funds and wage incentives were sourced through other partnering organisations. This encouraged the employer to consider a cohort of people they may not have previously considered.

The commitment from all of the organisations involved and an effective selection process ensured that the participants were being trained for actual job vacancies.

**PROJECT – BoysTown, Skills for the Future**

<b>Region/Year:</b>	Southern Flinders 06/07
<b>Sub-Contractor:</b>	BoysTown
<b>Start Date:</b>	05/02/2007
<b>Completion Date:</b>	31/12/2007
<b>Target Group:</b>	Disengaged youth
<b>Anticipated participants:</b>	40
<b>Anticipated employment outcomes:</b>	20
<b>Anticipated volunteer/further education outcomes:</b>	
<b>Budget SA Works:</b>	\$45,000
<b>Budget Other:</b>	None listed for this year.
<b>Other Partnerships/Linkages:</b>	Local employers

**Actual Outcomes – Taken from project progress forms 06/07**

**\*\*Note this program has also run in 04/05 and 05/06**

	15-24		25-39		40+		Indigenous		Disabled	
	M	F	M	F	M	F	M	F	M	F
Actual Participants	10	4								
Employment Outcomes	4	1								
Accredited Training Hours	1315	525								
Non-Accredited Hours	179	71								
Volunteer Work										
Further Education or Training	2	2								

**\*\*\*NOTE – This project also runs to the same model in the Northern Adelaide and Western Adelaide Regions**

**Project Description:**

BoysTown engages disconnected young people, who are at significant risk of not completing their schooling, to re enter education and training options, or through the BoysTown model, progress to open employment.

It has the ability to employ young people in their own commercial enterprises enabling these them to develop *real skills in real jobs*.

**Project Partners:**

Local employers are engaged to secure ongoing employment after participants complete BoysTown's own pre-employment in which participants are paid a wage by BoysTown in order to get an understanding of responsibilities would be like when working for a real employer.

**Outcomes:**

Enables participants to gain pre-employment skills for them to progress into employment within BoysTown enterprises or directly into the open labour market.

**Project Strengths:**

For the young person:

- Reconnection with the community;
- Growth in self esteem;

- Life and vocational skills acquisition;
- Significant reduction in offending behaviour;
- Reduction in drug and alcohol usage;
- A sense of hope and self dignity

For the community

- A decrease in vandalism;
- The establishment of positive role models both within the family unit and with peers;
- The breaking down of stereotypes;
- Money being injected into the local community through wages and the purchase of enterprise goods and services;

## PROJECT – Australian Refugee Association – Connecting to Australia

<b>Region/Year:</b>	Western Adelaide 06/07
<b>Sub-Contractor:</b>	Australian Refugee Association Inc.
<b>Start Date:</b>	06/02/2007
<b>Completion Date:</b>	30/04/2007
<b>Target Group:</b>	Refugees, New Migrants
<b>Anticipated participants:</b>	28
<b>Anticipated employment outcomes:</b>	19
<b>Anticipated volunteer/further education outcomes:</b>	Work experience placements
<b>Budget SA Works:</b>	\$35,000
<b>Budget Other:</b>	\$9,687
<b>Other Partnerships/Linkages:</b>	Thebarton Senior College

### Actual Outcomes – Taken from project completion forms (if applicable)

	15-24		25-39		40+		Indigenous		Disabled	
	M	F	M	F	M	F	M	F	M	F
Actual Participants	4		20		4					
Employment Outcomes	3		13		3					
Accredited Training Hours	648		3240		648					
Non-Accredited Hours	150		750		150					
Volunteer Work										
Further Education or Training			2							

### Project Description:

The project involved two separate training programs, one in building and construction and the other in general engineering and workshop skills. The programs will be run for three days a week over a nine week period, plus an additional week at the conclusion of the training to enable participants an opportunity to undertake a full time work experience placement. Both training programs will also include a component of work skills training focussed on providing participants with knowledge around the areas of OHS&W, work safety etc. Each training program has been designed to equip participants with practical skills and knowledge which, with support from the team at ARA will enable them to gain employment at the conclusion of the training.

### Project Partners:

Thebarton Senior College and CITB provide the training streams into the different vocations.

### Outcomes:

The majority of participants are still actively employed, some have returned to further education in numeracy and literacy. Some have chosen not to pursue employment in these industries.

### Project Strengths:

Close relationship with Thebarton Senior College – regarding case management and providing ARA with feedback on participant progress.

Big focus on additional job skills training “realities of working in Australia”.

## PROJECT – Kilburn/Blair Athol Employment Project

<b>Region/Year:</b>	Western Adelaide 04/05 to 06/07
<b>Sub-Contractor:</b>	Adelaide/Enfield Community Health Service
<b>Start Date:</b>	14/02/2005
<b>Completion Date:</b>	30/12/2005
<b>Target Group:</b>	Disadvantaged Youth, People living in poverty, People with barriers to employment.
<b>Anticipated participants:</b>	40
<b>Anticipated employment outcomes:</b>	20
<b>Anticipated volunteer/further education outcomes:</b>	None listed
<b>Budget SA Works:</b>	\$50,000
<b>Budget Other:</b>	\$43,000 (sponsor not identified)
<b>Other Partnerships/Linkages:</b>	SAHT, Civil Skills and Technology Centre, PATDC (now ATEC)

### Actual Outcomes – Taken from 04/05 project completion forms (if applicable)

	15-24		25-39		40+		Indigenous		Disabled	
	M	F	M	F	M	F	M	F	M	F
<b>Actual Participants</b>	28	7	12	1		2	2	3	6	
<b>Employment Outcomes</b>	11	2	7			1				
<b>Accredited Training Hours</b>	1993	150	329							
<b>Non-Accredited Hours</b>	559	215								
<b>Volunteer Work</b>	1	2	1							
<b>Further Education or Training</b>	1	1								

### Project Description:

Adelaide Community Health Service provided 50 people, predominately young people with life skills training that enabled staff to engage and understand the needs of the young person and introduce a range of training around job readiness and preparation. Being co-located at the health service the case manager was able to respond to a range of issues impacting on the participants' ability to gain employment including legal issues, economic, housing and health issues. Participants' engagement was in a receptive manner that could address issues around job readiness and preparation. The project also enabled linkages with other service providers in the fields of legal aid, housing and drug and alcohol services. Advertising in the press for participants did not solicit many responses; however it did provide an opportunity for raising and maintaining the projects profile within the community members and groups.

