



A SOCIAL VALUATION OF THE LEVEL CROSSING REMOVAL PROJECT'S  
ENGINEERING PATHWAY INDUSTRY CADETSHIP (EPIC) PROGRAM

# Measuring the value of EPIC

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This report has been prepared by Think Impact on the instructions, and for the benefit, of Level Crossing Removal Project in relation to supporting the understanding of the social value created by the Engineering Pathway Industry Cadetship (EPIC). It is not to be used for any other purpose.

Think Impact is a specialist social impact consultancy based in Melbourne. Our focus is to support organisations, across all sectors, to manage for better impact.

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# Executive summary

‘EPIC program is a pathway to the engineering world and made my dream true, it put me on the right track to start practising as a civil engineer and start my career in Australia after the war that was grinding and destructive which I went through in Syria.’

The Engineering Pathways Industry Cadetship (EPIC) program is an industry-first employment program transitioning refugee and asylum engineers into Victorian major transport infrastructure projects. It was created in 2019 in response to workforce shortages, ongoing industry demand for entry-level engineers, an unprecedented pipeline of work on Victoria’s transport network, and the opportunity to promote social inclusion and diversify the workforce by removing barriers to employment for qualified engineers from asylum seeker and refugee backgrounds. It has been designed and implemented in a unique Victorian Government policy context that is enabling program outcomes and is driving the creation of social value.

This report presents the findings of a social valuation of EPIC conducted by Think Impact in April-August 2024.

This social valuation sought to estimate the social value created by EPIC for 68 cadets and the flow on value for their families and government. The value created for other stakeholders (industry, managers and mentors) is described in the report, however, it was not included in the social valuation.

The social valuation methodology drew on the Social Return on Investment (SROI) framework to identify and measure the outcomes for stakeholders and to place a value on the outcomes using financial proxies. The values calculated, although expressed in monetary terms, do not equate to a financial return. The values represent the size of the value and the relative scale of different outcomes, so that outcomes can be understood using a common unit of measurement.

The value was identified and modelled through analysis of program documentation and evaluations, engagement with project stakeholders (interviews and a cadet survey) and drawing on publicly available information to gather evidence on the value.

## The EPIC theory of change

The theory of change shows how EPIC’s activities lead to change for stakeholders. It includes the specific outcomes occurring because of the EPIC program.

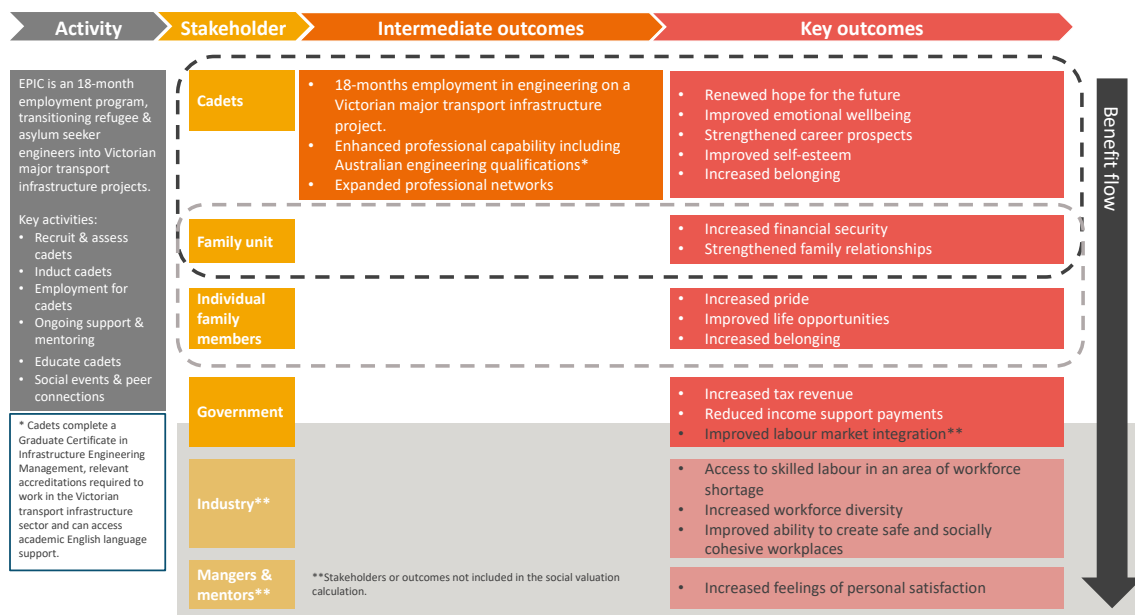


Figure 1 EPIC theory of change

## EPIC program achievements and summary of value created

Since its inception in 2019, the EPIC program has seen:

