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**Department of Education, Employment
and Workplace Relations**

Jobs and Training Compact Evaluation Strategy 2009 to 2011

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Executive summary

The Jobs and Training Compact (the Compact) was announced progressively in the lead up to the 2009–10 Budget in response to the deteriorating economic conditions brought about by the Global Recession. It includes additional funding for existing programs, changes to income support eligibility requirements and new programs with the following objectives:

- reduce the unemployment duration of retrenched workers;
- assist the job retention and employment viability among disadvantaged groups and regions;
- build the national skills and capacity base for all Australians and improve transitions into further education, training and employment; and
- ensure support for individuals and regions particularly vulnerable during economic downturns.

The Jobs and Training Compact incorporates separate compacts with:

- Retrenched workers—initiatives to support workers who lose their jobs as a result of the economic downturn.
- Young Australians—measures to keep people at school or in training and post-school education to lift qualifications and prevent them from becoming long-term unemployed; and
- Local communities—initiatives to stimulate local economies and help support local jobs and training through community projects in regions hardest hit by the economic downturn.

The commencement date for most Compact initiatives was July 2009, although some began earlier and a small number commenced in late 2009.

The aim of the evaluation is to assess whether the Jobs and Training Compact achieves its objectives by assessing the Compact's overall performance and the performance of its major elements. Reflecting the range of initiatives involved, performance is measured in terms of access to services, take-up, maintaining labour force attachment, boosting employment opportunities, participation in education, skills acquisition and community value. The evaluation will be structured around the Compact's three broad target groups of retrenched workers, youth and local communities. It is recognised that it will be difficult to isolate any impact of the Compact from other factors, particularly in attempting to measure its overall effect.

The scope of the evaluation covers those initiatives within the three compacts which are managed by the Department of Education, Employment and Workplace Relations. These include:

- early access to employment services by retrenched workers;
- Building the Basics, which is designed to improve language, literacy and numeracy skills of people aged 25 years and over;
- an entitlement to an education or training place for retrenched workers;
- the provision of 10,000 Structural Adjustment Places through the Productivity Places Program (subsequently increased to 15,000);
- a training supplement for job seekers engaged in full-time accredited training;
- a doubling of the maximum amount of liquid assets an person can have before they are subject to the waiting period to access income support;

- a national hotline and website (Keep Australia Working advisory service) to make access to support services easier;
- Pathways to Skills, which involves an additional 5500 pre-vocational training and support places;
- Securing Australian Apprenticeships—additional incentive payments for employers who take on out-of-trade apprentices;
- Apprentice Kickstart—bonuses for employers who take on young people in a traditional trade and for more pre-apprenticeship off-the-job training;
- strengthened participation requirements for unemployed 15–20 year-olds without year 12 or equivalent education; and
- a Jobs Fund to support community-based projects; and
- Local Employment Co-ordinators in 20 priority employment areas.

Two measures, an Insulation Workers’ Adjustment Package and Centrelink-run Jobs Expos, while not strictly part of the Jobs and Training Compact, will also be included in the evaluation.

The evaluation will not include elements of the Compact which have alternative evaluation arrangements in place nor elements which are managed by other agencies, particularly the heritage and infrastructure components of the compact with local communities. The scope of the evaluation is also limited by the extent to which data are available within the evaluation’s time.

\$3.91 million over two years has been allocated to monitor and evaluate the Jobs and Training Compact. Evaluation findings will be available progressively and, to meet Government requirements, a final report will be completed in 2011.

DEEWR is responsible for managing and conducting the evaluation. Development of this strategy involved consultation with Treasury, the Department of the Prime Minister and Cabinet and the Department of Finance and Deregulation.

1 The Jobs and Training Compact

1.1 Background

In response to the deteriorating economic conditions brought about by the Global Recession, the Government announced the Jobs and Training Compact. The Jobs and Training Compact offers a range of training, support and local initiatives aimed at reducing the impact of the economic downturn.

Most Jobs and Training Compact initiatives were announced between 19 February 2009 and the 2009–10 Budget on 12 May. On 5 April 2009, the Prime Minister outlined the Jobs and Training Compact strategy to “steer Australia through the global economic storm”:

- “to reduce the impact on Australian jobs in the Global Recession;
- to build new jobs by building the new infrastructure we need for the 21st century and the new sustainable economy we need for the 21st century; and

- to train and retrain our workforce during this downturn to equip them and the nation with the skills we will need for the recovery.”¹

The Jobs and Training Compact initiatives consolidate previous measures available to support vulnerable job seekers and build on the *Nation Building Economic Stimulus Plan* by targeting assistance to Australians hardest hit by the Global Recession.² The package includes additional funding for existing programs, changes to income support eligibility requirements and new programs.

1.2 Objectives

Based on Ministerial statements, speeches and Cabinet submissions, the objectives of the Jobs and Training Compact can be summarised as follows:

- reduce the unemployment duration of retrenched workers;
- assist the job retention and employment viability among disadvantaged groups and regions;
- build the national skills and capacity base for all Australians and improve transitions into further education, training and employment; and
- ensure support for individuals and regions particularly vulnerable during economic downturns.