### Project Partners:

South Australian Housing Trust – Kilburn South Urban Renewal Project (Accommodation and Housing)  
 JPET – Referrals  
 PATDC (ATEC) – Vocational training provider  
 Lutheran Community Care – Community Services via the low income support project.

### Outcomes:

Of the 50 participants, 21 gained permanent, casual or part time employment, with a further 4 participants picking up voluntary work and another 2 progressing into further employment and training. The project also highlighted the need to strengthen referral services for youth services such as drug and alcohol issues, counselling and housing.

**Project Strengths:**

The contact and follow through with young people through case management and mentoring allowed the youth workers to advocate for the needs of young people and give practical support. The project also encouraged a range of other agencies in the community to see employment and training as key issues in the lives of young people and enabled a more effective response to issues. The network has chosen to continue the project in 05/06 and 06/07.

**PROJECT – Having the Edge**

<b>Region/Year:</b>	Riverland - 04/05
<b>Sub-Contractor:</b>	Renmark Paringa Community Centre Inc.
<b>Start Date:</b>	01/11/2005
<b>Completion Date:</b>	30/06/2006
<b>Target Group:</b>	LTUE, People with barriers to employment.
<b>Anticipated participants:</b>	12
<b>Anticipated employment outcomes:</b>	8
<b>Anticipated volunteer/further education outcomes:</b>	None listed
<b>Budget SA Works:</b>	\$10,000
<b>Budget Other:</b>	
<b>Other Partnerships/Linkages:</b>	Commonwealth Rehab Services (CRS) Centrelink.

**Actual Outcomes – Taken from project completion forms (if applicable)**

	15-24		25-39		40+		Indigenous		Disabled	
	M	F	M	F	M	F	M	F	M	F
<b>Actual Participants</b>	4	4	3	1		1		1	2	1
<b>Employment Outcomes</b>	3	3	2	1		1		1	1	1
<b>Accredited Training Hours</b>	14	21	14			7			14	14
<b>Non-Accredited Hours</b>	70	210	140			70		70	70	140
<b>Volunteer Work</b>	2	1							2	1
<b>Further Education or Training</b>	2	1	1	2						

**Project Description:**

The aim of the project was to improve the employability of people who have been unemployed for a period of time or have been unable to sustain employment while also addressing employment shortages in the region.

The thirteen people who commenced the project were varying in ages, included 1 Indigenous person and 3 people with a disability. Participants improved skill levels and confidence through a supportive environment and were linked to specific employment opportunities in the Horticultural Industry.

Most of the participants were sourced through direct contact with the co-ordinator of the Renmark Paringa Community Centre or as a result of links developed by the centre with other agencies.

The project also successfully engaged participants back in to the community by assisting them with improved confidence and self esteem.

**Project Partners:**

Commonwealth Rehabilitation Service (referrals)  
Centrelink (referrals)

**Outcomes:**

At the completion of the project, of the thirteen participants that commenced, 10 people found employment, 2 participated in work experience and 2 undertook further training linked to employment. Overall there was a significant impact on their quality of life.

**Project Strengths:**

The overall strengths of the project were the supportive partnerships established and maintained from individuals, organizations and service providers who were committed to ensuring the success of the program. The positive delivery of training, together with successful response to participant needs and requirements was also a great strength of the program.

The absolute success of the program was witnessing people who were not motivated or willing to see employment as being a possibility for them, dramatically change as a result of the program, such that they became different people with significantly altered outlooks and attitudes. The number of employment outcomes was also a great strength of the program, particularly as it has enabled more employees for local employers and achieved valid employment, career pathways and training outcomes.

## Appendix C

### The Context for Change

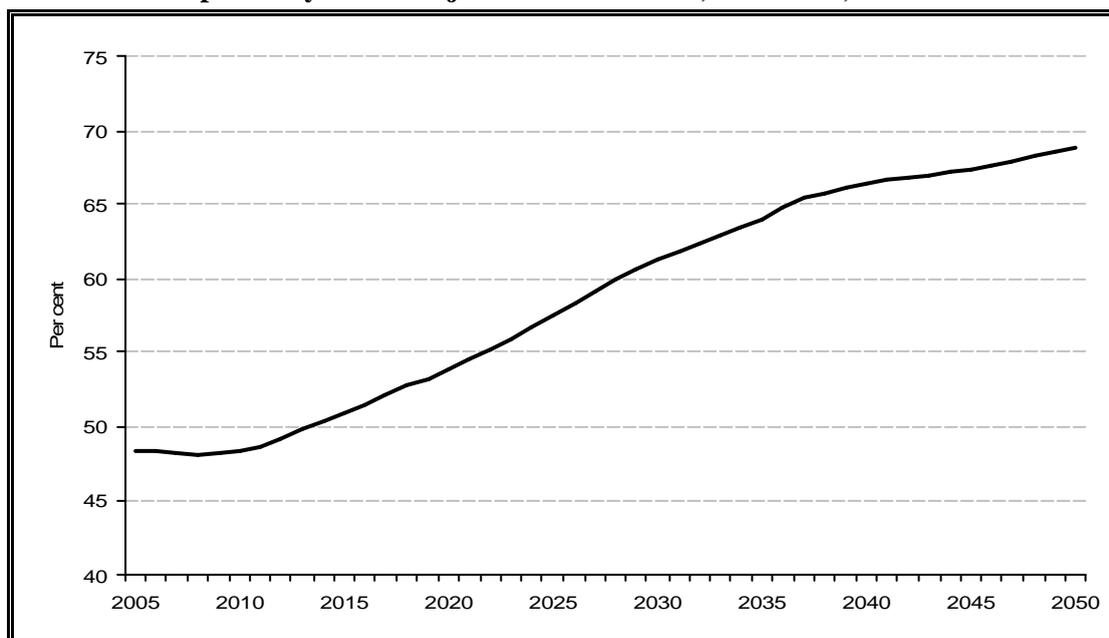
Increasing workforce participation for all groups potentially can help to relieve certain budgetary stresses, but the gains from addressing long-term structural unemployment go beyond this. Employment is, for many people, foundational to economic success and self esteem. The objective of employment for all who want it is therefore fundamental to a socially inclusive society. In its report *A Fairer Victoria: Creating opportunity and addressing disadvantage (2005)*, the Victorian Government outlines strategies and policies to, *inter alia*, “Reduce barriers to opportunity” and “Build stronger communities” and policies to assist people with disadvantages in the labour market are important elements of those strategies. Workforce Participation Partnerships is but one component of much broader strategies and policies to overcome barriers to employment.

