

Two birds with one social policy stone: youth employment and regional skills shortages in Australia

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ABSTRACT

In June 2005, the Victorian State Government introduced the Regional Jobs Package (RJP) – a twelve month pilot program that attempted to kill two social policy problems with one stone. The problems were youth unemployment and skills shortages in regional areas of Victoria, Australia. The intention of the RJP was to create a ‘win-win’ outcome. If young unemployed people could be matched with jobs in skill shortage areas, this would both increase employment and reduce skill shortages. The Regional Jobs Package was particularly targeted towards young people experiencing barriers in the labour market. This article reports on an evaluation of the program and overall, the RJP had a high success rate of placing young people in employment in areas of skills shortage. It was clear, however, that the program was more successful for some groups than others. Most notably, young women and people from CALD backgrounds were under-represented within the program.

The Regional Jobs Package (RJP) was a pilot labour market program introduced in June 2005 by the Victorian Government as a strategic response to two important issues facing regional Victoria - youth unemployment and skill shortages across a number of key industries. Overseen by the Department for Victorian Communities (DVC), fourteen employment and training providers from across the state implemented the pilot over a period of twelve months. The Institute of Community Ethnicity and Policy Alternatives (ICEPA) from Victoria University (VU) was engaged to evaluate the program. A mix of methods were used to identify the outcomes achieved and the benefits gained by young people and regional communities through their participation in the program. This article reports on the key evaluation findings, discusses the design and scope of RJP as a model of labour market program delivery and comments on the value of this type of government intervention in the regional labour market.

The regional jobs package

Young people from regional Victoria are increasingly moving to cities and regional centres for employment, education and training opportunities. At the same time older cohorts are moving to the country for cheaper housing and lifestyle reasons (Birrell, Dibden et al. 2000). The shortage of young people training and working in regional businesses and services is a significant problem for the sustainability of regional economies and communities. In addition, community cohesion and strength suffers. The difficulty country towns now experience in fielding sporting teams is just one symptom of this.

One of the ironies of skill shortages is that they can co-exist with unemployment because of a mismatch in labour supply and labour demand. Young people, particularly those who experience barriers to labour market participation, experience high unemployment (ABS 2006). Perhaps the greatest issue for young people is not unemployment per se, but becoming locked into short term, part-time and/or casual employment on low wages with few prospects for advancement. Whether or not such employment provides a pathway to further career opportunities is debatable (Cartmel and Furlong 2000). Some evidence suggests that young people in part-time work over an extended period of time are unlikely to gain the work experience and skills necessary to build a career and

enhance their prospects for a secure working life (DPC 2004). Girls in particular have been found to be only half as likely as boys to find full-time jobs (Teese 2000).

While similar programs have been implemented internationally¹ RJP was a direct response to the issues facing the Victorian labour market. It focused on matching unemployed young people with skill shortages in their local region. In line with broader State Government policy, it aimed to create employment opportunities for young people facing barriers to labour market entry, for example young people from neighborhood renewal areas, Indigenous young people, young offenders, and young parents (DVC 2005). At the same time simply being an unemployed young person (defined as being between the ages 15 and 25 years), and living in regional Victoria, amounted to inclusion in the target group. The policy intention was to stimulate employment opportunities for local young people in skill shortage occupations, leading to a 'win-win' outcome. Young people would have a reason to stay in their local communities, thereby contributing to local community strength by filling jobs and providing services needed to keep towns and communities going.

Is it possible to 'kill two birds with one stone'?

The evaluation aimed to identify the extent to which the program was successful in 1) creating employment in areas of skill shortage and 2) providing employment and training opportunities for young people experiencing barriers to employment in regional Victoria. This article draws on the evaluation findings to reflect on the extent to which labour market programs can meet the dual objectives that the RJP aimed to achieve. This discussion is shaped by an understanding that the intent of the program, in line with Victorian Government policy frameworks, was to improve the labour market opportunities for program participants as part of a broader community strengthening effort.

The RJP aimed to provide young people with a good enough reason to stay living and working within their local area by supporting them into employment and accredited vocational training. An implicit aim was to stimulate the optimism of young people about their potential futures within their local region. It provided support and opportunity to acquire qualifications and employment experience that would allow young people to build secure futures and contribute to the social and economic life of their localities in the long term. We are particularly interested in how effective this was for young people who face barriers to entry into employment with long term prospects for career development and a reasonable expectation of increased future earnings. Young people who live in neighborhood renewal areas, young offenders, single parents, those who have been unemployed for longer than six months, Aboriginal and Torres Strait Islanders and people from culturally and linguistically diverse (CALD) backgrounds were identified as priority groups for participation in the RJP and the following discussion looks at the extent to which the program was effective for these groups that have limited options for employment and training.

The key question, however, is about whether or not it is possible to meet two policy objectives with the same strategy or 'kill two birds with one policy stone'. Is it possible to address skill shortages and the business development needs of communities in local regions while at the same time, providing sustainable career opportunities for young people who are disadvantaged in the labour market? The following discussion draws on the evidence gathered through the evaluation to address this question.

The context

Regional Development issues for Victoria

Regional Australia is a mix of metropolitan and outer metropolitan regions, rural regions which include a mixed economic base and regional centers, and remoter regions (Alison et al: 2006). The

¹ For example, there are similarities between the RJP and 'Intermediate Labour Market' programs that have been implemented through the UK. See http://extra.shu.ac.uk/ndc/ndc_reports.htm for reports from the 'New Deal for Communities' evaluation.

