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Commonwealth Department of Family and Community Services

**Evaluation and
Programme Performance Branch**

Welfare Reform Taskforce

Australians Working Together Evaluation Strategy

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Table of Contents

1. Introduction.....	3
2. Australians Working Together: an overview	3
3. Evaluation requirements	7
4. Purpose and scope of the evaluation.....	8
5. Issues to be addressed by the evaluation.....	10
6. Data sources and possible evaluation methods	16
7. Evaluation output and timing	20
8 Management of the evaluation.....	21

1. Introduction

This document outlines the strategy for evaluating *Australians Working Together (AWT)*. The purpose of the evaluation is to assess the effectiveness of the AWT package and its component parts and to provide evidence to inform further policy development as part of the welfare reform process.

The strategy to evaluate AWT takes a coordinated ‘whole of government’ approach by the departments of Family and Community Services (FaCS) and Employment and Workplace Relations (DEWR). The departments of Finance, Prime Minister and Cabinet (PM&C), Treasury, Education Science and Training (DEST), the Aboriginal and Torres Strait Islander Commission (ATSIC) and Centrelink will contribute to the evaluation. Each of these departments is represented on the AWT Evaluation Steering Group, which oversees the evaluation.

Structure

- Section 2 provides an overview of the AWT package, the measures and initiatives it contains, and lists the three key objectives of the AWT package;
- Section 3 outlines the evaluation requirements;
- Section 4 identifies the purpose and scope of the AWT evaluation including key areas of interest, priorities for evaluation, and mechanisms for monitoring evaluation activities not funded from the AWT evaluation appropriation;
- Section 5 describes the evaluation issues that relate to each of the high level AWT objectives and each level of evaluation (initiative, measure, target group and macro) identified as a priority for funding;
- Section 6 explores a range of possible evaluation methods, research projects and data sources; and
- Section 7 concludes by detailing consultation methods to be employed and management requirements.

2. *Australians Working Together: an overview*

The AWT package and the measures it contains represents the first steps in the government’s response to the recommendations in *Participation Support for a More Equitable Society*, the Final Report of the Reference Group on Welfare Reform (the McClure Report). The Reference Group identified a five to 10 year process of welfare reform and emphasised rigorous evaluation, piloting and further research to support the implementation of initiatives and the longer-term welfare reform policy agenda.

In accepting many of the recommendations for welfare reform proposed by the McClure Report, Ministers Vanstone and Abbott stated that the AWT package ‘will see more people able to achieve independence; more families with jobs; stronger,

more robust communities; and a willingness for everyone to play their part' (Government Response to Welfare Reform, May 2001).

Objectives

The Government announced the *Australians Working Together* package in the 2001-02 Commonwealth Budget. The package has the following overarching objectives:

1. increasing self-reliance through economic participation (principally through paid employment) and social participation (which can assist transition to economic participation);
2. generating opportunities and supporting economic and social participation through governments, communities and businesses working together; and
3. building a social safety net that is more responsive to individual circumstances.

In *Table 1*, below, these objectives are broken down into a number of intermediate objectives that more readily link to the range of initiatives and measures that comprise the AWT package.

Table 1. Overarching and Intermediate Objectives of AWT Package

Overarching objectives	Intermediate objectives
<p>1. Increasing self-reliance through economic participation (principally through paid employment) and social participation (which can assist transition to economic participation).</p>	<ul style="list-style-type: none"> • Creating an appropriate new balance of assistance, incentives and requirements to encourage participation. • Increasing economic and social activity amongst people of workforce age.
<p>2. Generating opportunities and supporting economic and social participation through governments, communities and businesses working together.</p>	<ul style="list-style-type: none"> • Building stronger, more robust communities through encouraging greater involvement and interaction by individuals, business and governments. • Encouraging opportunities for economic and social participation through the development of local networks. • Generating awareness through the Prime Minister’s Community Business Partnership. • Facilitating community participation in remote Indigenous communities.
<p>3. Building a social safety net that is more responsive to individual circumstances.</p>	<ul style="list-style-type: none"> • Ensuring activity requirements appropriately reflect individual capacity to participate. • Recognition and acceptance of the importance of participation among welfare recipients and the broader community. • Improving linkages to appropriate services. • Ensuring that vulnerable groups are assisted to overcome obstacles and retain appropriate access to income support.