#### C1 The Demographic and Economic Change

Workforce participation has a significant influence on the size of an economy, its per capita incomes, and living standards. It affects the levels of goods and services that can be purchased privately or through the public sector. The ability of an economy to grow, to withstand shocks, and to generate wealth for its inhabitants all depends heavily on the participation rates within it.

Figure C.1 shows projected dependency ratios for the State of Victoria between the years of 2005 and 2050, based on ABS population projections. The dependency ratio is the number of persons of non-working age (defined by the ABS as being up to 15 years and 65 and over) divided by the population of working age (15-64). From around 2010 the ratio is expected to steadily rise from current levels just under 50 per cent to about 70 per cent.

**Figure C.1**  
**Dependency Ratio Projections for Victoria, 2005-2050, Series B**

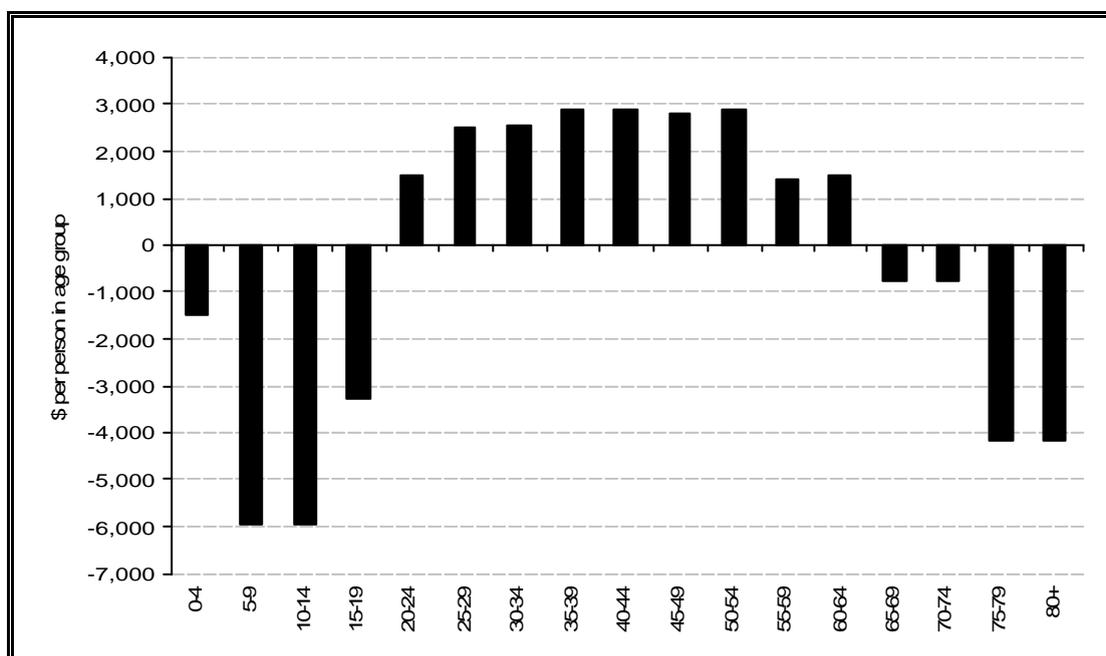


Source: ABS, AusStats, SACES calculations.

To the extent that different demographic groups are supported by each other, changes in the dependency ratio can have important economic implications. For instance, to some extent the working-age population supports the non-working-age population. The projected changes in the dependency ratio mean that whereas every 10 working-age Victorians now support about 5 non-working-age Victorians, by 2050 they will be supporting about 7 non-working age Victorians.

The full ramifications of this change depend on the degree of support which is given across demographic groups.<sup>16</sup> Figure C.2 shows the average net contribution of people in different demographic groups to Australia's State budgets (i.e., the States and Territories in aggregate) in 2000-01.<sup>17</sup> The "net contribution" for a person is their total revenue contribution to the budget minus the cost of transfers and services provided to them. At the beginning of the life cycle, costs to the State budget exceed a person's revenue contributions, with the costs of school education being a major factor. School-age children had a negative contribution of nearly \$6,000 in 2000-01. In the working-age part of the life cycle contributions are generally positive, mainly because people earn incomes and pay taxes on it, but also because average per capita costs of education and health are relatively low. The working age group 25 to 54 year olds had average contributions of between \$2,000 and \$3,000 per capita. In retirement the net contributions are close to zero and even negative, due mainly to lower earned incomes (and therefore taxes) and higher budget outlays for health services. For those aged 75 and over there was a negative net contribution of about \$4,000 per annum in 2000-01.

**Figure C.2**  
Net Contribution to State Budgets by Age Group  
Persons, Australia, 2000-01



Source: South Australian Centre for Economic Studies (2003), *South Australian Business Vision 2010 Budget Outlook Module*.

<sup>16</sup> In the hypothetical case where there was no support given between different demographic groups, i.e., each demographic group supported itself independently, then changes in demographic structure would not change the burden of support. It would be zero in all cases. However, this is not the reality.