- 70 cadets employed and trained (across three LXR cohort) with 68<sup>1</sup> completing the program
- an expansion across project offices, with an additional Major Road Projects Victoria (MRPV) cohort of 21 cadets trained, employed and completing the cadetship in August 2023
- 14 partnerships with private and public sector organisations who employ cadets during the EPIC program.

The total social value created by EPIC cadets, their families and government is **\$8.8M**. This includes \$4.2M for cadets (47%), \$1.4M for the family unit (cadets and family they live with), \$0.9M for individual family members (11%) and \$2.2M for government (26%).

The cadet outcome 'strengthened career prospects' is the most significant area of value (\$2.2M). The authors note that it is highly likely the total value created by EPIC is understated as this valuation did not include the 21 cadets from the MRPV cohort nor was the value modelled for all outcomes and all stakeholders.

<sup>1</sup> While 70 cadets started the program, two from cohort one left before completing the 18 months. One of these took up another industry job and the other left for personal reasons. Whilst our belief is that they would have experienced some value from EPIC, to be conservative, they were not included in the social value model calculation. Rather outcomes were valued based on a total of 68 cadets.

## \$8.8M total social value created by EPIC

**68**  
cadets employed and  
trained  
(17 female engineers)

**\$4.2M**  
in social value for  
cadets

**\$61,000**  
in value per cadet

### As a result of EPIC:

**90%**  
of cadets  
retained employment  
post program

**97%**  
report being more  
confident in their  
long-term employment  
prospects in  
engineering

**94%**  
report feeling  
better able to  
achieve their career  
ambitions

**37%**  
of cadets promoted

**94%**  
report feeling  
more settled in  
the Australian  
community

**53%**  
report a flow-on  
effect to their family  
members feeling more  
settled in the  
Australian community

Figure 2 EPIC social value summary

### Recommendations

This analysis suggests that there is a strong case to continue the EPIC program beyond its current funding which ends in December 2025. It has a proven and well-documented model and is generating significant value for cadets, their families, government and other industry stakeholders. EPIC is successfully executing its core purpose to deliver much-needed additional skilled engineers to the workforce, as demonstrated by the high completion and post-program retention rates. Over and above this, EPIC is changing the lives of cadets and their families for the better. For EPIC to continue, a new lead agency and funding source/s will need to be secured before Training for the Future ends in 2025.

# Glossary

The following acronyms are used in this report:

Term	Definition
Activity	The action and effort undertaken to create change (that is, outcome).
Attribution	An assessment of how much of the outcome was caused by the contribution of other organisations or people.
Benefit period	The period beyond the intervention that benefits last.
Deadweight	An assessment of what would have occurred anyway, in terms of achievement of outcomes, in the absence of the intervention/activity.
Discount rate	A rate of return used to calculate the present value of future value flows. Also used to describe the percentage by which a figure has been reduced.
Displacement	An assessment of how much of the change is a net benefit (i.e. a new change) or simply the movement of change from one place to another or the offsetting of one change for another.
Drop off	The rate at which outcomes deteriorate over time.
Financial proxy	Social value is calculated by placing a financial value on the quantified change commensurate with the degree of change experienced by stakeholders. These financial values are known as <i>financial proxies</i> .
Indicators	Indicators are ways of knowing that change has happened. Indicators exist to provide evidence for whether and to what extent outcomes are occurring.
Materiality	Information is material if its omission has the potential to affect the readers' or stakeholders' decisions. Materiality requires a determination of what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact.
Outcome	The change that happens as a result of an activity or output.
Outcome depth	The extent to which the stakeholders experienced the outcome, measured using indicators. Depth includes positive, negative or no change.
Output	Outputs describe the quantities associated with an activity (e.g. number of people who took part in a program).
Program partners	Organisations that work with VIDA to refer refugees and asylum seekers with an engineering background to EPIC.
Theory of change	This is the starting point of measuring impact. It is outlining how you think the activities you run will lead to change. It tells the story of how stakeholders are impacted by an activity, program or initiative.