Outline of the key elements of Australians Working Together

In announcing the package, the government has made a substantial investment in a number of measures and initiatives. Each measure contains specific initiatives designed to achieve the objectives of the measure and one or more objectives of the AWT package overall. The measures and initiatives encompass a range of assistance, incentives and requirements as well as enhancements to service delivery. The package is being implemented from July 2002 through to June 2005¹.

The main measures in the AWT package are outlined below²:

1. Helping People to Participate

The focus of this measure is to encourage people on income support to participate in the labour market. Through the introduction of Working Credit, job seekers will be able to keep more of their income support payments while working. The Language Literacy and Numeracy Training Supplement will provide financial support to job seekers with difficulties finding work because of problems with literacy and numeracy.

2. Helping People Find Jobs

This measure provides targeted assistance to overcome specific vocational obstacles to employment. Places available under Job Network and other employment assistance programmes will be increased and job seekers experiencing prolonged periods of unemployment will be provided with additional services to address their barriers to employment. Incentives and choice are provided to encourage active job search within the Mutual Obligation framework.

3. Getting People the Right Help

Support and assistance will be provided to assist people stabilise their lives and provide them with opportunities to access mainstream employment services, particularly Intensive Assistance. Assistance will be provided to people experiencing problems such as homelessness, drug and alcohol addiction, mental illness and domestic violence through the Personal Support Programme.

4. Centrelink Personal Advisers

The aim of the Personal Advisers is to provide case-by-case assessment and assistance to people disadvantaged in the labour market. The Centrelink Personal Advisers will help people identify opportunities and goals and assist in planning to achieve these goals over time. Special help will be provided to parents with school age children who face activity requirements from September 2002.

¹ The implementation of some AWT measures was delayed in the 2002-03 Budget, notably Working Credit, the Prime Minister's Business Partnership and the Interim AWT Evaluation.

² Except where there has been a major change to a measure since the initial announcement, the following descriptions reflect the AWT 'Fact Sheets' released as part of the 2001-02 Budget.

5. Helping Parents Return to Work

Through this measure parents will be provided with assistance to develop plans for return to work and presented with opportunities to undertake work and training. More child care places will assist parents of young children to enter the labour market, and the Transition to Work programme will provide parents with the assistance to prepare to enter or re-enter the workforce.

6. A Fair Go for Mature Age People

The assistance provided will address the labour market disadvantages faced by mature age job seekers such as outdated skills, little recent workforce contact or a lack of confidence. The measure also aims to promote the value of mature age people as prospective employees.

7. A Better Deal for People with a Disability

The objective of this measure is to improve employment outcomes for disabled people through early intervention, better assessment and improved employment assistance services. Increased educational opportunities will assist disabled people to move from school into work or further education.

8. Community and Business Engagement

This measure aims to increase awareness of the benefits business can gain through working with the community and providing opportunities for disadvantaged job seekers. Through this measure the social coalition will be enhanced and businesses will be able to take advantage of a range of skills that people with disabilities, mature age people, and other disadvantaged income support recipients can provide.

9. Promoting Self-Reliance for Indigenous Australians

This measure seeks to ensure that urban, rural and remote Indigenous Australians are provided with opportunities for education, training and employment. These opportunities will be provided by increased expenditure on education and training and the development of Indigenous Employment Centres in areas where employment opportunities exist. In remote areas Community Partnership Agreements will be promoted to develop local solutions to local problems aided by the Remote Area Service Centres.

3. Evaluation requirements

In announcing the *Australians Working Together* package, the Government stated that its effectiveness would be evaluated. The package set aside separate funding for this evaluation to examine the effectiveness of AWT and the short and long-term impact of the investments. Funding for evaluation of the AWT package currently extends to 2004-05.

4. Purpose and scope of the evaluation

The purpose of the evaluation is to assess, as far as possible, whether the package of measures and initiatives is effective in meeting the AWT objectives (including in relation to four key target groups, Indigenous Australians, mature age job seekers, parents with children and people with disabilities) and whether these measures are an efficient way to achieve these objectives.

In assessing the effectiveness of AWT, the evaluation will examine its impact on economic and social participation outcomes for working age income support recipients. It will also examine links and sequences of interventions including the appropriate balance of requirements, incentives and assistance and the effectiveness of pathways to independence.