In meeting these objectives, the Compact is designed to:

- reduce the retrenched worker waiting period for employment services and training places to ensure a quick return to work;
- increase training and skill retention of vulnerable groups to ensure a more productive and prosperous Australia;
- limit the long-term scarring effects of the recession to ensure that when the economy recovers, Australians do not remain on welfare or outside the labour force;
- provide a new way of working by Government, which forms partnerships that engage with local communities;
- increase the educational attainment of people aged 15–24 and their engagement with further education, training and employment; and
- stimulate local economies and help support local jobs and training through sustainable community infrastructure projects with ongoing community amenity in regions hardest hit by the economic downturn.

1.3 Jobs and Training Compact initiatives

The Jobs and Training Compact incorporates separate compacts with:

- Retrenched workers—initiatives to support workers who lose their jobs as a result of the economic downturn;

¹ Rudd, Kevin 2009a, “We are all in this together - A Jobs and Training Compact with Australia”, speech at the Brotherhood of St Laurence Jobs Forum, City of Casey, Melbourne, 5 April 2009, available at <http://www.pm.gov.au/node/5236>

² Rudd, Kevin 2009b, “Media Release – Government establishes Jobs and Training Compact”, 5 April 2009.

- Young Australians—measures to keep people at school or in training and post-school education to lift qualifications and prevent them from becoming long-term unemployed; and
- Local communities—initiatives to stimulate local economies and help support local jobs and training through community projects in regions hardest hit by the economic downturn.

The specific measures that make up the Compact include:

- Early access to employment services—\$298.5 million to enable retrenched workers to gain early access to intensive employment services offered by Job Network in 2008–09 and Job Services Australia from July 2009. This personalised assistance (including skills assessment, career advice and referral to education and training) is irrespective of eligibility for income support and level of job readiness.
- Building the basics—\$28.2 million to improve language, literacy and numeracy skills of people aged 25 years and over, including:
 - \$2.2 million for an additional 1500 training places through the Workplace English Language and Literacy (WELL) program;
 - \$21.34 million for an additional 4138 training places in the Language, Literacy and Numeracy Program (LLNP);
 - \$0.95 million for an additional 250 training places in the new Foundation Skills Taster Courses; and
 - a \$3.7 million language, literacy and numeracy workforce development initiative.
- Entitlement to an education or training place for retrenched workers—places are to be available in any government-subsidised vocational education and training course which leads to higher qualifications.
- Structural Adjustment Places—an additional \$77.2 million for the provision of 10,000 Structural Adjustment Places through the Productivity Places Program at the Certificate III level and above for workers who have lost their jobs due to the economic downturn. An additional 5000 places were announced in November 2009. Training is available from employers and representatives (eg. unions and peak bodies) for groups of displaced workers to help them gain new skills and qualifications in order to regain employment.
- Training supplement—\$74.1 million over two years to provide a training supplement for eligible job seekers engaged in full-time accredited training. The supplement is an additional payment of \$41.60 per fortnight to job seekers who fully meet their activity test or participation requirements through approved study or training.
- Liquid assets waiting period—\$25.6 million over two years to double the maximum amount of liquid assets an eligible person can have before they are subject to the waiting period to access income support. The liquid assets limit is \$5000 for a single person without dependants and \$10,000 for couples or singles with dependents.³ The change

³ These are the legislated amounts. In the application of this policy a single person without dependent children has to serve a waiting period if their liquid assets equal or exceed \$5500 and a couple or single person with dependents has to serve a waiting period if their liquid assets equal or exceed \$11,000 (Centrelink 2010, http://www.centrelink.gov.au/internet/internet.nsf/payments/assets_liquid_waiting_periods.htm)

affects applicants for Newstart Allowance, Youth Allowance, Sickness Allowance and Austudy payments.

- Keep Australia Working (employment and training advisory services)—\$5.2 million over two years to establish a national hotline and website to make it easier for job seekers, particularly retrenched workers, to access available support services.
- Agreement with Australian banks—co-operation from Australia’s four largest banks to help (such as postponing or adjusting mortgage payments) borrowers for a 12-month period who find themselves in hardship resulting from loss of employment.
- Pathways to skills—\$33.7 million over three years for an additional 5500 pre-vocational training and support places for vulnerable job seekers under the Australian Apprenticeships Access Program (Access Program)⁴ in 2009–10 and program enhancements.
- Securing Australian Apprenticeships—\$155.3 million over two years to provide additional incentive payments for employers who employ out-of-trade apprentices and trainees to support their continued connection to the workforce. Measures include:
 - Recommencement and completion bonuses—\$145.6 million to provide additional incentive payments to employers (specifically, a recommencement bonus of \$1800) who recommence eligible out-of-trade apprentices or trainees. Employers are also eligible for a completion bonus of \$1000; and
 - Securing Apprenticeships through Registered Training Organisations (RTOs)—\$9.7 million to fund RTOs that deliver off-the-job training to apprentices or trainees who have been retrenched and cannot complete their training with an employer.
- Apprentice Kickstart—\$100 million for two measures designed to counteract the impact of the Global Recession on Australian Apprenticeships, including:
 - Apprentice Kickstart Bonus of \$3350 to employers who took on a young person aged 19 years or under in a traditional trade⁵ Australian Apprenticeship between 1 December 2009 and 28 February 2010. \$80 million was allocated for the bonus; and
 - \$20 million for State and Territory governments to provide more pre-apprenticeship training, involving off-the-job training with Registered Training Organisations (and possible work experience). Proposals from State and Territory governments should include programs that partner with local industry and training organisations and offer courses of at least 150 hours. It is anticipated that 5000 places will be funded from early 2010.
- Two elements of the National Partnership on Youth Attainment and Transitions:⁶

⁴ Eligible participants in the Access Program include (but are not limited to) mature-aged job seekers re-entering the labour force, people who left school early, the long-term unemployed, people with disability and Indigenous Australians.