RJP was concerned with the non-metropolitan regions which are particularly impacted by changes in primary production, population migration and local skill shortages.

Various studies highlight differences across regions including regions in decline, regions restructuring, regions holding their own and regions growing (ALGA 2003; Stimson, Baum et al. 2004). Some conditions impact particularly on the non-metropolitan regions of Victoria. Continued drought conditions, population migration trends and rising petrol prices all have an impact on farm and business viability.

The conditions experienced in regional Victoria need to be understood in the context of global economic change and its uneven impacts across different regions. One of the major trends relevant to this program is population movements that create issues for local labour markets. While the experience has varied across regions, there has been a flow of low income groups to regional Victoria in search of affordable housing. Most notably, these groups include single mothers, older people and people with disabilities who are reliant on pensions as their sole income (Birrell, Dibden et al. 2000). Population ageing has also progressed and is increasingly more pronounced in regional Victoria compared with metropolitan Melbourne (DSE 2005). This is driven by a net migration of young people aged 20-29 to Melbourne and net migration of older people from Melbourne to 'sea-change' and 'tree-change' locations throughout Victoria. These movements contribute to the creation of skill shortages in regions.

Since 2000, regional Victoria has shared in the sustained economic growth that metropolitan Melbourne has enjoyed. In particular, rates of unemployment have decreased and many regional areas, especially those regions with high levels of tourism growth, have experienced economic growth (DVC 2006). At the same time, the labour market continues to tighten resulting in the emergence and increased severity of shortages in a number of skilled occupations, including most trades, many professional health sector occupations, accountants, child care workers and civil engineers (DVC 2006). Further, the nature of employment has rapidly changed with most new jobs being casual, part-time or short term (ABS 2006).

Regional Skill Shortages and Unemployment

Broadly, regional skill shortages are a type of 'structural unemployment' which occurs when there is a fundamental mismatch between available jobs and jobseekers – that is when the skills or qualifications required by employers differ from those possessed by unemployed people. Some underlying elements of skill shortages include: training (the number of people entering the occupation); wastage (the number of people who are trained in a skill or occupation, but do not work in that field); migration (Australia is a net importer of skills although most migrants are concentrated in metropolitan regions); and, work force exits (the rate of people leaving the workforce) (BTRE 2005). Imbalances in these elements are evident in regional Victoria but ageing populations and changing industry structures contribute significantly (Dockery 1999). Programs that support young people to stay in their local communities, while at the same time providing training in occupations that are experiencing skill shortages are a reasonable measure to put in place.

Skill shortages are increasingly recognized nationally as a major policy issue, however, the causes of skill shortages are complex, the understanding of their impacts within regions are imprecise, their occurrence is highly varied across regions and data on the nature of skill shortages within regions is patchy (DOTARS 2006). DVC has gone some way to resolving this in Victoria with some very detailed regional studies (DVC 2006). What is known is that regional Victoria is experiencing skill shortages in the fields of nursing and health, engineering trades, automotive trades, electrical trades, construction trades and food trades. Within regional Victoria those skill shortages most significantly felt are in the construction trades including carpenters and joiners, plasterers, bricklayers, plumbers and cabinetmakers (DEWR 2005).

Youth Unemployment in Australia

Unemployment rates in Australia have continued to decrease for all age groups since unemployment peaked at 10.7 percent in September 1992. This rate has gradually declined reaching 4.3 per cent in May, 2007 (ABS 2007). However, for the past three decades Australia, like other OECD countries, has continued to record higher unemployment rates for individuals aged 15–24 years compared with other sectors of the working population. In September 2005, the unemployment rate for teenagers (15–19 years) was 16.2 percent (Australian Bureau of Statistics 2006). This was almost four times the average unemployment rate for adults aged 25 – 69 years (3.7 percent). For young people aged 20–24 years, the corresponding unemployment rate was 7.4 percent, twice the rate of older adults (Biddle & Burgess: 1999, Polk & White: 1999, ILO: 2000, Dusseldorp Skills Forum: 2005).

The increased casualisation of work is arguably one of the most significant changes in the Australian labour market over the past decade (Hall, Bretherton et al. 2000). Full time employment has become increasingly more difficult to find for the vast majority of Australia's young people (Biddle and Burgess 1999; Polk and White 1999; Teese 2000; Dusseldorp Skills Forum 2005). Between 1978 and 1998, the number of Australian young people in full-time employment fell by more than 25 percent. By 2001 two in every five workers were employed on either a part-time, casual or contract basis (Kilpatrick and Bound 2005).

Recent research shows that almost 21 percent of school leavers were not able to find stable, full-time employment by their mid-twenties. This meant they were unlikely to gain the work experience and skills necessary to build a career and enhance their prospects for a secure working life. They had little access to associated benefits including on-the-job training, a stable income, superannuation, paid annual leave and the social networks and relationships that evolve through long-term working relationships (DPC 2004). Girls in particular were only half as likely as boys to find full-time jobs. Since 1978 the number of girls in full-time jobs has decreased by two-thirds (Teese 2000).