In evaluating the efficiency of AWT and individual measures and initiatives in delivering outcomes for all clients and particular target groups, the evaluation will examine issues related to the costs of service delivery. Of key interest will be issues relating to access and take-up of assistance and the individual service delivery approach.

It is not possible to evaluate every measure and initiative included in the AWT package. Accordingly, the AWT Evaluation Steering Group has considered the priority for evaluation that should be accorded various initiatives. Priority areas include measures and initiatives that are new or significant extensions of existing interventions. Priority has also been given to policies and interventions deemed to be important for the future direction of welfare reform and central to the achievement of the AWT objectives.

The performance of measures and initiatives not identified as priorities for evaluation will be assessed by relevant portfolios outside this strategy. Administrative, performance and management data will be also collected as part of ongoing programme monitoring for all initiatives.

Table 2 provides a summary of the measures and initiatives identified as priorities for evaluation funding together with an indication of their link to each of the three high-level AWT objectives.

Each of the initiatives and measures outlined in *Table 2* will be the subject of individual evaluations. The measure and initiative level evaluations will be structured so as to provide information on the effect of the particular measure or initiative, and also to examine their contribution to the high-level objectives of AWT. To ensure consistency of approach across a range of initiatives an agreed set of outcome measures and performance indicators will be developed for application to all components of the evaluation.

It is intended that the findings of evaluations carried out in other contexts will also be incorporated into the AWT evaluation reports.

Table 2. Summary of priority measures and initiatives and linkages to AWT objectives³

Measure and initiative identified as a priority for funding		AWT objective		
		1	2	3
1.	<i>Helping people participate</i> Working Credit	✓		✓
2.	<i>Helping people to find jobs</i> Early referral to Job Search Training Intensive Assistance assessments Training Account - Indigenous and mature age people Training Credit - Work for the Dole (WfD) and Community Work participants Expansion of WfD, community work and Passport To Employment Expanded Mutual Obligations Initiative	✓ ✓ ✓ ✓ ✓	 ✓ ✓ ✓	 ✓
3.	<i>Getting people the right help</i> Personal Support Programme including continuing support during Intensive Assistance	✓	✓	✓
4.	<i>Centrelink Personal Advisors</i>	✓		✓
5.	<i>Helping Parents Return to Work</i> Flexible requirements for parents	✓		✓
6.	<i>A Fair Go For Mature Age People</i> Flexible requirements for older Newstart Recipients	✓		✓
7.	<i>Promoting self reliance for Indigenous Australians</i> Centrelink Remote Area Servicing Indigenous Employment Centres	✓ ✓	 ✓	✓ ✓

³ As stated above these objectives were:

1. increasing self-reliance through economic participation (principally through paid employment) and social participation (which can assist transition to economic participation);
2. generating opportunities and supporting economic and social participation through governments, communities and businesses working together; and
3. building a social safety net that is more responsive to individual circumstances.

5. Issues to be addressed by the evaluation

The broad goals of the evaluation of the AWT measures are:

- to identify changes in levels of heavy reliance on income support (Objective 1);
- to identify patterns of participation, both economic and social, that may have led to change (Objective 1);
- to describe changes in sequences of assistance accessed by particular (types of) individuals (Objectives 1 & 3); and
- to document changes in the availability of, and support provided to access, opportunities to participate (Objective 2).

Implementation of AWT will take place over a number of years during which time fine-tuning in the light of experience and future welfare reform is likely to occur. Implications of subsequent policy changes, such as the introduction of the Active Participation Model and changes to the Disability Support Pension announced in the 2002-03 Budget, need to be taken into account in the AWT evaluation.

Also, AWT is a wide-ranging set of arrangements applied in differing ways according to individual circumstances, to all working age income support recipients. This makes isolating the overall effect of the AWT package on economic and social participation extremely difficult and costly. This also means that rigorous evaluations of the particular effects of some specific measures and initiatives may not always be achievable.

Consequently, the broad evaluation strategy will be to examine the patterns of income support and employment assistance activities before and after implementation of AWT against a range of outcome measures including some performance indicators. This will be supplemented by more detailed analyses of specific initiatives/measures identified as priorities for evaluation where this is both feasible and cost effective. While not necessarily isolating the impact of the AWT package, this approach provides some measure of the effect of the general change in policy direction encompassed by these measures.