<sup>17</sup> For a full explanation of the calculations see the SACES report.

As the demographic structure of the population changes there are potential impacts on the budget balance. For instance, if the dependent proportion of the population increases, while government maintains the net allocations to particular per capita groups (as is entailed in a “no policy change” scenario), then the budget will be pushed in the direction of a deficit. In 2000-01, State budgets (in aggregate) were approximately in balance, but the increases in dependency ratios projected in Figure C.1 would have the effect of pushing the budget into deficit. And while it is possible for government to run deficits for periods of a few years, and possibly even small deficits perpetually, it is impossible for them to run large deficits permanently because those deficits imply that debt levels blow out and servicing costs become untenable. The implication is that a “no policy change” approach is simply not tenable in the long term.

The obvious question that arises from this is to address the demographic changes and changes in the dependency ratio, what policy changes are needed to have a sustainable fiscal policy? One approach would be to reduce the benefits that government provides to individuals in some or all demographic groups, either by reducing service levels or increasing tax rates. However, an alternative is to try to boost individuals’ incomes. Because taxes are positively related to incomes, an increase in average incomes within a demographic group will move the net fiscal contribution of that demographic group in a positive direction. For this reason policies that boost incomes are attractive to governments: they diminish the need for painful service cuts or tax increases.

What are needed are policies that will boost per capita product. When we try to identify policies to boost incomes, it is helpful to take a macroeconomic viewpoint. The first implication of this is that policies that change the distribution of income cannot, of themselves, boost economy-wide income. Three avenues that could boost per capita incomes are higher levels of accumulated wealth, increases in productivity per hour worked and increases in workforce participation.

Higher workforce participation can increase per capita market incomes, and make it possible to adjust to the budgetary pressures associated with an ageing population with less resort to service reductions and tax rate increases. For those age groups where there is an increase in participation, the net contribution amounts become more positive (or less negative).

The desire to promote such a dynamic is strongly evident in official policy statements of recent years. For instance, the Commonwealth Treasurer commented on the issue of the ageing workforce and participation in the 2006-07 Budget Strategy and Outlook:

“Given the longer-term pressures identified in the 2002 IGR [Intergenerational Report], previous budget papers have identified the importance of trends in population growth, work force participation and productivity growth in influencing economic outcomes and overall wellbeing. Policies to support economic growth through increased workforce participation and productivity are essential to meet the demographic challenges.” (Commonwealth of Australia, 2006)

The Victorian Government has also identified workforce participation as a policy priority. It established the Workforce Participation Taskforce, chaired by the Hon. John Button to:

“...examine the impact of demographic change on labour force participation in Victoria in the medium to long term. Population ageing and slowed population growth have raised serious concerns about falling labour force participation rates and the impact this will have on Victoria’s future economic growth.” (DVC, 2005)

The Workforce Participation Taskforce engaged consulting groups to investigate workforce participation in Victoria, specifically, to investigate the impact that an ageing population has on the future of Victoria, and policy measures that address barriers to participation.

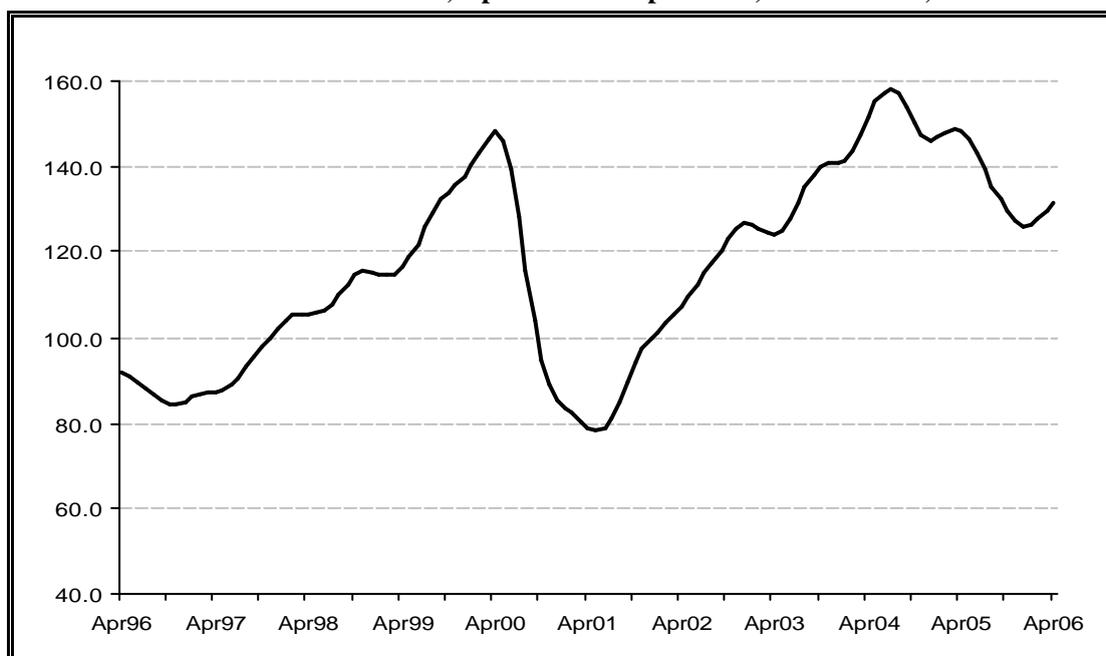
## C2 Skills Shortages

The Reserve Bank of Australia (RBA) indicated in its February 2006 Statement on Monetary Policy that broad based labour shortages existed in the Australian economy, "...most pronounced among skilled workers in the construction and resources sectors, and in much of the business services sector." The RBA go on to say "...business surveys and liaison indicate that firms continue to face difficulty attracting suitable labour." (RBA, 2006). It appears that a combination of sustained economic growth (some 15 years) and relatively low unemployment, combined with insufficient attention to skilling the future workforce have led to the current shortage of skilled staff, especially those with trade skills.