Five main client groups are consistently identified as under-represented in the VET system and as experiencing barriers to labour market participation. These groups include Aboriginal and Torres Strait Islander people who are arguably one of the most disadvantaged in terms of employment, women (particularly in non-traditional occupations), people from non-English speaking backgrounds, people with disabilities, and people in rural and remote communities (Considine and Watson 2005). However, these groupings are a crude tool for understanding disadvantage and there are many unemployed young people in Australia who simultaneously belong to more than one marginalised group. For these individuals experiencing multiple forms of marginalisation, the impacts of cumulative disadvantage increase exponentially (Golding and Volkoff 1998; Mullaly 2002). Ferrier (2006) also highlights the extent to which low socio-economic status (SES) is a common thread contributing to the experience of labour market barriers across all groups.

Employment programs that are targeted to particular client groups may be problematic as they address only general aspects of group disadvantage and not specific individual needs. In some cases targeted programs may actually make it more difficult for individuals experiencing cumulative disadvantage to access vocational education and training, as they struggle to judge the relevance of the different programs on offer (Watson, Kearns et al. 2000). The design of the RJP attempts to resolve this issue through the delivery of a flexible program that could be adapted to both the individual needs of young people and local area employment needs.

Program design

The RJP was designed to enable program providers to construct a program that would best meet the labour market needs within their region, and fit with their operational capacity. Program providers could exercise discretion in each region to select the mix of program elements they considered

most appropriate to their situation. A budget of \$3.7 million was allocated to the program and funding was made available to combine program elements including:

- up to 15 weeks paid work experience in employment or projects of community benefit;
- accredited education, training or pre-vocational training linked to work experience for up to 110 student contact hours;
- flexible work preparation and industry orientation; mentoring and support for a maximum of 12 months;
- wage subsidies for apprenticeship and traineeship placements in the public and private sectors in identified skill shortage occupations; and,
- coordination costs associated with placement of young people in employment.
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The fourteen providers from across the state individually negotiated their programs with DVC, and made a case for their specific program design. Eleven of the providers were Group Training Companies (GTCs) which specialize in the group employment of apprentices and trainees and three were Adult and Community Education (ACE) providers which have a varied program base and mission. The programs varied according to the local skill shortages that were targeted and the type of program support that the providers were best placed to deliver. Some providers focused on particular industries such as building and construction or metals, while others focused on specific occupations across industries such as in the printing trades, dry-cleaning or agriculture.

The overall aim of the RJP was to create 432 job placements or apprenticeships/ traineeships (398 in the private sector and 34 in the public sector) for young people in areas of skill shortage in regional Victoria by June 2006.

The evaluation

Methods

The evaluation of RJP focused on assessing the implementation of the RJP and its impact in generating sustainable employment and training opportunities in skill shortage occupations and places in regional Victoria. A mix of methods was implemented including:

- an analysis of the data base held by DVC about the program participants and the details of their placements;
- a survey of participants;
- a survey of the employment and training providers; and,
- a survey of the field officers who were involved in the implementation of the program.
- the collection of case studies;
- interviews with providers, participants and employers; and,
- focus group discussions at each of the fourteen sites.

Surveys were either given or mailed to all RJP participants, providers and field officers. Altogether 58 self-completed participant surveys were received and analysed from 10 of the 14 different RJP provider sites (11% return rate). A total of 37 self-completed field officer surveys were received and analysed from 9 of the 14 different RJP provider sites (approximately four officers per site). The total possible return rate for this group is unknown as only those field officers who had knowledge of, and involvement with the program responded. Only nine employer surveys were received and analysed by the evaluation team. The project team was reliant on the program providers in distributing the survey to employers as, due to privacy issues, employer details were confidential and held with the providers. As such, the total population of this group is unknown, and the low response rate means that the results of this survey were unreliable.

While all providers were invited and encouraged to participate in the evaluation, four of the providers declined to participate. The main reason given was time constraints and the difficulties of bringing together field officers and program participants into a central location when participant placements were spread over large geographic areas. Evaluation researchers visited all program sites to conduct interviews and focus group discussions with providers, field officers, host employers and RJP participants. Generally between three and ten RJP participants at each site were consulted about their experiences with the program. The project team spoke with most of the program field officers and the program coordinators at ten of the fourteen sites. An audit of the RJP data was conducted while undertaking site visits. This involved identifying a random sample of 8 participant records at each site and cross-checking details with the Employment Programs (EP) data base and with the relevant providers and field officers.

In consultation with the program providers, five case studies were identified to reflect different places and people who were served by RJP. Extracts from some of these are included later in the discussion. The following section discusses the findings; first in relation to the effectiveness of the program and how it worked for young people, and second, in relation to addressing skill shortages.

The outcomes and experiences of young people.

Retention and employment outcomes

Five hundred and eleven young people participated in RJP. Each was supported into a job through a number of program strategies including work experience, participation in pre-vocational training, mentoring, work preparation and structured accredited training. How these program elements were delivered depended on the young person's individual needs and the requirements of the employer and are discussed later.

Overall, there was a high level of program retention at 82.4%². This is strong evidence that participants were satisfied with their placements and received the necessary support to continue in their employment over the course of the twelve-month placement. Of those participants who completed the full program for 12 months (325), 88 per cent continued to be engaged in full-time employment three months after the completion of the program. The post program data, however, is gathered by the DVC and it was not possible to identify whether or not this employment continued in skill shortage occupations.