Within these constraints, the evaluation will provide information about the following key issues that encompass both short-term and long-term outcomes associated with AWT.

Macro level issues

Measures used in evaluating the AWT package as a whole reflect the issues that will be addressed, including:

- the extent of economic and social participation observed before and after implementation of AWT, including the interaction between these forms of participation over the medium to longer term;

- changes in levels of heavy reliance on income support which the AWT incentives, participation requirements and assistance encourage;
- the attitudes of customers and the community, more broadly, to the AWT package, including:
 - the attitudes to the role of partnership/coalition approaches between business, government and community in producing opportunities for participation by income support recipients; and
 - community attitudes to the social safety net, including recognition of the importance of participation and the associated mutual obligation requirements.

Target group issues

A key focus for the evaluation will be to assess how different measures and initiatives have contributed to helping people who need additional assistance, namely:

- Indigenous Australians;
- mature-age people;
- people with disabilities; and
- lone parents and other parenting payment recipients.

It will combine findings relevant to these specific groups from evaluations of the measures and initiatives, identified below, with output from evaluations of initiatives targeted specifically on these groups.

The evaluation will also examine outcomes relating to the macro level in the context of these target groups, and will investigate the target groups' understanding and awareness of AWT changes and their attitudes to participation requirements. Furthermore, the evaluation will examine the level of access to, and take-up of, AWT assistance for the target groups and, for people receiving parenting payment and mature-age jobseekers, the contribution of increased flexibility in requirements.

Indigenous-specific and other AWT initiatives affecting Indigenous Australians will be evaluated across a range of participation outcomes. This will include an analysis of the contribution of Centrelink and Job Network assessments in identifying appropriate assistance for Indigenous Australians and also in improving access to and the responsiveness of these services. Similarly, whether Indigenous Employment Centres and Remote Area Service Centres are associated with changes in the take up of employment and training opportunities or participation in employment services will be examined.

An examination of AWT measures affecting mature-age job seekers, people with disabilities and parenting payment recipients will investigate how changes to activity requirements and levels have influenced participation outcomes, attachment to the labour force and customers' subsequent levels of dependence on income support.

Measure and initiative level issues

The evaluation will examine the relationship between specific measures and/or initiatives and employment outcomes and other forms of participation achieved by the income support recipients affected. The specific measures and initiatives identified as priorities for evaluation and the associated key issues for evaluation are mapped against the overall AWT objectives in *Table 3*. The output of these evaluations will supplement the evidence obtained from the macro level evaluation. Examination of outcomes achieved by specific target groups identified as needing additional assistance will be included as part of any initiative level evaluation and incorporated into the assessment of AWT for specific target groups.

Table 3. Measure and initiative specific issues aligned to AWT objectives

Measure/Initiative	Issues to be addressed	Relevant AWT objective
All Measures and Initiatives	Changes in:	
	– reliance on income support;	1
	– participation;	1
	– economic	1
	– social	1
	– unit costs per outcome	3
	Deadweight costs.	3
1 Helping people to participate		
<i>Working Credit</i>	The extent of take-up of employment.	1
	Customer’s awareness and understanding of how the Working Credit will work.	3
	Changes to the level of reported earned income.	3
2 Helping people find jobs		
<i>Early referral to Job Search Training(JST)</i>	Changes in economic participation and in the sustainability of outcomes arising from both referral to and participation in JST.	1
	Changes in the proportion and nature of the population referred to JST.	3
<i>Intensive Assistance (IA) assessment and increased IA capacity</i>	Levels of employment, education and training outcomes.	1
	Characteristics, assistance accessed and destinations of those assessed by IA providers.	3
<i>Expanded Mutual Obligations (MO)</i>	Differences in outcomes associated with alternative types of participation and with different activity test regimes.	1
	Incentive effects of mandatory programme participation.	1
	Community capacity to support expanded MO.	2
	The extent to which the MO and JST changes impact on people accessing IA and affect outcomes.	3