Employer groups attest to a current climate of skill shortages too. The Victorian Employers' Chamber of Commerce and Industry (VECCI) stated in a media release in November 2005: "Victorian skill shortages mirror national trends and continue to limit business growth in a number of industry sectors. There are statewide recruitment difficulties in many trades and professions, and in many regional areas skill shortages and problems recruiting and retaining staff are significant barriers to further growth." Furthermore, due to the demographic changes mentioned in section A1, VECCI does not expect that these skill shortages will be short lived.

Figure C.3 shows the DEWR trade vacancy index monthly figures from 1996 to 2006. Although vacancies have fallen over the past two years, they remain solid compared to the previous ten years, and were trending upwards in April 2006.

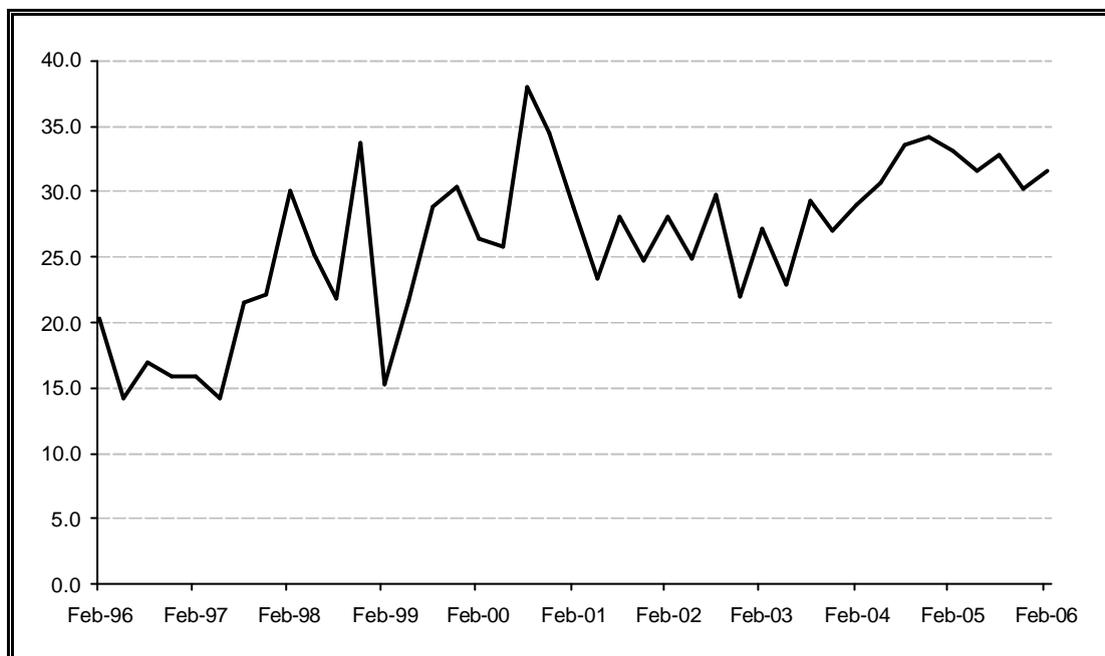
**Figure C.3**  
**DEWR Trade Vacancies Index, April 1996 to April 2006, Total Trades, Australia**



Source: DEWR Vacancy report 2006 data.

Job vacancies for Victoria have been trending upwards over the last decade, as shown in Figure C.4. In the February 2006 quarter according to the ABS Job Vacancy series, there were approximately 31,600 vacancies in Victoria, a high figure by historical standards, although not the highest in the recent past.

**Figure C.4**  
**ABS Job Vacancies for Victoria 1996-2006, Thousands of Vacancies**



Source: ABS Job Vacancies, (6354.0), February 2006.

Looking more closely at Victoria the following insights are provided into employment, job vacancies and skills in demand<sup>18</sup>

- in the June quarter (2006) there were 134,700 unemployed persons in Victoria (Australia: 529,400), the unemployment rate was 5.1 per cent (Australia: 5.0 per cent) and the participation rate was 64.4 (Australia: 64.6);
- unemployment across regional labour markets ranged from a low of 3.6 per cent in inner Melbourne to 5.8 per cent in Outer Western Melbourne and 8.7 per cent in the Central Highlands-Wimmera;
- over the year to June 2006 Victoria recorded a decline in number of job vacancies (by 8.1 per cent) but nevertheless had almost 16,000 job vacancies registered with Australian Job Search (AJS). The largest numbers of job vacancies were recorded for food hospitality and tourism (2,303), marketing and sales (2,114), labourers, factory and machines workers (1,604) and accounting, finance and management (1,896) ( see Table C.1).

An assessment of the list of skills in demand in Victoria from the DEWR Skills in Demand List and the list prepared by DVC Employment Programs Branch reveals that it is principally in the trade areas that statewide shortages exist - in engineering, automotive, electrical/electronic, construction and food trades - while skill shortages in the construction trades are evident in regional areas as well. Child care workers, teachers and positions in the nursing profession are reported as statewide skill shortages while most (but not all)

<sup>18</sup> Australian Regional Labour Markets, June Quarter 2006, DEWR.

professional occupations in ICT and specialist health professionals are also reported as statewide shortages. The Migrant Occupations in Demand List (MODL) prepared by DEWR for the Department of Immigration and Indigenous Affairs (DIMIA) and the DEWR/DVC Regional Skills Shortages Survey (of 11 regions in Victoria) provide further information on skills in demand within the Victorian labour market.