⁵ A traditional trade is one listed on the National Skills Needs List. Trade occupations on this list are considered to be part of the national skills shortage.

⁶ The National Partnership on Youth Attainment and Transitions includes \$623.0 million over four years to achieve increased participation of young people in education and training, successful transitions from school to further education, training or full-time employment and a national Year 12 or equivalent attainment rate of 90 per cent by 2015.

- changes to Youth Allowance (Other) and Family Tax Benefit Part A—\$41.9 million over four years to strengthen participation requirements for young unemployed Australians aged 15–20 years:
 - young people without a Year 12 or equivalent education are required to undertake full-time study or training (or study and training in combination with other approved activities) for 25 hours per week to be eligible for Youth Allowance (Other) income support;
 - young people aged 16–20 years without a Year 12 or equivalent education are required to participate in full-time education or training to be considered an eligible child for Family Tax Benefit Part A;
- providing 15–24 year-olds with an entitlement to an education or training place:
 - young people aged 15–19 years will have an education or training entitlement for any government-subsidised qualification (subject to admission requirements and course availability); and
 - young people aged 20–24 years will have an education or training entitlement for any government-subsidised qualification that results in the individual attaining a higher qualification (subject to admission requirements and course availability).
- Jobs Fund—the \$650 million⁷ Jobs Fund comprises three streams of funding designed to produce long-term improvements in communities affected by the Global Recession:
 - \$300 million in the Local Jobs stream over two years to support community infrastructure projects with a focus on the promotion of environment-friendly technology and heritage. This includes \$60 million for heritage-related projects, and \$40 million for the construction of bike paths;
 - \$200 million in the Get Communities Working stream over two years for self-sustaining projects which create jobs and provide activities and services to improve community amenity. This includes \$11 million for Temporary Financial Assistance; and
 - \$150 million for the Infrastructure Employment Projects stream over two years for investment in infrastructure projects which generate jobs in regions affected by the economic downturn.
- Local Employment Coordinators—\$20 million over two years to fund Local Employment Coordinators in priority employment areas (see below). Coordinators are expected to facilitate local responses to unemployment by streamlining service delivery, linking employment and training opportunities and maximising awareness of the opportunities provided by government programs and the private sector to boost local economies.
- Business Leaders (Local Jobs Champions)—Mr Lindsay Fox and Mr Bill Kelty supported the work of Local Employment Coordinators by advising employers in communities affected by the Global Recession on how to keep their employees.

Locations identified for the Compact with Local Communities are referred to as priority employment areas. The 20 priority areas are:

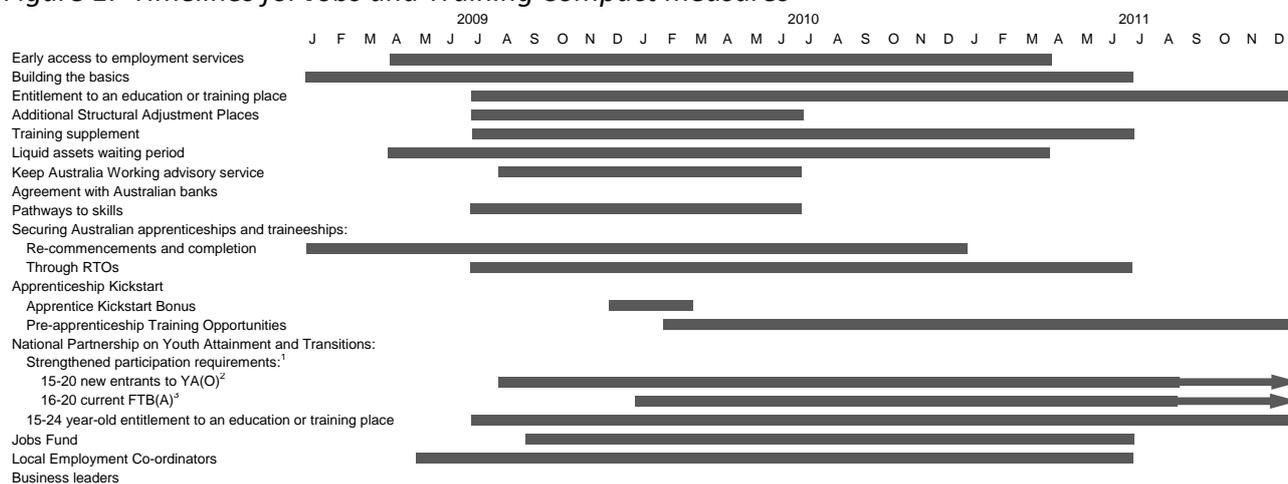
- Canterbury-Bankstown and South Western Sydney (NSW)

⁷ Subsequent to this announcement, significant amounts of the Jobs Fund allocation was transferred to fund other measures. This included \$100 million to fund Apprentice Kickstart and \$10 million for community youth centres, both of which were announced in October 2009, \$41.2 million to fund an Insulation Workers' Adjustment Package and allocations to bushfire recovery projects.