Measure/Initiative	Issues to be addressed	Relevant AWT objective
<i>Training Credit/Account</i>	Extent to which Training Credits/Accounts are taken-up, particularly by target groups.	1
	Differences in numbers and characteristics of individuals attaining eligibility for Training Credits/Accounts through the alternative programmes.	1
	The incentive effects of Training Credits on WfD or community work obligations completion rates.	3
	Type and quality of training accessed by job seekers.	3
<i>Expansion of Work for the Dole (WfD) and new Community Work Coordinator monitored community work arrangements</i>	The influence of participation in WfD and community/volunteer work on job search.	1
	Community capacity to support Work for the Dole and community work.	2
3 – Getting people the right help		
<i>Personal Support Programme – (PSP)</i>	The role of PSP in identifying and reducing non-vocational obstacles to participation. Changes in economic and social participation.	1
<i>Intensive Assistance and PSP</i>	Changes in IA outcomes flowing from the continuing assistance provided to PSP customers in IA.	1
4 – Centrelink Personal Advisers		
<i>Centrelink Personal Advisers - Indigenous, prison release, activity test exempt NSA/YA customers</i>	The contribution of Personal Advisers to economic and social participation outcomes for the target groups.	1
	The extent to which Centrelink Personal Advisers are able to identify vocational and non-vocational barriers and refer customers to appropriate assistance.	3
<i>Centrelink Personal Advisers for parents with children</i>	The type, level and quality of services being provided to parents by Personal Advisers.	1
	The influence of Personal Advisers on improving the economic and social participation of parents.	1
	The extent to which Centrelink Personal Advisers identify vocational and non-vocational barriers and refer customers to appropriate assistance.	3

Measure/Initiative	Issues to be addressed	Relevant AWT objective
<i>Centrelink Personal Advisers for mature age people</i>	The type, level and quality of services being provided to the mature aged by Personal Advisers.	1
	The influence of Personal Advisers on improving the economic and social participation of mature age people.	1
	The extent to which Centrelink Personal Advisers identify vocational and non-vocational barriers and refer customers to appropriate assistance.	3
5 – Parents moving forward		
<i>Flexible requirements for parents</i>	Changes in levels of heavy reliance on income support	1
	Changes in levels of social and economic participation of parents.	1
	The extent to which the obligations affect transfers to other payments and long-term reliance on income support.	1
6 – A fair go for mature age people		
<i>Flexible requirements for older Newstart customers</i>	Changes in levels of heavy reliance on income support.	1
	Changes in levels of economic and social participation.	1
	Changes in rates of transfer to other payments and to long-term reliance on income support.	1
9 – Promoting self-reliance for Indigenous Australians		
<i>Indigenous Employment Centres (IEC)</i>	Changes in the take-up of employment services, training, education and labour market participation.	1
	The interaction between IECs and availability of complementary services (in particular Intensive Assistance).	2

6. Data sources and possible evaluation methods

The diversity of the range of measures and initiatives encompassed in the AWT package implies that no single method of analysis will be sufficient to permit a definitive judgement about the success of AWT in achieving its objectives. From a broad range of available evaluation methods, the most appropriate will be applied in each project depending on the data available, the issues to be addressed and funding constraints. The results from these separate projects will be combined to produce an informed view of the overall impact of AWT.

Projects will be undertaken both within and external to government, with a view to providing comprehensive information on the issues detailed in this strategy. Thorough evaluation requires that a range of data and methodological approaches be used, including a mixture of qualitative and quantitative data.

Data sources

Information from a number of existing data sources will be used in the evaluation. These sources include the administrative systems of DEWR and FaCS, survey data regularly collected by those departments, and the monitoring data referred to above. ABS data, such as the monthly labour force surveys are also likely to be used. Data not available from these sources but required for the evaluation will be collected through *ad hoc* surveys.

The FaCS Longitudinal Data Set (LDS)

The LDS provides a record of the history of the interaction of every person receiving income support from the social security system over the timeframe of the data, currently extending over a six year period (1995-2001). The data set is based on Centrelink administrative data and will continue to be updated. Feedback from current users suggests that if the LDS is to be used as a key administrative data set, some work will be required to improve the quality and extent of some of the data and its documentation. This is an early priority for evaluation.

The Jobseeker Data Set (JDS)

A joint longitudinal data set is under development integrating FaCS and DEWR administrative data. The integrated data set will provide a powerful tool to underpin an effective evaluation. This data set will be based on the FaCS Longitudinal Data Set (LDS), supplemented by DEWR data relating to its programmes and services. The JDS will contain individual-specific administrative records from 1998 and should be available by January 2003.