Another important outcome was that RJP supported many young people moving from marginal employment to skilled occupations leading to a qualification and the opportunity for long-term and full time employment. The research team identified a number of young people who benefited because they would not have been able to move from their previous casual, part-time work if it had not been for the advocacy and support of this program. Leanne's story below illustrates this point.

Four years ago when she was in Year 11 Leanne began working in a childcare centre, working a split shift before and after school. Eventually, Leanne left school and worked in two centers casually. She maintained her employment and completed a Certificate 3 in Child Care locally in spite of her chronic asthma, which often resulted in hospital admissions.

RJP offered Leanne the opportunity to enter a traineeship. She says it has been fantastic; she would not otherwise have been able to afford the fees to complete her Diploma of Children's Services.

Leanne is a valued member of a staff team at a local childcare centre and feels that she now has a real job and is nearing completion of her qualification. This will assist her economic sustainability long after the program's completion

² Retention rates were calculated in line with DVC standard practice which is the total number of weeks completed out of a possible total of 52 for each participant.

In this case and others, the young people were likely to continue their economic marginalisation well into their adult years. The success in moving these young people from marginal to sustainable employment is a clear program strength.

Participant characteristics and non-completions

One of the evaluation tasks was to identify the extent to which barriers experienced by particular groups of participants were addressed. Table 1 below shows the characteristics of the participants according to participation data collected by DVC as well as the rate of non-completion by target group.

Table 1: RJP Participant Characteristics

	<i>Number</i>	<i>Percentage of total participants</i>	<i>Number non-completions by group</i>	<i>% non-completions by group</i>
<i>Number of Males (Total)</i>	428	83.7%	103	24%
<i>Number of Females (Total)</i>	83	16.2%	28	33.8%
<i>Number of Indigenous</i>	22	4.4%	9	40.9%
<i>Number of Homeless</i>	5	1.0%	2	40%
<i>Number of CALD</i>	3	0.6%	2	66.6%
<i>Number Early School Leavers</i>	97	19.6%	26	26.8%
<i>Unemployed Six Months + Disabled</i>	88	17.6%	31	35.2%
<i>Disabled</i>	6	1.2%	3	50%
<i>Neighbourhood Renewal Area</i>	22	4.4%	10	45.45%
<i>Total Participants</i>	511		131	25.6%
<i>Average Age of Participants (in years)</i>	19.7		19.9	

The RJP was not specifically targeted at young men. However, the vast majority of the participants were male (83.6%). About half (49%) of the 511 RJP program participants were from groups identified as experiencing barriers to employment. Of the participants, 19.6% were early school leavers and 17.6% had been unemployed for more than six months. Other target groups - being from a neighbourhood renewal area, having a disability, indigenous or from CALD backgrounds made up 11.8% of participants.

Table 1 shows that of the 511 young people who were placed in employment as a result of RJP, 131 (25.6%) of them withdrew from the program or were suspended. Young women had a higher rate of non-completion (33.8%) than young men (24%). Early school leavers had average non-completions, while other target groups had higher than average non-completions. The non-completion rates show that RJP was least successful for young women, Indigenous young people, homeless, people with disabilities, and those from CALD background. It worked best for young men who were not from the identified target groups.

The participation figures of target groups (49%) suggest that the program was successful in recruiting young people who experience barriers to employment. However there were problems with completion for these groups, suggesting that while labour market programs such as RJP will assist some young people from these target groups, others may require different forms of assistance to overcome the difficulties they face.

The low participation by young women reflects gendered occupational structures more broadly and clearly, their participation was not a major consideration in program implementation. Reasons given for this was the short lead time (five weeks) to have the program ‘up and running’ which limited the extent to which providers could secure placements in child and aged care industries which would have provided additional (albeit traditionally female) employment opportunities for young women. These industries are largely directed by committees of management that take time to plan for, and commit to the employment of new people. The short lead time meant that it was difficult to organise placements in these fields.

Women's low participation however, was largely consolidated by the providers' traditional focus on securing employment for young men and their reliance on relationships with small to medium size business operators who operate in industries characterised by male dominated employment. Most of the providers were Group Training Companies (GTCs) which, historically, have specialised in the recruitment and placement of apprentices in traditionally male trades. In order to sustain relationships with business, there is a reluctance to offer a recruit that is different from the norm. This is also the case for any participant that might have high support needs and who may require significantly longer job preparation than the implementation arrangements of RJP allowed. Overall, we can see that the program was successful in recruiting a substantial proportion of young people from the target groups but not in retaining them as shown in Table 1. There were also substantial gaps in participation from women and people from CALD, an issue that warrants attention as both an issue of equity and an issue for regional development. It would seem that the encouragement of young women into skill shortage occupations would be an obvious priority to address the issue at hand. There is substantial evidence, however, to show that women's entrance into non-traditional occupations requires implementing measures to address the many direct and indirect barriers that discourage participation (Pyke 1992; Kyle 1993; Lyall 1993; Bagilhole 2002; Stevens-Kalceff, Hagon et al. 2006). These measures were not implemented by providers, nor were they required to by the program guidelines. This raises an important consideration for future program planning and we return to this issue later in the discussion.