- Illawarra (NSW)
- Richmond-Tweed and Clarence Valley (NSW)
- Mid-North Coast (NSW)
- Sydney West and Blue Mountains (NSW)
- Central Coast-Hunter (NSW)
- South Eastern Melbourne (VIC)
- North Western Melbourne (VIC)
- Ballarat-Bendigo (VIC)
- North Eastern Victoria (VIC)
- Ipswich-Logan (QLD)
- Cairns (QLD)
- Townsville-Thuringowa (QLD)
- Caboolture-Sunshine Coast (QLD)
- Southern Wide Bay-Burnett (QLD)
- Bundaberg-Hervey Bay (QLD)
- Northern and Western Adelaide (SA)
- Port Augusta-Whyalla-Port Pirie (SA)
- South West Perth (WA)
- North West/Northern Tasmania (TAS)

The commencement date for most Jobs and Training Compact initiatives was July 2009. Some initiatives began earlier than this date, while a small number of initiatives commenced in late 2009. The Compact initiatives vary in length, with most having a fixed duration of between one and two years (Figure 1). Some initiatives, such as the Strengthened Participation Requirements for 15 to 20 year-olds will result in permanent changes, while the duration of some other initiatives will be subject to review.

Figure 1: Timelines for Jobs and Training Compact measures



1 Ongoing.
 2 Current 15-20 YA(O) will move to the new arrangement between January and July 2010.
 3 Current 16-20 FTB(A) eligible will be subject to this requirement from May 2010.

1.4 Evaluation requirement

An evaluation of the Jobs and Training Compact is required by Government. Resources for this purpose were allocated in the 2009–10 Budget. These are outlined in more detail later in the strategy.

The evaluation will assess whether the Jobs and Training Compact makes a difference to the people and communities at which it is targeted. The evaluation will consider (but will not be limited to):

- participation in each element of the Compact, including the speed at which services were accessed and take-up relative to the numbers of people eligible for assistance;
- outcomes, such as sustainable employment, participation in education, skills acquisition and the extent to which participation in the Compact contributed to outcomes;
- the type of infrastructure projects funded and the potential for these projects to have ongoing community benefit; and
- the costs of the Compact, including cost per outcome where possible.

2 Scope of the evaluation

The purpose of the evaluation is to measure the overall performance of the Jobs and Training Compact and the performance of its major elements. Performance is assessed in terms of maintaining labour force attachment and boosting the employment and training opportunities for those most vulnerable during an economic recession. This reflects the objectives of the Jobs and Training Compact and the evaluation will attempt to assess whether these objectives are met.

The evaluation will not attempt to measure the performance of all the Jobs and Training Compact initiatives. The following measures are out of scope:

- Agreement with Australian Banks—this initiative involves no direct cost to government and, methodologically, presents considerable challenge to estimate its direct outcomes. The Treasury will have responsibility for measuring its performance.
- Elements of the Youth Attainment and Transitions National Partnership, including:
 - providing 15–24 year-olds with an entitlement to an education or training place. The performance of this measure is addressed under the monitoring and evaluation arrangements for the National Partnership on Youth Attainment and Transitions; and
 - the requirement that young people aged 16–20 years without a Year 12 or equivalent education undertake full-time education or training to be considered an eligible child for Family Tax Benefit Part A.
- Elements of the Jobs Fund delivered by agencies other than this Department, including the heritage and infrastructure components.

It should also be noted that the impact of Business Leaders (Local Jobs Champions) will be very difficult to isolate from the impact of the broader activities of Local Employment Coordinators.

The Jobs and Training Compact has been progressively refined by the announcement of new measures and changes to existing measures in response to changing economic circumstances. There are a number of measures, moreover, which are not strictly part of the Jobs and Training Compact but operate in conjunction with or share the same programs as the Compact. These are:

- An Insulation Workers’ Adjustment Package—\$41.2 million to support the retention of workers in insulation-related industries. The package was introduced in February 2010 and runs until the end of August 2010. It includes:
 - an adjustment fund (\$10 million) to help firms retain and train workers, allocated on the recommendation of Local Employment Coordinators and Insulation Employment Coordinators (see below);
 - \$15 million for 3000 Structural Adjustment Places;
 - \$14.7 million for 2000 places in each of the Australian Apprenticeship Access Program and the Language, Literacy and Numeracy Program; and
 - \$1.5 million for 25 Insulation Employment Coordinators to facilitate delivery of the adjustment fund.

- Centrelink run Jobs Expos in priority employment areas. Expos bring together employers, industry groups, employment service providers and job seekers to boost employment opportunities and speed-up the filling of vacancies.

The evaluation strategy adopts a flexible approach, recognising that as the evaluation progresses new issues will emerge, while some of the issues identified as significant at the outset will become less important over time. As the evaluation progresses its content may change to reflect the relative importance of issues and the availability of resources and data.

2.1 Relationship to other evaluations

As a consequence of the wide-ranging nature of elements of the Jobs and Training Compact, the Compact shares common ground with existing programs and with more recently announced initiatives of the Nation Building Economic Stimulus Plan. This includes the new employment services system – Job Services Australia and other DEEWR programs.