**Table C.1**  
**Job Vacancies: Victoria and Australia, July 2006**

Occupations	Australia	Victoria	Victoria as percent of Australia
Accounting, Finance & Management	9,503	1,896	20.0
Building & Construction	3,737	832	22.3
Cleaning	2,295	309	13.5
Clerks, Receptionists & Secretaries	3,873	798	20.6
Computing & IT	1,398	354	25.3
Drivers & Transport	2,484	493	19.8
Electrical & Electronics Trades	1,208	178	14.7
Engineering, Science & the Environment	2,109	344	16.3
Food, Hospitality & Tourism	7,642	2,203	28.8
Gardening, Farming & Fishing	3,758	607	16.2
Government & Defence	1,018	87	8.5
Health, Fitness, Hair & Beauty	3,674	1,427	38.8
Labourers, Factory & Machine Workers	10,332	1,604	15.5
Marketing & Sales Representatives	6,836	2,114	30.9
Media, the Arts & Printing	436	196	45.0
Metal & Engineering Trades	2,381	429	18.0
Motor Vehicle Service & Repair	1,410	384	27.2
Sales Assistants & Storepersons	4,614	962	20.8
Social, Welfare & Security	2,244	441	19.7
Teaching, Child Care & Library	1,143	230	20.1
Total	72,095	15,888	22.0

Source: Australian Job Search, DEWR.

Tight labour markets of themselves offer a more favourable climate for disadvantaged job seekers to enter the workforce than in the recent past. However, some structural changes may mitigate against this – for instance more competitive labour markets may make employers less willing to invest in training than in the past. To some extent business will look for higher levels of skilled migration, or greater government contribution and or complimentary business/government programs to deal with the consequences of lower training effort by business.

### **C3 Policies to Promote Workforce Participation**

There are quite substantial differences from one individual to another in the circumstances, incentives and institutional arrangements that they face to enter (or remain in) the workforce. For this reason Allen Consulting (2005) for the Workforce Participation Taskforce chose to carry out a detailed investigation of different barriers to workforce participation in which different demographic and socioeconomic groups were considered separately.

The most pertinent delineation to make in identifying the barriers to employment is the degree of disadvantage experienced by the job seeker.<sup>19</sup> Some people have little trouble in finding suitable employment, and have few spells of unemployment (and often no long term spells). On the other hand, some people have considerable difficulty navigating the labour market. Assessing disadvantage is a difficult thing to do in isolation, but the experiences of some job seekers clearly indicates that they have significant problems in gaining and maintaining employment throughout their lives.

The policies required to improve workforce participation in these two groups must therefore target two separate problems. To improve workforce participation amongst those that can find work easily, we only need improve the incentive to work. For those that experience difficulty in gaining employment, we must improve their employability. This means two separate groups of policies: reforming incentive structures and developing human capital.

## C4 The Role of Incentives

Measures which increase incentives to work generally involve changing the tax-transfer system to reduce marginal effective tax rates. The lower the marginal effective tax rate, the greater is the incentive for an individual to earn extra income. Table C.2 shows OECD estimates of effective marginal tax rates on labour income for different family types. The highest rate is 68 per cent, applying to a single-parent two-child family on two-thirds the average wage.

**Table C.2**  
**Effective Marginal Tax Rates, Australia, 2003-04**

	Primary earner	Secondary earner
Single, no children, 67 per cent of average wage	35.4	n.a.
Single, no children, 100 per cent of average wage	35.4	n.a.
Single, no children, 167 per cent of average wage	51.4	n.a.
Single, 2 children, 67 per cent of average wage	68.3	n.a.
Married, 2 children, principal breadwinner 100 per cent of average wage, partner 0 per cent of average wage	54.2	33.8
Married, 2 children, principal breadwinner 100 per cent of average wage, partner 33 per cent of average wage	35.4	40.6
Married, 2 children, principal breadwinner 100 per cent of average wage, partner 67 per cent of average wage	35.4	35.4
Married, no children, principal breadwinner 100 per cent of average wage, partner 33 per cent of average wage	35.4	40.6

Note: n.a. = not applicable

Source: OECD (2006), pp. 108-109.

Before drawing conclusions about the magnitude of any response to a change in marginal tax rates one needs to take into account labour supply elasticities. The labour supply elasticity is the proportional change in labour supply that would result from a 1 per cent change in the effective marginal tax rate. Labour supply elasticity may vary quite considerably across different types of workers. For instance Apps (2006) argues that wage elasticities for high income males are low, whereas in contrast low wage earners and married women in particular have much higher wage elasticities. Participation will be boosted by having higher marginal

<sup>19</sup> Disadvantage can arise from personal, institutional and structural barriers that make it difficult to access the labour market. It is important to understand the "origin or cause" of the barriers as public policy will need to be framed to address the cause.

tax rates on people with low supply elasticities and, conversely, lower marginal tax rates for people with high labour supply elasticities. The facts put forward by Apps would therefore suggest that workforce participation can be boosted by having higher marginal tax rates for high income earners and lower marginal tax rates for low income earners and married women. The figures in Table C.2 suggest that the current tax rates differ from this prescription in respect of married women. In addition, recent changes to Australian tax rates probably have narrowed the marginal tax rates applying at different income levels.

The female participation rate in Australia is above the OECD average<sup>20</sup> but still substantially lower than for Australian males. Workforce participation decisions by secondary earners (actual or potential) in family units with dependent children will be affected by factors such as the withdrawal rates of family support, marginal tax rates (including possible consequences of income splitting) and the costs of child care. The recent budget extended eligibility for child care subsidies to a wider range of providers, with the intent of ameliorating severe shortages in some areas of Australia.

For Australians facing a decision about when to retire, and whether or not to work full-time or part-time, there is complex set of incentives affecting the decision. These include old-age pension eligibility, eligibility for concessions and targeted social services, the tax treatment of accumulated superannuation and tax rates for earned income. Several years ago a staged increase in the eligibility age for the old-age pension was announced. And in the recent budget the Commonwealth Treasurer has announced plans to introduce superannuation reforms which will “improve incentives for older Australians to stay in the workforce” (Costello 2006).

Delaying retirement, improving effective marginal tax rates, and increasing access to childcare were key recommendations to improve workforce participation in the in the Workforce Participation Taskforce. These recommendations are primarily targeted at changing the incentive structure to employment, not at improving human capital or targeting disadvantage in the labour market.

## **C5 The Role of Active Human Capital Interventions**

There are a significant number of people that employers are less willing to hire even at the lowest legally allowable wage levels. They can experience great difficulty in participating in the workforce. They include:

- Long term unemployed;
- Culturally and linguistically diverse job seekers (CALD);
- Mature aged job seekers;
- Indigenous job seekers;
- Job seekers with a disability; and
- Youth.