The program elements and how they were received

Generally, program participants expressed high levels of satisfaction with each of the program elements. It is difficult to comment on the extent to which any one type of support was successful given that each participant received a different combination of supports. Rather, it depended on the delivery of the right type and combination of support strategies to the individual concerned. The following section discusses each of the program elements in turn.

Paid work experience in work or projects of community benefit

The provision of paid work experience was used extensively within the RJP program. It was particularly useful for those participants who experienced higher levels of disadvantage or where employers were reluctant to commit to a placement for the twelve-month period without the implementation of a pre-employment 'trial'. For example, one GTC found that a 'try-out' for both the participant and the employer led to a successful apprenticeship placement. As the employer said, 'you can't fake enthusiasm for two weeks' and the experience enabled him to assess the participant's aptitudes and suitability for his organization.

From a field officer's perspective, the paid work experience component was one of the most important aspects of RJP. Many of the field officers indicated that it was the ability to offer paid work experience that really made a difference in terms of convincing many employers to 'give young people a go'. This was particularly true in the case of small business owners. As one RJP field officer stated, "it allowed both parties to settle in with no financial impact on business. It was a great incentive for the host employer to see potential new apprentices in the workplace without cost or commitment." Similarly the paid work experience component of RJP was very well received by the young people who participated. Of those who undertook paid work experience and responded to the participant survey, 80.2% said that they were either 'very satisfied' or 'satisfied' with this aspect of the program.

Accredited education and training/pre-vocational training

All RJP placements had the opportunity for certificate level work integrated training as part of their employment. Some companies also provided pre-vocational training as part of their standard practice of maximizing participant job readiness. The type of training varied with each participant depending on the trade, the young person, and the needs of the employer. For some, up-front

training was followed by a few weeks' work experience, followed by further training before being placed with an employer.

As an example, one provider offered an extensive upfront prevocational training package to their RJP participants. The training, adapted from an existing program for long term unemployed people, focused on getting the young people motivated and ready for work. It worked on a wide range of different skills including personal development, confidence building, managing home finances, budgeting, workplace communication, customer service and dressing for work. The participants had the opportunity to visit a number of different workplaces in order to enhance their understanding of Occupational Health and Safety issues. According to workers at one Group Training Company, this was particularly useful as many of the RJP participants "*were young kids who had never worked before, so to hear about the importance of OH&S issues direct from the employer's mouth was important*". Finally participants were able to complete certificate training in First Aid, Drugs & Alcohol and OH&S (Red Card training) as required.

Overall, both field officers and participants believed that pre-vocational training was very effective and that pre-vocational training greatly improved the employability of young jobseekers.

Flexible work preparation/industry orientation

RJP providers were able to spend up to \$500 per participant for flexible work preparation. The purpose of the funding was to enable providers to do whatever needed to be done in order to get young people into employment. This included having a flexible pool of money to assist with training, purchasing tools, help with transport and items that would assist the transition to work. This was used to support individual participants depending on their particular job needs. The primary use of this money was on the provision of tools and safety clothing – an essential up-front cost for many apprenticeships which many young people cannot afford. For some, the availability of this funding was critical for the young person's continued participation.

Mentoring and support for a maximum of 12 months

The RJP program emphasis on regular mentoring and support was consistently identified as a core element of program success. As one employer commented, the mentoring provided the 'glue' to keep the employment relationship running smoothly, particularly in the early stages of the placement.

Four hundred and thirty-four participants were funded to receive 12 months of mentoring. All of the RJP service providers included some form of mentoring and support in the program. For the most part this mentoring consisted of regular workplace visits or monthly telephone calls. While contact visits between participants and employers are scheduled as a standard practice within most Group Training Companies, they indicated that the RJP program enabled them to undertake more intensive mentoring and to address individual problems as they arose.

The mentoring aspect of the program was appreciated by both employers and participants. Employers who were hiring their first apprentice through the RJP expressed appreciation for the mentor's assistance in sorting out potential issues that they were uncomfortable, or unfamiliar to them. Employers commented that it is useful sometimes to have an impartial person to act as a mediator between employers and employees - a sentiment also expressed by many of the RJP field officers.

Likewise, RJP participants commonly discussed the importance of having a mentor to provide technical advice, to support them in decision-making when the employment placement was in doubt in any way and to provide general support to keep the job placement on track. This was particularly the case for those participants who experienced additional barriers in their employment. One example comes from 'Helen' who was employed as an apprentice cabinet maker.

Gaining a job as an apprentice cabinet maker through the RJP fulfilled an important ambition for Helen. As a woman seeking a job in a traditionally male trade, Helen was worried that she would not be able to find an apprenticeship in the open market and so, getting this place was a 'dream come true' in many ways.

Despite this, Helen experienced some issues along the way that made her doubt her decision to be a cabinet maker and, for a time, she seriously doubted that the apprenticeship was really the right choice. There was a combination of issues – a knee injury, a placement with a host employer where her tools were being stolen, and at 'off the job' training, she often had to put up with harassment from some of the new apprentices who did not like having a woman in the industry.

At this stage, the field officer assigned to Helen was able to support her to deal with these issues. An alternative host employer was found, new apprentices who could not deal with a female in the trade were pulled quickly 'into line', and she was counseled about her thoughts about giving up. Overall, she has received support and encouragement as well as technical support when she was assigned jobs that were beyond her skills. Helen now has only 18 months left to complete her apprenticeship and she is looking forward to running her own cabinet making business. The mentoring she received, particularly at critical points where she was in danger of dropping out, has meant that she can realistically look forward to a sustainable career in a field where there is a significant skill shortage in her local area.