Where possible, the collection and analysis of information for monitoring and evaluating the Jobs and Training Compact initiatives will be incorporated into existing evaluation activities. In particular, this includes the evaluation of Job Services Australia (DEEWR 2009)⁸ and the evaluation of the National Partnership on Youth Attainment and Transitions.

2.2 Monitoring

Monitoring is an important component of the overall performance management of the Jobs and Training Compact. This will involve the quarterly reporting of program commencements, outcomes, costs, and the achievements of milestones. Monitoring responsibilities for the Jobs and Training Compact are outlined in a separate strategy document. Information collected for monitoring will provide an important source of data for the evaluation.

2.3 Limitations

For some Compact initiatives that are within the scope of the evaluation, there has been limited opportunity to collect baseline information or to have the IT systems support necessary for administrative data collection. Moreover, where data are available it may not be possible to identify target groups, isolate program effects or quantify the population eligible for these programs (data are often restricted to the individuals who participate in the programs).

⁸ See DEEWR 2009, *Evaluation Strategy for Job Services Australia*, <http://www.workplace.gov.au/NR/rdonlyres/626F91F4-0E98-42FD-BC4E-A42BF142A104/0/EvaluationStrategyforJobServicesAustralia20092012.pdf>

The capacity of the evaluation to assess longer-term outcomes is limited. The evaluation is due to be completed by June 2011 which means for many participants longer-term outcomes, particularly those involving an education placement, will not have had sufficient time to eventuate.

3 Evaluation criteria

The evaluation of the Jobs and Training Compact will assess, as far as possible, performance on the basis of three criteria: program engagement, effectiveness and efficiency.

3.1 Program engagement

Program engagement refers to the extent to which the Jobs and Training Compact connects with target groups. The success of the Jobs and Training Compact is contingent upon the engagement of these groups within each element. Program engagement will be examined on the following criteria:

- Awareness—the degree to which the availability of programs is known by people who potentially would benefit from the assistance.
- Participation—the number of participants within each program and program take-up rates relative to the eligible population (noting that with retrenched workers, for example, not all people eligible for assistance will need assistance).
- Identification and equity—the degree to which groups and regions that are vulnerable in periods of economic downturn have been identified and have access to these initiatives. This includes the equity of access to assistance, and the degree to which social exclusion may remain within vulnerable groups and regions.
- Connectivity and duration—the responsiveness of assistance in terms of the speed of service delivery, and the length of program duration relative to expected duration.

3.2 Effectiveness

Effectiveness involves assessing the extent to which the Jobs and Training Compact meets its desired objectives. This includes consideration of the following outcomes:

- Sustainable employment—in terms of the incidence of employment, employment duration, characteristics of participants, net impact of programs, displacement, deadweight and creaming considerations,⁹ types of employment, quality of employment, employment matching and target group outcome rates.
- Education—participation in education is important to Australia's productivity and so is counted as a positive outcome for the Jobs and Training Compact. The contribution of the Compact and its initiatives to this outcome will be examined.
- Skills acquisition—including training completion rates, expected training duration relative to actual, educational attainment, net impact of training, displacement, deadweight and creaming effects of training, skills matching, whether the type of training addresses skills in demand, and flow on effects of training into employment.

⁹ Displacement occurs when a person who receives labour market assistance obtains employment at the expense of someone else. Deadweight costs occur when job seekers who would have found a job anyway are assisted. Creaming occurs when service providers direct their efforts to people who appear easiest to assist at the expense of the more disadvantaged.

- Income support status—typically reduced reliance on income support is a measure of success of labour market assistance. Greater take-up of income support is also a desired outcome for the changes to the waiting period for the liquid assets test.¹⁰
- Quality of service—this includes the level of program satisfaction among all stakeholders and the community at large.
- Community value of projects—the value to the community of a project and the extent to which this value is ongoing.

3.3 Efficiency

Efficiency is concerned with the costs of the Jobs and Training Compact and the degree to which programs can be more economically delivered. This includes:

- Actual versus projected cost—the actual cost per program, per individual and per outcome compared with the anticipated or budgeted cost; and
- Relative cost—the cost per program, individual, and outcome relative to similar programs in other countries or in previous years.

As with the evaluation issues, which are outlined below, the extent to which these considerations can be covered in the evaluation will largely depend on the availability of data and how possible it is to identify effects which can be attributed to elements of the Jobs and Training Compact. These restraining factors are discussed further below.

4 Evaluation issues

There are both overarching issues and issues specific to the initiatives which form the Jobs and Training Compact. The former reflect the performance of the Compact as a whole in meeting its objectives. There is also a target group dimension to the evaluation. The three main target groups for the Compact are retrenched workers, young Australians and local communities. These groups are very broad, and, within each, there are specific at-risk groups (such as Indigenous Australians and the long-term unemployed). The evaluation will be structured around these three broad groups but will also take into account the diversity within each group.

At the broad level, the evaluation will attempt to answer the following questions:

- Is the intended population using the assistance?
 - For retrenched workers this means considering the extent to which people who have lost their jobs as a result of the Global Recession (including from which industries and occupations) are aware of and make use of the services available under the Compact. It is important to note, however, that not all retrenched workers are expected to participate as not all require assistance.
 - For young job seekers this includes the take-up of education and training opportunities (as indicated by, for example, increased movement from Youth Allowance (Other) to Youth Allowance (Student) or Employment Pathway Fund expenditure on training).