# 1. Introduction

## 1.1 Report overview

The Engineering Pathways Industry Cadetship (EPIC) is an 18-month employment program, transitioning refugee and asylum engineers into Victorian major transport infrastructure projects. It is an industry-first program that was designed by the Level Crossing Removal Project (LXRP) in response to ongoing industry demand for entry-level engineers and the opportunity to remove barriers to employment for qualified engineers from a previously untapped cohort. It has been funded and delivered through Training for the Future (TFTF).

After four years of implementing EPIC, a need was identified to better understand the breadth of positive changes flowing from the program. LXRP and partners were receiving reports of positive social outcomes beyond the original scope of EPIC yet there was no mechanism in place to understand or demonstrate the additional social value created. As a result, Think Impact was engaged to undertake this study.

This report provides an overview of the estimated social value created by EPIC for cadets and the flow on value for their families and government.

## 1.2 Victorian Government policies and initiatives that drive social value

EPIC was designed and implemented in a unique Victorian Government policy context that is enabling EPIC program outcomes and is driving the creation of social value.

The Victorian Government recognises the opportunity presented by the unprecedented infrastructure investments and is implementing policies and initiatives to ensure that its infrastructure expenditure creates social, economic and environmental outcomes for the Victorian community, the economy and the environment.<sup>2</sup> It has introduced inter-connected, and mutually reinforcing policies and initiatives to realise this opportunity including:

- *The Local Jobs First Policy* which improves opportunities for local suppliers to compete for work on all types of government contracts, helping to create and sustain opportunities for Victorian businesses and workers.
- *The Major Projects Skills Guarantee (MPSG)* which aims to grow the next generation of skilled workers in Victoria by requiring that all publicly funded major projects valued at more than \$20 million, provide apprentices, trainees and cadets with opportunities to work on them. The MPSG requires that a minimum of 10 per cent of the total labour hours be performed by Victorian apprentices, trainees and cadets. This incentivised employers to partner with EPIC and has been a key enabler of success.
- *Victoria's Social Procurement Framework* designed to leverage Victorian Government procurement to deliver social and sustainable outcomes that benefit the Victorian community.<sup>3</sup> The Social Procurement Framework applies to procurement of all goods, services and construction undertaken by, or on behalf of, many Victorian Government departments and agencies. It includes a focus on supporting disadvantaged Victorians through job readiness and employment, including migrants

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<sup>2</sup> State Government of Victoria (2022), *Social procurement*, <https://buyingfor.vic.gov.au/social-procurement-framework>

<sup>3</sup> *Victoria's social procurement framework*, (2018), The Department of Economic Development, Jobs, Transport, and Resources, (<https://buyingfor.vic.gov.au/social-procurement-framework>).



and refugees. On certain projects, additional targets apply that have incentivised participation in EPIC. For example, LXP projects have a 3% social procurement expenditure target, of which employment costs of priority cohorts, like refugees and asylum seekers, can count towards.

This policy context was a major driver of the design of EPIC and provides an example of how targeted policies and targets can enable the creation of social value.

## 1.3 Summarised methodology

### 1.3.1 About social valuation

Social valuation is an approach for understanding the impact of an initiative and providing evidence of the social value created. It does this by identifying and measuring social outcomes. Financial proxies are then used to place a value on the outcomes that occur for stakeholders. The values calculated, although expressed in monetary terms, do not equate to a financial return. The values represent the size of the value and the relative scale of different outcomes, so that outcomes can be understood using a common unit of measurement.

Social valuation draws on the Social Return on Investment (SROI) framework and principles.

Further information about the social value modelling methodology used is provided in Appendix A Methodology.

### 1.3.2 Project scope

The scope of this social valuation focused on the value created for 68 cadets, their family members and government (in their capacity as a provider of income support and the recipient of income tax) from LXP's three EPIC cohorts. The Major Roads Project Victoria's (MRPV) EPIC cohort was not included as part of this social valuation.

The value created for other stakeholders (industry, managers and mentors) is described in the report however it has not been included in the social valuation.