The type of information being considered for inclusion in the JDS includes:

- historical records for income support recipients including those on activity-tested allowances;

- changes between income support type - for example, from Newstart to Disability Support Pension;
- information on participation reports, earned income and other sources of income;
- mutual obligation requirements;
- other characteristics such as family status, age and gender; and
- information about referrals to and participation in DEWR programmes including IA, JST, WfD, New Enterprise Incentive Scheme and possibly some Department of Education, Science and Training programmes.

The FaCS General Customer Survey (GCS)

The FaCS General Customer Survey, uses a representative sample drawn from an administrative record sample frame, stratified by time on payment and by primary income support payment. It has three components:

- a rotating panel recruited from across income support groups and retained for three successive annual waves;
- a sub-panel of young people and unemployed people (those in their first year in the panel are interviewed at quarterly intervals); and
- an annual cross-sectional survey based on non-overlapping representative samples of people on income support.

The GCS has been designed to enable supplementation of the sample and for additional questions to be included at a low marginal cost.

The Household, Income and Labour Dynamics in Australia Survey (HILDA)

HILDA is a household panel survey focusing on income, labour market and family dynamics. It aims to fill gaps in knowledge about how people's behaviour changes in response to changes in economic incentives. Contracted HILDA timelines are as follows:

- Wave 1 fieldwork 24 August 2001-31 December 2001;
- Wave 2 fieldwork August 2002- April 2003; and
- Wave 3 fieldwork August 2003-April 2004.

Possible adhoc surveys

Specific surveys may be undertaken to collect data necessary to examine some issues, particularly those relating to attitudes.

Community Surveys

A number of surveys that may provide some benchmark data on community attitudes to unemployment, the income support system more generally, and participation requirements for people receiving income support have already been undertaken. These include:

- SPRC, *Community Attitudes Towards Unemployment, Activity Testing and Mutual Obligations* (April and June 1999);
- DEWRSB, *General Community and Unemployed Persons' Attitudes to Mutual Obligation and Work for the Dole*, (Wallis Consulting) May 2000; and
- FaCS *Community Attitudes Towards Unemployed People of Workforce Age: A Survey Report*, (Roy Morgan Research), November 2000.

As part of the AWT evaluation follow-up surveys may be undertaken to further examine changes in attitudes to the income support system and participation requirements for particular groups.

Business Awareness and Community Engagement

The current ABS *Business Generosity Survey (2001)* commissioned by the Department of Family and Community Services and the Prime Minister's Community Business Partnership should provide some benchmark data on employer attitudes and awareness. Follow up surveys may be an appropriate means of measuring changes.

Similarly, surveys could be undertaken to determine community attitudes about the best way to bring government, business and the community together and the role of business in the social coalition or to investigate levels of awareness of Mutual Obligation and attitudes to income support and disadvantaged job seekers by business. Service providers and voluntary organisations are likely to be included in such survey populations.

Income Support Recipients Surveys

A range of surveys of income support recipients may be undertaken to investigate the following issues:

- access to assistance;
- the appropriateness of the available assistance;
- the take-up of incentives and assistance;

- Mutual Obligation and other participation requirements;
- the effectiveness of individualised service delivery and assistance, particularly issues of service quality; and
- the level of social participation and its contribution to economic participation .

Some of these issues were examined by the FaCS' survey of customers undertaken for the Activity Test evaluation and the DEWR commissioned survey of community and customer attitudes. The evaluation may use relevant findings from these surveys as benchmarks for considering those issues.

Possible evaluation methods

Case studies and qualitative research

Case studies and other qualitative research could be used to address issues such as:

- community capacity to support AWT initiatives, particularly in relation to community and voluntary work, Work for the Dole and access to services in different locations;
- which conditions are conducive to interaction between IEC's and complementary services; and
- the ability of Centrelink Personal Advisers to assess obstacles and direct customers to appropriate services.

Longitudinal and before and after analysis

A number of projects will have to rely on the analysis of administrative data, particularly the JDS.