The ways in which the mentoring was delivered varied across programs according to participant and employer needs and circumstances, the location of the job and company practices. If all was going well with the placement, additional mentoring visits were deemed unnecessary and an interruption to the workplace. As one field officer said, *'If everything is going fine, it can be just creepy if you keep turning up when there is no need'*. Therefore, most providers were very conscious of timing and took a strategic approach to mentoring visits. The RJP program enabled the provider to undertake more intensive mentoring when it was required, and this was a key factor in relation to placement success.

Wage subsidies

Wage subsidies were widely used with 392 subsidies claimed for apprenticeships in the private sector and 30 subsidies in the public sector. The way in which this subsidy was applied, however, varied across providers. For some companies, particularly Group Training Companies who negotiated employment placements with employers who had not previously employed an apprentice or trainee, a wage subsidy was a critical incentive to the employer to make a decision to employ.

For the most part, all of the RJP employers were entitled to a base subsidy of \$2,500. In some cases this was paid to RJP employers up-front or at the end of the work experience component. In other cases employers could apply for the subsidy only once the 12 months had elapsed. Some providers opted to pay the subsidy in regular installments every three or six months. In this way if an employer withdrew from the RJP program, there would still be some subsidy to attract a new employer.

One provider chose to further supplement the \$2,500 employer subsidy with a \$500 mentoring allowance payable at the end of three months. Other Group Training Companies apportioned RJP funds to offset the fees that they charged back to host employers. Overall the overwhelming majority of field officers believed that employer subsidies were either 'very effective' or 'effective' in generating sustainable employment and training opportunities for young people in areas of regional skill shortage. Throughout the employer interviews, it was made clear that employer subsidies were very much needed by business – particularly by small businesses. For example several employers spoke about the cost that was incurred by employers who take on first and

second year apprentices. During this period apprentices are not usually productive as they often make mistakes and require constant supervision.

For other employers however, the employer subsidies, while appreciated, were not as important as finding the right young person for their business. This was clearly demonstrated by 'Tom' who runs a small furniture making business in north east Victoria;

For Tom the decision to employ Justin was about more than just finding an apprentice. He needed to find someone who could become part of his family. Tom and his wife Sue run a small furniture making business on his family's large rural property in North East Victoria . Prior to employing Justin, the business only had one other employee – a fourth year apprentice named Sean.

Given the nature of the business, it was very important to Tom that he and his family felt comfortable with Justin. Lunch is often served around the family's kitchen table, together with Tom and Sue's two young children. Last Christmas both Justin and Sean were invited to share dinner with Tom and his family. Therefore according to Tom while the \$2,500 employer incentives were appreciated, it was more important that RJP was able to place someone who complimented both his business and his family.

Overall it would appear that this particular placement has been very beneficial, with both Tom and Justin committed to achieving a successful outcome. Several months into the placement Justin was involved in a motorcycle accident and needed to take several weeks off. Tom held Justin's job open and supported his return to work, even though it would have been just as easy to terminate his employment and replace him with another apprentice. As a result of this, Justin has been even more committed to becoming a reliable and valued member of the team. According to Tom, he is one of the best apprentices that he has ever had.

There were mixed views in relation to the importance of employer subsidies for achieving a successful placement. The following comment made by one of the program providers summarises a generally held view on how the availability of subsidies can often, but not always, be an important element of supporting young people;

Every employer who agreed to take their pre-paid employee across to an apprenticeship was paid \$2,500. We had two employers who chose not to apply for this subsidy, even though we approached them several times. For most of the employers, the money was very helpful as they were all small business owners. It was good for the kids as well, because they came with a little package attached to them which tended to smooth things over, particularly after the initial honeymoon period. It definitely helped to encourage employers who hadn't employed young people before.

Coordination costs associated with placement

Provision for coordination expenses allowed providers to implement specific RJP recruitment strategies, recruit program mentors, identify employment opportunities, arrange training and pre-vocational training and 'badge' the program as RJP with a distinct program identity. This was particularly important for non-Group Training Companies which had lesser employer networks and infrastructure for employment placement. According to one non-Group Training Company, it was very labour intensive to become familiar with the various awards that apply to a large number of different industries and trades. Furthermore the cost to providers in covering large geographic areas is high. Face-to-face support at workplaces is an important aspect of maintaining program retention and travel is an expensive and critical component of providing this support. Of field officers surveyed, 93 per cent reported that the coordination costs associated with placement were either 'very effective' or 'effective'.

Overall

All of the program elements were important to the providers largely due to the ability to implement the strategies selectively depending on the employer, the needs and occupation of the young person and the provider's operational practices and capacities. Paid work experience, mentoring and employer subsidies were most frequently discussed as being of most benefit to the program's

implementation. The key, however, was that these strategies could be implemented in a flexible manner depending on the specific circumstances of the young person and the organisational practices and capacity of the provider.