While changes in incentives may increase participation amongst these groups to some degree, the barriers that prevent further workforce participation are more extensive. These include personal factors such as skills, experience, language barriers or locational factors such as transport and accessibility to employment. Behavioural responses by people in this situation

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<sup>20</sup> The rate is a few percentage points lower than for culturally similar countries including Canada, UK, USA and New Zealand.

are still potentially affected by incentives. But ensuring their effective participation requires more than incentives: they need assistance to develop their human capital so that they become more attractive to employers or subsidies to enhance their appeal. The Workforce Participation Partnerships is a program that seeks to enhance the human capital of people with significant labour market disadvantage.

The pool of long-term unemployed has an over-representation of people whose prior attributes make them difficult to employ. But, in turn, long-term unemployment arguably contributes to the atrophy of health and skills and thus compounds any difficulties that may already exist. The long-term unemployment rate in February 2005 was 1.3 per cent for Victoria (Allen Consulting, 2005). There is also a significant regional dimension to employment prospects, which can mean that re-skilling needs are more pronounced in areas with low employment growth or that specific occupational demand is difficult to satisfy (e.g., health professionals, teachers in some regional communities).

Difficulties experienced by CALD job seekers relate to a combination of language difficulties and a lack of relevant skills, training and experience (including in some instances, difficulty getting accreditation for overseas qualifications). These difficulties are significant. Allen Consulting (2005) reports the workforce participation rate is on average 13 per cent lower for migrants born in other countries than for Australian born citizens.

Finding employment after retrenchment or re-entering the workforce at a later point in life can be difficult, especially for low-skilled people and women who have been out of the workforce for some time. The average length of unemployment increases with age, from 37.8 weeks between the ages of 15-34 to 107 weeks for ages 55 and over (Allen Consulting, 2005). Often, mature aged job seekers when faced with the difficulty of finding employment simply opt-out of the labour market altogether. Several factors can hinder mature aged job seekers finding employment, such as skills mismatches or outdated skills, health and attitudes towards hiring of older employees, particularly in entry level positions.

Those on the Disability Support Pension (DSP) whose primary barrier to employment is physical disability can be helped through accessibility changes and employer attitudes, where the disability permits employment. The ABS (ABS, 2000) reports that between 1980 and 2000, the number of people receiving the disability support pension rose from 229,200 to 602,300. However, half of those on the DSP are aged 50-64, and typically have low skills and have experienced spells of long-term unemployment before accessing the DSP. While altering incentives to employment may help some mature aged job seekers, the evidence indicates these mature aged DSP recipients are structurally separated from the labour market. Difficulties such as fewer relevant skills, health problems or mental illnesses combined with mature age may make these job seekers more difficult to employ. Targeted programs aimed at improving skills, developing relevant experience and managing disabilities in the workplace may be required to find employment.

Indigenous Australians have significantly lower workforce participation than non-indigenous Australians. The ABS reports that in 2004, indigenous workforce participation rates were 62.9 and 46.3 per cent for males and females respectively, much lower than the national averages of 71.6 and 55.8 per cent (ABS, 2006b, ABS 2006c). This is related to lower educational achievements, poorer health, greater contact with the criminal justice system, and greater presence in regions, including remote regions, where job opportunities are more limited.

Some young people experience barriers to employment in the form of inadequate education and an inability to manage the school-to-work transition. Evidence indicates that for those who experience a difficult transition (primarily early school leavers), difficulties in finding ongoing employment later in life can be significant (Lamb and McKenzie 2001). Whether a difficult transition is the cause of employment difficulties later on in life or the symptom of underlying factors causing difficulties in finding employment is not entirely clear (and indeed both may be true).

Education and training, early intervention, efforts to improve attitudes to work and encourage the development of skills and assistance to overcome health barriers are required to remove structural impediments to employment for specific groups of jobseekers.

Training, older age and a lack of vacancies are the most common single difficulties cited by unemployed persons, according to the ABS. Table C.3 shows the primary obstacles to employment as perceived by job seekers between Aug 2004 and Jun 2005. Though this table shows primary obstacles, of course in many cases a combination of factors would be to blame.

**Table C.3**  
**Main Difficulty in Finding Work for Persons Aged 18 and Over Who Would Like Employment, and Can Start in 4 weeks, 2004-05, Australia**

Reason	Persons, '000
Lacks necessary training/qualifications/experience	81.8
Other difficulties	65.4
No jobs or vacancies in locality/line of work/at all	64.3
Considered too old by employers	62.7
No jobs with suitable conditions/arrangements	56.6
Too many applicants for available jobs	46.4 <sup>1</sup>
No difficulties at all	35.4
Problems with access to transport	20.7 <sup>1</sup>
Believes disability discourages employers	9.0 <sup>2</sup>
Difficulties with language or ethnic background	5.4 <sup>1</sup>
<b>Total</b>	<b>465</b>

Note: <sup>1</sup> Estimate has a relative standard error of 25 to 50 per cent and should be used with caution,

<sup>2</sup> Estimate has a relative standard error greater than 50 per cent and is considered too unreliable for general use

Source: ABS, (6239.0), Table 5.1.

## C6 Reviewing the Literature on Active Labour Market Policies

The South Australian Centre for Economic Studies reviewed the literature on active labour market policies as part of the evaluation of its Community Jobs Program in 2005. A summary of the findings of that review are presented here as they are relevant to the design and intent of WPP.

ALMP are typically designed to alleviate significant barriers to employment on the supply side – e.g., for long term unemployed persons. This is done through a combination of job search, work experience, training and education strategies to make the candidates more employable.

Two key factors ought to be considered when examining the effectiveness of active labour market programs:

1. *Deadweight loss*: how many program participants would have found employment without the program anyway; and
2. *Competition in the labour market*: whether program participants are filling existing demand for labour, or competing in the labour market and possibly replacing another employee, but equally whether programs are more effective “than doing nothing” in matching the demand side and supply side of the labour market.