## 1.4 About the report contributors

This social valuation was conducted by Think Impact consultants working with staff members from LXP's Industry Capability & Inclusion Team.

Think Impact is a social impact consultancy working to create positive change for business, government, philanthropy and the community. It helps organisations understand, communicate, and transform the impact of their work. Think Impact has one of the most experienced SROI and social valuation teams in Australia. The Think Impact authors include an accredited SROI practitioner and one of only two people in Australia qualified to deliver SROI training. Think Impact's approach to this project has been informed by deep experience in evaluation, working with government, and assessing workforce development initiatives within the infrastructure sector.

Members of the LXP team worked with Think Impact team on the development of the EPIC theory of change. They were also involved in interviewing family members, reviewing survey design and validation of the social value model.

## 2. About EPIC

### 2.1 The EPIC program

EPIC is an industry-first employment program transitioning refugee and asylum engineers into Victorian major transport infrastructure projects.

It was designed in response to the industry's ongoing demand for entry-level engineers, and as an initiative to drive even greater social equality outcomes on transport infrastructure projects. By exclusively recruiting qualified engineers from refugee and asylum seeker backgrounds, EPIC removes barriers to paid employment in Australia, creates a talent pipeline for entry-level engineers on transport infrastructure projects and drives greater social equality outcomes on Victorian Infrastructure Delivery Authority's (VIDA)'s transport infrastructure projects.

It has been delivered through Training for the Future<sup>4</sup> (TFTF) since 2019. EPIC is also embedded into the Department of Transport's Women in Transport Strategy 2021 - 2024, to assist in attracting more women to work in the transport and transport infrastructure sector. EPIC has received some funding from the Department of Transport and Planning (DTP) for these purposes, however it is otherwise funded fully by TFTF.

#### EPIC program experience

- an 18-month full-time role across a range of participating employers and maintaining full-time work and part-time study over the term of the program
- a customised and fully funded Graduate Certificate in Infrastructure Engineering Management, undertaken as part-time study with Swinburne University across twelve months while on-the-job, which equips cadets with the contextualised skills and knowledge required to work in industry
- comprehensive induction training to familiarise cadets with industry and expectations and delivers their mandatory licences to work
- on-the-job learning with mentoring and formal check-ins
- social events and family and peer connection opportunities.

#### EPIC program partners

There are a range of program partners who are critical to supporting the delivery of EPIC. They include:

- **Employment partners** who employ cadets in an entry-level engineering role for the 18 months.
- Swinburne University as the **education partner** who runs the Graduate Certificate in Infrastructure Engineering Management and offers a range of tailored supports in recognition of the unique nature of this cohort, including an Academic English program.
- **Training and mentoring partners** including:
  - CareerSeekers<sup>5</sup> (refugee and asylum seeker employment specialists) who provides induction work readiness training, support with employment paperwork, cadet check-ins for the first twelve weeks. It also supports host employers to ensure they feel equipped to host employees

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<sup>4</sup> TFTF is a rail industry skills program to prepare Australians to deliver an unprecedented amount of work on the Melbourne rail network over 10 years. Focused on industry capability, skills development and diversity and social inclusion opportunities, it is delivered by the Level Crossing Removal Project with input from transport industry leaders.

<sup>5</sup> CareerSeekers is a non-profit social enterprise dedicated to creating professional employment opportunities for refugees and asylum seekers

of a refugee background (managers/supervisors training and a weekly check-in with managers for twelve weeks).

- Nerdu Badji Education, who facilitate mentoring for cadets with an industry mentor and provides specialised training, support and check-ins.
- Civil Contractors Federation (CCF) who were engaged for two out of the three cohorts to deliver training on workplace safety concepts, occupational health and safety law and organisational safety requirements.
- **Community partners**<sup>6</sup> who help recruit and assess candidates and provide pre- and post-recruitment support.

## 2.2 EPIC theory of change

Think Impact worked closely with EPIC stakeholders to develop an EPIC theory of change (ToC). Documented in Figure 3 below, the ToC reflects how EPIC's activities lead to change for cadets, their families, government and other stakeholders. It articulates the specific outcomes that are expected to occur as a result of EPIC. It identifies the key stakeholders including:

- **cadets** with this valuation focusing on 68 cadets<sup>7</sup> from three LXP cohorts, specifically
  - cohort 1 (31 cadets with 29 completing in July 2021)
  - cohort 2 (19 cadets with all completing in October 2022)
  - cohort 3 (20 cadets with all completing in July 2024)
- **the family unit** (treated as a singular stakeholder made up of both cadet and close family members)
- **individual family members** of the cadet (e.g. partner, child, parent, sibling or other close family member)
- **government**
- **industry**
- **managers and mentors** of the cadets.

