



Department of Transport and Regional Services

Evaluation of the Commonwealth Dairy Regional
Assistance Programme (Dairy RAP)

Final Report 30 June 2004

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Executive Summary

Dairy RAP commenced in early 2000 and - through to June 2003 when the Programme was officially subsumed into Regional Partnerships - initially funded 326 projects at a cost of approximately \$66 million.

The principal aim of the Programme was to generate new job opportunities within regions affected by dairy industry deregulation. Funding was directed at organisations outside the dairy sector itself, so that dairy workers displaced as a result of deregulation might find gainful employment in other forms of economic activity within or close to the regions in which they lived.

A feature of most funded projects was the assistance they provided to commercial enterprises to invest in buildings and equipment with the capacity to support employment growth by bolstering business size and supporting product and/or market diversity. Jobs created for displaced dairy workers through the Programme were expected to be sustainable beyond the period in which funding was used by recipients.

In order to evaluate the impacts of Dairy RAP, two tasks were undertaken:

- a review of summary project data held by the Programme administrator, DOTARS; and
- the distribution of a voluntary written survey to 290 Dairy RAP funding recipients whose projects had already progressed to the implementation phase and for which performance data was likely to be available.

A review of summary project data revealed that the overall amount of Programme funding flowing to regions most affected by dairy industry deregulation substantially exceeded the overall amount of Programme funding flowing to areas less affected by deregulation. The data also revealed that the average value of Programme funding assistance per project in regions most affected by deregulation lay significantly above the average value of assistance per project in other areas. Both factors suggest that Dairy RAP was responsive to regional needs.

Two thirds of funded organisations furnishing survey returns felt that job outcomes from their projects had equalled or exceeded their original expectations. The results from the survey suggest that Dairy RAP as a whole created a total of 2,642 full-time equivalent jobs during the period Programme funding was made available for projects and a total of 3,513 full-time equivalent jobs after that funding had been fully utilised. These impacts equate to:

- 2.2 new jobs for every \$50,000 of Dairy RAP expenditure during the funding period or one new job for every \$23,251 of Programme outlays; and
- 2.8 new jobs for every \$50,000 of Dairy RAP expenditure after the funding period or one new and sustainable job for every \$17,596 of Programme outlays.

Survey data also reveal that:

- the majority of new jobs created through the Programme were located inside funded organisations;
- the highest number of new jobs created as well as the highest number of new jobs created per dollar of Dairy RAP outlays were connected with the Programme objectives of promoting business recovery/expansion and industry development; and
- the highest number of new jobs created were located in organisations that directed Programme funding to extending industrial infrastructure and diversifying into new markets.

Survey results indicate that of the number of new job opportunities created within organisations after the period of Dairy RAP funding 39 percent of the total were filled by previously unemployed people and 14 percent of the total filled by those displaced from the workforce as a result of dairy industry deregulation. Similar results emerged in relation to new jobs created during the period Programme funding was available.

Factors particularly important to enabling jobs to be created and maintained in the longer term were:

- attention to economic sustainability during the business planning phases of projects; and
- attention to product and market diversification as a means of reducing overall project risk.

Factors particularly important to facilitating the dissemination of jobs across the community from funded projects were local business networks and close contact between recipients of Dairy RAP funding and their regional suppliers of inputs.

In addition to employment benefits, Dairy RAP yielded a number of non-job benefits including support for the networking and collaboration, skills enhancement and knowledge building aspects of regional capacity building. Information gathered as part of the evaluation, through surveys and interviews, indicates that:

- around 95 percent of survey respondents whose projects gave rise to non-job benefits indicated that those benefits had equalled or exceeded their expectations;
- 70 percent of survey respondents whose projects gave rise to non-job benefits indicated that those benefits had assisted people adversely affected by dairy industry deregulation; and
- the networking/collaboration and skills enhancement aspects of capacity building were particularly important.