These factors illustrate that a program may have very high post program outcomes yet may still have a minimal net impact. As well, the first factor can be addressed by effective selection of program participants, but the second is more problematic (and harder to measure).

Successful targeting of strategies to particular groups is important to the cost effectiveness of programs. Targeting strategies need to allow for the fact that there are differences from person to person in the barriers that need to be addressed (Le and Miller, 2001).

One aspect that is considered helpful, though unquantifiable, is community involvement in labour market programs. The Brotherhood of St. Laurence (Temby, Housakos and Ziguras, 2004) argue that involvement in the program by the community and the government can help demonstrate commitment by the providers in helping the program participants ultimately find employment.

Involvement by employers can also help direct training and work experience, develop contacts between employers and potential employees in the program, and act as a signalling mechanism from the participants to employers that they are worthwhile employees. The involvement of employers is reflected in the principle (number 5) of developing partnerships with employer groups, individual employers and others. In its absence, an employer may discount the value of the program, feel the training or experience was irrelevant, or is less inclined to admit there is an opening at all.

In summary:

- Prospective demographic changes in Australia will lead to an increase in the ratio of dependants to providers in the Australian economy. Such a change will create budgetary pressures as dependants on average make a net draw on government budgets. To address this issue, the Victorian Government is committed to increasing workforce participation rates.
- Strong economic growth in recent years combined with low unemployment figures have led to skill shortages in a number of regions in Victoria and within occupations, particularly by trade and semi-skilled but also within professional occupations.
- There are still a significant number of unemployed people who face barriers to employment. The nature of these barriers varies from person to person.
- In response to the longer-term demographic imperative and current labour market shortages the CJP, CRISP, and JYP programs have been amalgamated into the new Workforce Participation Partnerships program, with WPP having several new aspects and intended policy outcomes. We are not suggesting that a “simple amalgamation or consolidation” has taken place, but rather a new program that seeks to seriously address existing skill shortages is being introduced. The new program aims to develop job opportunities and place highly disadvantaged job seekers in areas of the labour market that have high demand for labour. An important new element is the partnerships to be developed with industry, community organisations, employers and unions are intended to address known skill shortages.

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## Appendix D

### Definitions used in Administration of the Workforce Participation Partnerships Program

The Victorian Government has allocated \$24.6 million over two years to the WPP program with the requirement that it achieve 2,000 employment outcomes by December 2007. The Department for Victorian Communities<sup>21</sup> in approving project applications has sought to achieve 3,000+ employment outcomes. The final cost per outcome (which is one measure of effectiveness) will depend on the number of paid employment outcomes achieved over the life of the program. Other measures of effectiveness include the number of placements achieved and the actual number of commencements. However, the most critical measure of outcomes will be the number of employment outcomes ultimately achieved by the program:

**Participant** means a person who is a jobseeker within the target categories described in the WPP guidelines and who has completed the Participant Registration Form and signed the Job Network and Privacy declaration.

**Commencement** means the commencement of a participant on the project.

**Placement** means the placement of a participant in a job that will lead to a 16 week outcome, not including any period of work experience.

**Employment outcome** is defined as a paid employment placement for an average of 30 hours per week for a minimum period of 16 weeks within a 20 week period unless otherwise agreed.

**Work experience** means a practical placement with an employer as part of an accredited vocational course as described under the Vocational Education & Training Act 1990, Act No. 45/1990, Part 7 Practical Placement.

**Work trial** means paid work under award wage conditions for an agreed period.

**ReBA** means a written agreement between the WPP Broker and a supplier of Commonwealth Government employment or training services that will govern that suppliers contribution to the partnership or project.

**ReBS** means a written statement from the WPP Broker that details the duplication between Commonwealth and State Government funding for WPP participants.

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<sup>21</sup> Employment Unit has been relocated to the Department for Innovation, Industry and Regional Development

## Appendix E

### Performance Indicators to Evaluate WPP

	Indicator	Data source
<b>1. Disadvantaged job seekers</b>		
Program	Per cent of job seekers that belong to each target group placed in employment	DVC data base
Project	Per cent of job seekers placed of total registered per target group	DVC data base
Individual	Outcomes by unemployment history Per cent of job seekers placed in different industry to previous employment Actual participants against planned participants	DVC data base DVC data base Case studies
<b>2. Areas of high need</b>		
Program	Per cent of job seekers placed who live in areas with unemployment higher than state average Per cent of job seekers placed from regions in the lowest quintile according to SEIFA Per cent of job seekers placed who live in NR areas	DVC data base DVC data base DVC data base
<b>3. Complementary programs</b>		
Program	Per cent of job seekers placed who were Job Network clients or who were clients of other programs (by ReBA)	DVC data base
Individual	Number of AAAP	DVC financial detail
<b>4. Value for money</b>		
Program, project	Unit cost (cost per employment outcome) Unit cost per target group Unit costs for metro and rural Unit costs for NR/non-NR	DVC data base DVC data base DVC data base DVC data base
<b>5. Development of Partnerships</b>		
Project, program	Type and number of organisations participating in partnerships Per cent of partnerships that agree projects are effective at delivering outcomes Types of partnership arrangements Utilisation of other funding	Case studies Case studies Case studies Case studies
<b>6. Sustainable employment outcomes</b>		
Program, project, individual	Number job seekers in employment (30 hours x 16 weeks) Number job seekers in employment (15 hours x 16 weeks) Distribution of places in industries Distribution of places in occupations Per cent of job seekers in apprenticeship (trade) Per cent of job seekers in traineeship Number of employers assisted Per cent of places not in planned occupation/industry  Degree of satisfaction of employers Degree of satisfaction of participants By metro/rural Per cent of job seekers not in original placement at 200 days, and current status (unemployed, other job, exited labour market) 200 days: (February-March 2007) (by ID)	DVC data base DVC data base DVC data base DVC data base DVC data base DVC data base DVC data base Case studies, data base Case studies Case studies DVC data base DVC data base Case studies