The outcomes each stakeholder experiences are listed in the ToC visual and are described in more detail below. Outcomes for some stakeholders have been based on findings from desktop research and the views of LXP.

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<sup>6</sup> Community partners have included Jesuit Social Services, Adult Migrant Employment Services, Multicultural Consulting, Brotherhood of St Laurence, Asylum Seeker Resource Centre, Salvation Army, HOST International and Spectrum.

<sup>7</sup> While 70 cadets started EPIC, two from the first cohort left before completing the 18 months. One of these took up another industry job and the other left for personal reasons. Whilst our belief is that they would have experienced some value from EPIC, to be conservative, they were not included in the social value model calculation. Rather outcomes were valued based on a total of 68 cadets.

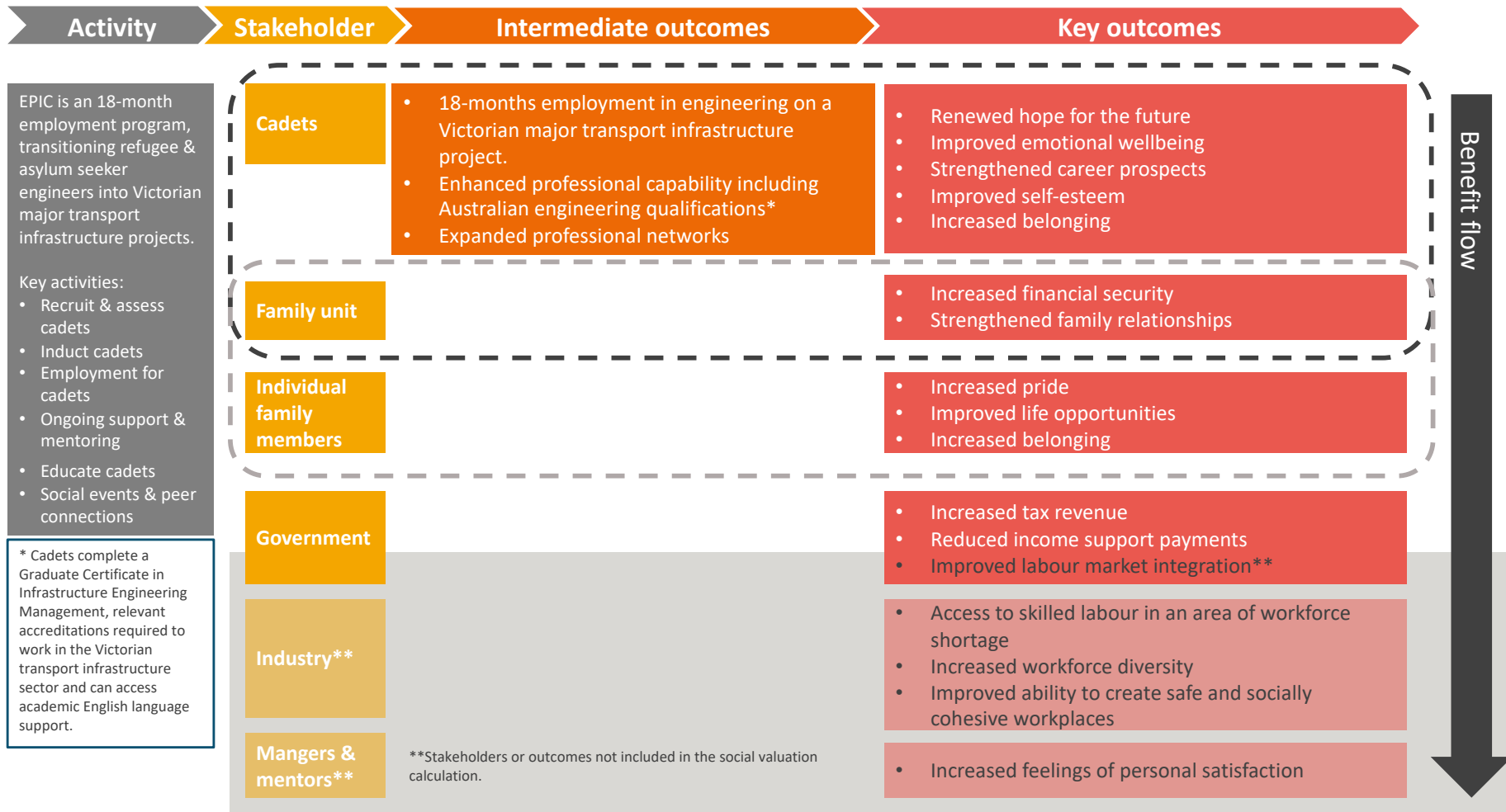


Figure 3 EPIC theory of change

### 2.2.1 Outcomes for cadets

Many of the refugees and asylum seekers engaged in the EPIC program have experienced long-term barriers to employment in their chosen field of engineering.

**Despite possessing professional skills and engineering qualifications, 80% of cadets reported being unemployed (51%) or underemployed<sup>8</sup> (29%) prior to joining EPIC.**

Consequently, many cadets lacked the financial freedom and stability that is provided through secure, ongoing employment.

*'I'd been trying for 2 years [to get an engineering job]. I had a very low chance to get into engineering due to lack of local experience, connections and local qualifications. Lots of applications and door knocking that was unsuccessful.'* – **EPIC cadet**

*'[Employers] told me I was overqualified or lacking local experience. It was super painful...I applied for many jobs, big and small.'* – **EPIC cadet**

*'Lots of cadets were working in factories, not working at all or volunteering [prior to EPIC]. [EPIC] is seen as a gateway out...They rightfully deserve the opportunity that they're getting in Australia. Letting someone live their life with the qualifications they have.'* – **EPIC Program partner**

Cadets described EPIC as 'life changing' and a crucial stepping stone in re-establishing their engineering careers in Australia. The local work experience, postgraduate qualification and professional network coupled with the wrap-around supports dismantled barriers the cadets had previously faced when seeking employment and to establish a career in engineering in Australia.

*'I have a university degree and 9 years of experience, but doors weren't opening for me. EPIC gave me the courage to get back to my training... My kids have been really encouraged. EPIC has meant a change in life not just for me but for next generation too.'* – **EPIC cadet**