¹⁰ The maximum amount of liquid assets an eligible person can have before having to serve a waiting period to access income support was changed as part of the Jobs and Training Compact. All else being equal this change would reduce the numbers serving a waiting period and increase the numbers receiving income support.

- For communities this includes the number of strategies in place in priority employment areas to achieve Regional Employment Plan goals, whether the outcomes of plans are realised, the number of Jobs Fund projects commenced and operating and the number of people (and their characteristics) assisted by these projects.
- Are labour market and economic indicators in priority employment areas changing and are the relative levels of disadvantage between areas changing?
- Is there equity of access to assistance within each of the target groups?
 - In other words, what are the demographic and labour force characteristics (relative to the average within each broad target group) of the retrenched workers and young people who participate in the Jobs and Training Compact?
- How quickly do eligible job seekers access the services available under the Jobs and Training Compact?
 - In relation to retrenched workers, for example, the Compact is designed to reduce the time retrenched workers who need assistance have to wait for employment services and training places, to ensure a quick return to work.
- Are the people accessing the service new clients or are they (or would they have been) eligible for assistance otherwise?
 - In attempting to answer this question the evaluation seeks to identify the additional need for services generated in response to the impact of the Global Recession.
- What is the duration of assistance for job seekers participating in the Jobs and Training Compact?
 - How long do job seekers remain on these projects and what are their reasons for exit?
- Is the assistance having a positive impact on participants?
 - This includes the contribution of the Jobs and Training Compact to securing employment among retrenched workers and the participation of young people in either employment or education and training. The evaluation will also examine the broader question of the impact of the Jobs and Training Compact on aggregate employment.
- Is the Jobs and Training Compact reducing the impact of the Global Recession on economically vulnerable regions?
 - A definitive answer to this question is unlikely given the difficulty involved in isolating the impact of the Global Recession on vulnerable regions from other economic changes and attributing any lessening of this impact to the Jobs and Training Compact.
- Does the Jobs and Training Compact have any macro-economic impacts, particularly in the 20 priority employment areas?
 - This question is similar to the preceding question but adopts a broader perspective. It will involve examining, for example, changes in data on employment and

unemployment rates and the relationship between these data, redundancies and assistance measures.¹¹

- What are the costs and what is the cost-effectiveness of the Jobs and Training Compact?
 - The actual cost of the Jobs and Training Compact relative to expected cost will be considered. An attempt will also be made to measure the cost per outcome and relative to the contribution of the assistance to outcomes. Typically cost per net impact is used to measure cost effectiveness. While data on costs will be available, quantitative measures of impact (as noted above) will be difficult to estimate.

The Jobs and Training Compact involves a number of initiatives. As such, the evaluation will examine how well these initiatives work together to meet the Compact’s objectives. This attempts to answer the question of whether the mix of options available through the Compact is sufficient to meet the needs of the job seekers and locations for which the assistance is targeted. An important aspect of such an analysis is, where possible, to measure the performance of each element of the Compact. For the specific initiatives of the Jobs and Training Compact that are within the scope of the evaluation, the issues relevant to performance are summarised in Table 1.

Table 1: Summary of Jobs and Training Compact initiatives’ evaluation issues

Initiative	Evaluation issues
Early access to employment services for retrenched workers—immediate access to stream two services of Job Services Australia, irrespective of the job seeker’s income support eligibility or level of job readiness.	Take-up Speed of access and reasons for any delay Duration of assistance Referral to other assistance Outcomes Contribution of assistance to outcomes Cost relative to outcomes
Building the Basics—for people aged 25 years and over. Includes 1500 additional places in the WELL program, 4138 additional places in LLNP, 250 additional places in Functional Skills Taster Courses and funding for language, literacy and numeracy workforce development.	Take-up Outcomes
Entitlement to an education or training place for retrenched workers in government-subsidised vocational, education and training courses which lead to higher qualifications.	Take-up Skills acquisition (including skills in demand) Employment outcomes (training related)

¹¹ In this context it will be important to consider changes in both full-time and part-time employment. Evidence to a House of Representatives Standing Committee inquiry into the effect of the Global Recession on regional Australia indicates that the main impact on the labour force was an increase in underemployment rather than unemployment (House of Representatives Standing Committee on Infrastructure, Transport, Regional Development & Local Government 2009, *The Global Financial Crisis and Regional Australia*, The Parliament of the Commonwealth of Australia)

Initiative	Evaluation issues
Structural Adjustment Places (Targeted Productivity Places Program)—15,000 additional enrolments in the Productivity Places Program for newly retrenched workers.	Identification of participants Take-up Outcomes Skills acquisition (including skills in demand)
Training supplement—an additional payment of \$41.60 per fortnight to job seekers who fully meet their activity test or participation requirements through approved study or training.	Take-up Skills acquisition (including skills in demand)
Increase maximum reserve for the liquid assets test waiting period—from \$2500 to \$5000 for singles without dependents and \$5000 to \$10,000 for all other cases.	Trends in income support, including take-up
Keep Australia Working advisory service—funding over two years for a national hotline and website.	Awareness and usage
Pathways to Skills—increase places for vulnerable job seekers in the Australian Apprenticeships Access Program by 5500 and implementation of program enhancements.	Take-up Outcomes Maintenance of service quality
Securing Australian Apprenticeships—funding for recommencement (\$1800) and completion bonuses (\$1000) for employers who recommence eligible out-of-trade apprentices or trainees and for RTOs that offer off-the-job training to apprentices or trainees who have been retrenched and cannot complete their training with an employer.	Take-up by retrenched workers Completion rates and field of study Outcomes Deadweight
Apprenticeship Kickstart—employer bonus payments and funding to states and territories to increase pre-apprenticeship training.	Take-up of bonus Additional apprenticeships resulting from the bonus Outcomes Deadweight Additional pre-apprenticeship training places
Young people without a Year 12 or equivalent education required to undertake full-time education or training to be eligible for Youth Allowance (Other) income support	Awareness Movement between Youth Allowance (Other) and Youth Allowance (Student) Participation in study by Youth Allowance (Other) recipients Skills acquisition (including skills in demand)