Studies using the longitudinal aspects of the JDS could include:

- pathways analysis to examine patterns of income support payment and activity and the relationship between these patterns and outcomes. Pathways analysis could examine issues such as movements:
 - between unemployment allowances and other payments;
 - through employment assistance and other services or support; and
 - to employment or periods off income support.
- before and after analysis to identify possible impacts from interventions. Issues addressed could include issues such as:
 - changes in the level of activity and pattern of outcomes achieved by providing a benchmark prior to AWT for comparison to activity and

outcome levels after the introduction of AWT. While this will not provide evidence of the effectiveness of AWT it can provide a context for further analysis; and

- changes in access to, take-up of, and movement through different forms of assistance and payments of customers in the various target groups by comparing key indicators for these groups before and after the introduction of AWT.

Net impact studies

Net impact studies compare the outcomes of those subject to an intervention with those of similar people not subject to the intervention. Various techniques, including multivariate regression and non-parametric matching, can be used to estimate the impact of the intervention.

Net impact studies may be undertaken to examine employment and off-income-support outcomes and, where possible, participation outcomes for a range of AWT measures and initiatives.

Natural experiments

Experimental designs involve the random assignment of eligible persons into treatment and control groups. Random assignment should result in the two groups being the same in all respects other than the receipt of the treatment. On this basis the difference in outcomes between the groups measures the impact of the treatment.

While there may be little scope for pure experimental design in the evaluation of the AWT package, there are opportunities to examine some initiatives as if they were an experiment. Policy interventions may be suitable for analysis as natural (or quasi-) experiments, where the criteria that determine selection for treatment is independent of desired policy outcomes. Natural comparison groups may be created by differences in the timing of implementation of policies or cut-off points in eligibility criteria such as age. An example of the use of this evaluation method would be:

- the expansion of Mutual Obligation requirements to a range of older income support recipients provides an opportunity to apply a natural experiment approach to evaluation. There are several age points at which the level of Mutual Obligation requirements changes. Comparison of the outcomes for those either side of these age thresholds could be expected to provide a good estimate of the effect of differential requirement levels.

7. Evaluation output and timing

It is envisaged that a number of reports will be produced during the evaluation funding period. A series of smaller reports on specific topics are expected to be produced during the course of the evaluation, some of which may be made publicly available. More comprehensive reports will include:

- analysis of benchmarking/baseline data prior to AWT implementation (September 2003);
- a progress evaluation report (June 2004); and
- a final evaluation report (June 2005).

These reports will be provided to Government and made available publicly. The Welfare Reform Consultative Forum will be kept informed of progress with the evaluation on a regular basis.

In the benchmarking/baseline report, a range of data sources, including FaCS and DEWR administrative data will be used to construct relevant measures of economic and social participation prior to the introduction of AWT. The report will identify key outcome measures to be used in the progress and final evaluation reports.

A number of surveys analysing customer and community attitudes to unemployment, activity testing and mutual obligation have already been undertaken. One of the aims of AWT is to create a new balance between assistance, incentives and requirements, at the same time generating recognition of the importance of participation among welfare recipients and the broader community. As part of the evaluation of AWT, follow-up surveys will be undertaken to examine whether attitudes to the income support system, the social safety net, participation requirements and opportunities have changed.

The progress evaluation report will summarise baseline information, report on implementation and participation in initiatives and where possible, report on early outcomes from the measures.

The final evaluation report will consolidate the findings of a range of initiative, measure and target group evaluations. Together these will provide the basis for a comprehensive evaluation of the effectiveness of AWT in achieving its objectives.

8 Management of the evaluation

Government agreed responsibility for the evaluation of the AWT rests between FaCS and DEWR. Presently, DEWR's Evaluation and Programme Performance Branch and FaCS' Welfare Reform Taskforce have combined responsibility for the evaluation of AWT.

An interdepartmental AWT Evaluation Steering Group has an overarching role in the development and implementation of the evaluation strategy. Other members of the Evaluation Group include:

- Department of Finance and Administration (Finance);
- Department of the Treasury;
- Department of the Prime Minister and Cabinet (PM&C);
- Department of Education, Science and Training (DEST);

- Aboriginal and Torres Strait Islander Commission (ATSIC); and
- Centrelink.

Separate working groups with representatives from these agencies have been established for different components of the evaluation. It is envisaged that some data collection and research will be undertaken through external contractors and some data analysis and research being conducted within relevant departments.