Addressing skill shortages

Skill shortages

All of the placements made through the program were, by definition, in areas of skill shortage. DVC funding was made available only for positions that were in identified skill shortage occupations, or where the training provider could make a case that the job was in an area of local skill shortage. For example, in one region, the training provider argued that there were several large printing businesses that were having difficulty recruiting for printing traineeships. While this was not a recognised skill shortage occupation, the provider was well placed to understand the needs of local business and the placement was accepted. This happened in several instances across a number of regions demonstrating that regional employment and training providers are well placed to understand and respond to local skill shortage issues that Commonwealth or State data may not be able to identify.

The program was successful in placing young people in employment in the occupations that are most sorely needed in many regional areas including the fields of building and construction, automotive and electro-technology and communications. A further outcome is that the placements were spread throughout Victoria with placements made in all but two Local Government Areas. Many of the placements were made in small towns, meeting an important program objective. The following table shows the number of placements made in each industry in each region.

Table 2: Industry placements by local area

	Business Services	Wholesale & Retail	Automotive	Building & Construction	Electrotechnology & Communications	General manufacturing	Tourism & Hospitality	Primary & forest	Metals & engineering	Transport & storage	Community services & health	Total
Wangaratta/Benalla	2	2	6	12	2	1	1	1	1			28
Murray Mallee	6	1	7	5	5	9		11	2	1		47
Shepparton		1	3	10		4		9	4		8	39
Geelong			4	22				2	2			30
Long Gully			6	24	3		1	2	3			39
Maryborough	2	6	2	1			6	15			7	39
Bairnsdale			3	11	5	3	2	3	1		3	31
Mildura		3	6	14	5	1	1	5	5		2	42
Morwell			4	15	4	1			12			36
Warrnambool	1		8	16	1	2	4	2	9		2	45
Ararat, Stawell & Horsham		2	12	8	3	4	4	4	7		4	48
Ballarat	4	2	1	5	3	1	1		1			18
North Geelong			11	2	1	2			9			25
Wodonga		3	7	8				5		12	9	44
Total	15	20	80	153	32	28	20	59	56	13	35	511
% of all RJP placements	2.9	3.9	15.7	29.9	6.2	5.5	3.9	11.5	11	2.5	6.8	

Job creation

There is evidence that the RJP provided the trigger for the creation of new jobs although it is not possible to quantify this. As identified in the literature, labour market programs almost always create some kind of ‘substitution effect’ that means that the positions filled by labour market program participants would have been filled by another jobseeker (Centre for Economic Studies 2005). What can be said, however, is that the RJP supported job creation in a number of ways. First, the RJP allowed training providers to do a special intake of apprentices and trainees outside of their normal recruitment processes and to include young people who might not have been accepted otherwise. The additional funds allowed providers to spend time and resources on identifying potential jobs in skill shortage areas and to provide incentives to host employers who may have been wavering about whether or not they could afford or were able to manage the employment of a first year apprentice or trainee. Finally, there were a number of instances where the process of mentoring meant that a placement that may have ‘fallen over’ in the early stages was managed so that issues were resolved and the placement was continued. At minimum, we can say that three hundred and twenty-five young people were employed in apprenticeship and traineeship positions in regional Victoria. These are placements that may not have been made without the RJP.

Discussion

The evidence gathered throughout this evaluation demonstrates that the RJP responded to some key policy issues for regional economic and social development. The outcomes show that the program largely met its core objectives and was successful in many ways. The program attracted a high participation rate with a total of 511 participants and a retention rate of 82.4%. Program participants expressed high levels of satisfaction with the extent to which their needs were met and 88 per cent of participants who completed the RJP were employed or engaged in further education and training after program completion. Forty-nine per cent of participants in the RJP were identified as experiencing barriers in relation to accessing employment. The target groups included indigenous people, people with disabilities, homeless young people, people who left school without completing Year 12, people from neighborhood renewal areas, and young people who had been unemployed for more than six months.

The RJP was highly successful in targeting placements in areas of skill shortage as identified by DVC (2006). The largest numbers of placements were made in the building and construction industry, automotive, primary industry and forests, metals and engineering industries, and electro-technology and communications. Program providers were spread across the state and the program has made some impact across all areas of rural and regional Victoria. Participants were placed in employment in 44 out of 46 regional Local Government areas and a large proportion of placements were made in small towns, generating rare employment opportunities. In addition, employment and training providers reported that the additional funding for employer subsidies and the support received in the early stages of the employment placement provided the impetus for the generation of new jobs. The RJP was successful in tapping into the local knowledge held by employment and training providers in relation to local skill shortages thereby increasing the effectiveness of the program in obtaining placements in areas of skill shortage.

The program design demonstrated considerable strengths. It built effectively on the organisational capacities of existing providers, gave an opportunity to provide flexible, intensive and individualised support to participants, and allowed providers to respond to identified local labour market needs. Given the difficulties in monitoring and measuring skill shortages at a national or state level, the utilisation of local providers to identify specific skill shortages is a useful strategy. On the basis of this evidence, and for what was a relatively small program, the RJP appears to have been an important investment in local economies.

The important question for this article is around the extent to which the RJP has been successful in meeting two policy objectives at the same time. The answer to this is that it has, but only marginally in relation to supporting participation by young people who face labour market barriers. As discussed, the RJP was most successful for those who traditionally take up trade employment –

that is, young men from English speaking backgrounds. Women, people from CALD backgrounds, people with disabilities and young Indigenous people experienced low recruitment and retention rates.