Initiative	Evaluation issues
Jobs Fund (Local Jobs and Get Communities Working Streams)—employment programs in partnership with local councils, community groups and charities.	Implementation Activities undertaken Relationships with stakeholders Demographic characteristics of participants Jobs generated Skills acquisition Capacity building Community benefit of funded projects Sustainability of projects and jobs
Local Employment Coordinators—in 20 priority employment areas identified to be at most risk from the Global Recession.	Implementation Utilisation of Local Employment Coordinators Activities undertaken Relationships with stakeholders, including perceived usefulness Interactions with employment services Quality and success of Regional Employment Plans
Related measures—Insulation Workers’ Adjustment Package and Jobs Expos.	Take-up of assistance by retrenched insulation-related workers Duration of assistance Outcomes Activities undertaken by Insulation Employment Coordinators (IECs) Relationship between IECs and stakeholders Participation in Jobs Expos Jobs generated by expos and vacancies filled

The methodology and data collections for the evaluation are outlined in Section 6. In this context, the current paper should be seen as an overarching strategy. Each study described below will include a more detailed paper on the issues involved and the approaches to be adopted.

5 Resources

The breadth of the evaluation is largely dependent on the availability of resources, financial and human. \$3.91 million has been allocated over two years to monitor and evaluate major elements of the Jobs and Training Compact.

Funding will cover the expansion of existing data collections and procurement, development and management of new collections as well as the staff needed to monitor and evaluate the Jobs and Training Compact. This includes:

- \$1.09 million for surveys of participants, the eligible target group population, employers and service providers;
- \$0.57 million for qualitative research including case studies and best practice studies;
- \$0.30 million to conduct case studies with Indigenous participants including those from remote locations;
- \$1.95 million for staff to implement the monitoring and evaluation arrangements.

6 Approaches and data sources

The main focus of the evaluation will be on the overall performance of the Jobs and Training Compact as a package designed to alleviate the impact of the Global Recession on retrenched workers, young people and disadvantaged communities. Developing an approach consistent with this focus presents considerable methodological challenges. A significant difficulty will be to isolate the impact of the Jobs and Training Compact from other influential factors, including other stimulus package measures and other program assistance. An intervention like the Jobs and Training Compact which is multi-faceted, operates alongside other initiatives with similar objectives and involves different levels of intervention at different locations rules out a traditional net impact methodology. Constructing a valid control group is not possible. Moreover, and as alluded to earlier, the availability of data limits the scope of the evaluation.

Under these conditions, an alternative is a more qualitative approach based on case studies, supported by survey and administrative data on program inputs and outcomes. It will be possible in the evaluation to examine what was implemented in which locations and to gather the views of stakeholders on the perceived contribution of this assistance to participants and the local economy, but not to derive statistical estimates of the impact of the package overall nor of its main components.

The Jobs and Training Compact evaluation will be supported by a variety of data sources. This includes existing data sources as well as new data collections that are required to address the research questions of the evaluation strategy. The main data sources are described below.

6.1 Administrative data

The Department has a number of administrative systems to support its programs, covering employment services, income support, specialised employment services for Indigenous job seekers, apprenticeships and traineeships, access to apprenticeships, structural adjustment and language, literacy and numeracy assistance. Ideally for evaluation (and monitoring) purposes unit record data are required which can be linked across different administrative systems by virtue of a common unique identifier. The extent to which this capacity exists is limited, however, to the administrative systems that record transactions within the employment services and the income support system.

As noted above, the availability of administrative data on the target groups of the Jobs and Training Compact and the scope of these data affects the extent to which issues can be explored in the evaluation. Surveys can overcome some of the gaps in administrative data but their capacity to do so is limited by the longer timeframes required to develop, collect, process and collate survey data and the short timeframe for the evaluation.

Data on retrenched workers illustrates the problem. Businesses retrenching workers are required to notify the Department of the number involved if it is 20 or more workers. The Department monitors media reports to gather corresponding information on retrenchments involving fewer redundancies. Combined, these two sources indicate the total number of redundancies as well as the industries and locations involved but provide no information on the demographic characteristics of the workers affected. Inevitably, not all redundancies are reported (particularly those from small businesses) and not all retrenched workers require assistance, so it is not possible to accurately derive the numbers in the target group for the Jobs and Training Compact assistance. Data are available from the Department's administrative system on the number of retrenched workers who access the employment services but a measure of take-up cannot be estimated because of uncertainty surrounding the numbers in the target group.