Five key outcomes were identified for cadets including:

**Renewed hope for the future** – Cadets shared that they had a more positive and optimistic outlook on the future due to EPIC. For them, the program had opened the door to a new life with possibilities that were not on their horizon prior to EPIC.

**Improved emotional wellbeing** – Cadets expressed that job and financial insecurity, as well as not being able to work in their chosen field, had negatively impacted their emotional wellbeing prior to EPIC. As a result of EPIC, they reported feeling less stressed due to greater financial freedom and job security, as well as enjoying a lifestyle that these factors enable.

**Strengthened career prospects** – EPIC cadets gained 18 months of paid local work experience, enhanced professional skills and qualifications and a professional network, which provided them with a crucial

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<sup>8</sup> Underemployed was defined as lower paid work that did not give the person enough hours and/or did not use their engineering qualifications.

platform to establish their engineering careers in Australia. 90% of cadets have retained employment post program<sup>9</sup> and 37% of cadets surveyed also reported achieving promotions since completing EPIC.

## Strengthened career prospects was the most valued outcome reported by cadets and was the key change from which the other outcomes flowed.

*'Don't give me a fish but teach me to fish – now if I apply for a job, I know I will get it. They give us the chance. They support us. 18 months is a great time. I'm proud of myself for completing the EPIC program.'* – **EPIC cadet**

*'The roots is the employment but everything else comes from that: self-worth, self-esteem and confidence. All of it matters.'* – **EPIC Program partner**

**Improved self-esteem** – Cadets talked about developing new knowledge and skills, such as learning about the Australian rail system, and exposure to new environments in the workplace. Moreover, securing employment in their chosen field and having their skills and knowledge valued and recognised by others bolstered their sense of self-esteem. This outcome was validated by program partners, who described a noticeable increase in cadets' confidence, particularly with being able to have conversations with colleagues and forming professional connections. For some cadets, the Australian workplace culture was new to them, and some had come from workplaces where teamwork is not as common or where making mistakes would be seen as 'losing face'. The wrap-around supports that cadets received to help them adjust to the workplace and gain confidence were critical.