While the cultural and gender composition of program participation can be explained, it would appear that an important opportunity was missed to promote more equitable employment opportunities in regional areas. The main reason given for this was short time lines and an unwillingness to risk relationships with employers by offering recruits with differences outside the traditional norm. Two important implications for future program design is the need for longer lead times for program implementation, and the development of partnerships in program delivery. Other agencies, such as ACE providers or welfare agencies are focused more clearly on the individual needs of labour market program participants and could potentially play a greater role in the delivery of employment programs as a measure to increase equitable participation by young people who face labour market barriers.

The RJP participation patterns reflect entrenched and gendered labour market patterns that are particularly pronounced in regional labour markets (ABS 2001; Eversoke and Martin 2005). The Australian labour market is highly gender segregated, both horizontally and vertically with women clustered in lower paid industries such as retail trade, community services and health with high representation in casual and part-time employment or employment at the lower ends of the employment hierarchy (Barrett, Burgess et al. 2005). Given that most of the identified skill shortages are in occupations and industries that continue to be male dominated, the participation patterns within RJP largely reflect broader structures. The under-representation of people from CALD backgrounds is less easy to explain but the very low levels of participation is out of step with population characteristics, particularly in regional centers such as Shepparton and Geelong which can be characterised as being multicultural. The fact that there were no female participants from CALD backgrounds is a stark omission from the program.

The 'bottom line', however, was that all of these factors combined with the secondary priority given to the inclusion of groups that face labour market barriers relative to the primary priority given to making employment placements in areas of skill shortage. As a result, the participation characteristics show that one of the key objectives has been only partially met. We argue that issues of equitable participation, by gender and ethnicity, in labour market programs should be given a higher priority for future labour market program design.

As discussed earlier, one of the implicit objectives of the RJP was to provide viable and attractive employment options to encourage young people to stay and contribute to the development of local communities. The reason for emerging skill shortages is a direct outcome of globalisation and globalisation trends show that industry restructuring has gendered impacts (Gastree, Coe et al. 2004). While the economic impacts of globalisation are highly uneven, one common outcome in regional areas is the concentration of men and women in particular areas depending on the type and availability of employment in those areas (Aslanbeigui, Pressman et al. 1994). The low participation of young women in the RJP suggests that these trends are in operation in regional Victoria with most non-professional job growth occurring in traditionally male areas. The options for well-paid and sustainable employment for non-university educated young women in regional areas are lesser on a range of indicators than is the case for young men (Teese 2000; ABS 2001). Job growth is largely in traditionally male employment that offers relatively higher paid employment with longer term opportunities for business and career development. Trades within the building and construction industries, for example, can be particularly well remunerated and offer much more attractive long-term career opportunities compared with the traditionally female opportunities such as in the retail, health and community services industries which are the main areas of employment for rural women (ABS 2001). This situation provides little incentive for young women to stay living in their local areas. We believe that it is important to first monitor these trends, but also to challenge them, given that community strength relies on populations with a

balance of young men and women, particularly for young people who are in the process of family formation.

The inclusion of people from CALD backgrounds is also an important priority on the basis of building community strength. One indicator of community wellbeing is the extent to which the benefits of multiculturalism are enjoyed and appreciated and that all community members have opportunities to participate economically and socially (Wiseman, Langworthy et al. 2006). Bertone et al (2006) show the relationship between the economic integration of ethnic communities within local economies and economic growth. The involvement of CALD communities is an important priority in the context of building community strength in regional areas and the RJP did not contribute to this. Similar comments can be made in relation to the participation of Indigenous young people.

Overall, the RJP clearly demonstrated some important outcomes in terms of stimulating employment in areas of skill shortage. The outcomes are likely to be sustainable and to provide benefits for regional communities in the long term. At the same time, the program was only partially successful in addressing the labour market needs of disadvantaged young people. We suggest that the RJP outcomes highlight the need for further research on the employment opportunities of young women and people from CALD backgrounds in regional areas as well as an increased focus on their explicit inclusion in labour market program design.

Conclusion

The approach to this evaluation of the RJP was guided by the broader framework that informs Victorian State Government policy and provided the context for the implementation of the RJP. As reflected in *A Fairer Victoria* (2006) the RJP evaluation was informed by the recognition that the development of healthy regions and strong communities requires an integrated policy approach that understands the inextricable relationships among social, environmental, economic, cultural and democratic factors in the creation of communities that can prosper into the future.

Equally, the evaluation reflects the priority that the Victorian Government has placed on supporting and understanding regional development in Victoria. Active labour market measures, such as the RJP, are an important tool to improve the access of unemployed young people to jobs and to improve the functioning of the labour market.

The evaluation shows that refinement is required in terms of providing access to opportunities for people who face barriers to labour market participation and to develop strategies that promote equal employment opportunities for young women and people from CALD backgrounds. At the same time, the program was successful, in many instances, in supporting young people from marginal employment into employment with training and longer term career prospects – an important outcome in the current labour market context. The evaluation shows that providers need support to ensure equitable participation and that program implementation was limited by the short lead time (5 weeks) in which to have the program ‘up and running’ and the need to meet employer expectations.

The RJP was an integrated and strategic government intervention that aimed to address multiple issues in regional Victoria within one program. However, it was only clearly successful in meeting one of its policy objectives.

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