6.2 Retrenched workers' study

This study combines administrative and survey data to examine the experiences of retrenched workers. Retrenched workers who registered for assistance with Centrelink in the fortnight beginning 16 March 2009 were surveyed by phone in May 2009. The survey is being repeated in 2009–10. A survey on the sustainability of outcomes achieved by retrenched workers will be undertaken in 2010–11.

6.3 Australian Apprenticeship study

The purpose of this study is to assess the changes to both pre-apprenticeship training and Australian Apprenticeships introduced as part of the Jobs and Training Compact. Issues that the study will address include: participation in pre-apprenticeship training; service quality; tailoring of assistance; take-up of employer incentives; the extent to which these incentives contribute to retention in apprenticeships and traineeships and the additional apprenticeships and traineeships generated; and take-up of employment and education opportunities.

The study will rely on an analysis of administrative data and will be supported by a number of data collections, which have been separately funded. They are:

- case studies with Australian Apprenticeship Access Program brokers in January 2011. \$50,000 has been allocated for this study;
- a survey of employers in 2010 and again in 2011. Each survey has been allocated \$80,000 to collect data from approximately 600 employers. These surveys are required because their content cannot be incorporated into existing Departmental employer surveys;
- qualitative research with Registered Training Organisations, concurrent with the surveys of employers, at a total cost of \$100,000; and
- surveys of apprentices in 2009–10 and 2010–11 with funding for both totalling \$330,000. Each survey will have samples of 1400, split between in-trade apprentices and people who did not complete their apprenticeship.

These data collections have been combined into a single study to facilitate a more integrated approach to evaluating the performance of these elements of the Jobs and Training Compact. Total funding allocated to the study is \$640,000.

6.4 Case studies in priority employment areas

Research in selected priority employment areas will provide an assessment of the impact of Local Employment Coordinators and Regional Employment Plans and the performance of Job Fund projects. Data will also be collected in comparison locations. For Local Employment Coordinators

the research will consider their relationships with stakeholders and the extent to which targets in Regional Employment Plans are achieved. The Jobs Fund issues to be addressed in this research include the employment generated by Jobs Fund projects, their community benefit and the potential for both to be ongoing. Where relevant, the evaluation will also explore the contribution of projects to building capacity, skills acquisition and giving opportunities to disadvantaged job seekers. The case studies will include both qualitative and quantitative approaches. The number of case studies will depend on the availability of funding.

6.5 Indigenous people

The evaluation will examine participation and outcomes for Indigenous people in the Jobs and Training Compact, including the extent to which this assistance contributes to “Closing the Gap”. These case studies will include remote locations and will be conducted in the first half of 2010 and a year later. \$300,000 has been allocated for this research.

6.6 Other sources

While the evaluation will draw on a number of other data collections, including those external to the Department (such as data collected by the ABS) and those of the Department (such as the small area labour market data,¹² information collected in the Service Quality Monitoring Program,¹³ the Survey of Employers’ Recruitment Experiences in priority employment areas and the Stepping Stones longitudinal survey of income support and employment assistance), two other existing collections will be particularly important. These are the Employment Assistance Survey and the Post-program Monitoring Survey.

The Employment Assistance Survey is a longitudinal survey of users of Job Network and its replacement, Job Services Australia. Waves five to eight (to be conducted in December 2009, March 2010, July 2010 and December 2010 respectively) have been allocated evaluation funds of \$150,000 per wave. Also, the sample for these waves will be supplemented with 500 recently retrenched workers and 500 young people.

The Department’s Post-program Monitoring Survey gathers labour force status data from employment services participants three months after assistance. For monitoring and evaluating the Jobs and Training Compact it is proposed to include the Productivity Places Program (PPP) in the survey. This will collect outcome measures for the additional Structural Adjustment Places. The proportion of PPP places that the survey is able to cover is unknown at this stage. Survey findings are published by the Department each quarter.¹⁴

7 Evaluation management and reporting

Development of an evaluation strategy for the Jobs and Training Compact included consultation with central agencies (including Treasury, the Department of Finance and Deregulation and the

¹² DEEWR, *Australian Regional Labour Markets*,

<http://www.workplace.gov.au/workplace/Publications/ResearchStats/LabourMarketAnalysis/RegionalLabourMarkets/>

¹³ More detail on this program is available in DEEWR 2009, *Evaluation Strategy for Job Services Australia*,

<http://www.workplace.gov.au/NR/rdonlyres/626F91F4-0E98-42FD-BC4E-A42BF142A104/0/EvaluationStrategyforJobServicesAustralia20092012.pdf>

¹⁴ DEEWR, *Labour Market Assistance Outcomes*,

<http://www.workplace.gov.au/workplace/Publications/ProgrammeEvaluation/LabourMarketAssistanceOutcomes.htm>

Department of the Prime Minister and Cabinet) and relevant program areas within the Department. This involved clarification and agreement to objectives and approaches to measuring the extent to which they are achieved. Further consultation with agencies may also be necessary for Compact initiatives that involve inter-departmental responsibilities.

Within the Department, Employment Monitoring and Evaluation Branch has responsibility for developing and implementing the evaluation strategy. Findings from the evaluation will be disseminated as they become available. This will include, for example, presentations to policy and program areas and the Department's executive. Early results from monitoring have been progressively available from early in 2010. An evaluation report is required in 2011.