**Increased belonging** – Cadets described forming a range of positive relationships due to EPIC that contribute to feelings of belonging, with 94% of cadets reporting 'feeling settled in the Australian community'.

*'In Australia, your rights are there, you are protected by the law, people are more friendly and accepting of our background, Australians trying to support you as they can... Next week is my citizenship ceremony - it's great to be part of Australian community.'* – **EPIC cadet**

The new relationships included: close friendships with other cadets which for some flowed into socialising beyond the program; good connections with workplace colleagues and 'feeling valued'; ongoing positive connections with the EPIC staff team; ongoing connections with industry mentors who had become part of their professional network and friends.

*'I talk to my team, go for coffee. Having team lunch from time to time. Sharing social activities with teammates.'* – **EPIC cadet**

Three cadets indicated that they believe the local experience and qualifications gained through EPIC played a role in helping them gain permanent residency or Australian citizenship.

### 2.2.2 Outcomes for the family unit

Two outcomes were shared by both the cadet and their immediate family (e.g. husband/wife, children, siblings or parents).

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<sup>9</sup> The remaining 10% of cadets include three from the third cohort (who completed the program in August 2024 and at the time of publishing were applying for roles), the two cadets who withdrew from the first cohort before completing, and two whose work status is unknown.

**Increased financial security** – With EPIC providing 18 months of paid work, cadets described feeling increased financial security for them and their family. For some, this led to buying cars, family holidays, upgrading to rental homes ‘without mould where kids can bring friends home to play’ and being able to take out home loans. With 80% of cadets being unemployed or underemployed prior to starting EPIC, the significance of having a regular engineering income was very high for cadets.

*‘My family’s future is a bit secured because I have permanent income every fortnight. That led me to apply for a loan to build a new house which we moved into last year.’ – EPIC cadet*

**Strengthened family relationships** – Some cadets and family members interviewed described EPIC as playing a role in more quality time with family (e.g. family holidays), strengthened family relationships and a happier family life.

*‘My relationship with dad improved a bit. He started talking to me about work, about opportunities, what I should do, where I should go, what university and stuff like that. I feel like doing the program opened up topics of conversations, to bring us closer.’ – Daughter of cadet*

A few cadets did report that their working hours had negatively impacted on time with family which was factored into the social value model and resulted in this being the outcome generating the least social value.

### 2.2.3 Individual family member outcomes

Three key outcomes were identified for individual family members.

**Increased pride** – Feeling pride was the most common outcome reported by family members both in interviews and by cadets with 91% indicating their family was proud of their work achievements due to EPIC.

*‘So glad that I see [my wife] starting her career, and that she’s on the right path to continue with her career. I’m really happy with that.’ – Husband of cadet*

**Increased life opportunities** – Individual family members reported being inspired by the example and achievements of the cadet and more motivated to find and pursue their own study and work goals. Some children and siblings reported being supported in their educational goals by the cadet including having university course fees paid. Other family members described being inspired to find work and pursue careers in Australia that aligned with their qualifications and interests.

*‘The higher education that it offered her acted as an inspiration for me and my siblings.... it got me more excited, more keen for my study in engineering and it also boosted my siblings’ motivation to continue studying and seek higher dreams.’ – Child of cadet*

*‘A lot of refugees when they come to Australia...they try and find a job and they usually do whatever they can find, to start supporting their family as soon as they can. My mum’s ambition to always study led her to the EPIC program, and I think that for my dad it has really freed him from that kind of thinking...into thinking ‘what do I want to do, what are my passions’. Which is something that refugees don’t get to aim for these days.’ – Child of cadet*

**Increased belonging** – Family members reported meeting new people through the cadet and the wider network and friendships made because of EPIC.

*‘It made us feel like we belong more here...my parents were always detached from the community. I feel like doing this EPIC program helped dad meet new people, and*

*consequently mum met people through him and now they have a community that they can talk to.’ – Daughter of cadet*

#### 2.2.4 Government outcomes

Key outcomes identified for government include **increased tax revenue** (as cadets started receiving a higher salary commensurate with an entry-level engineering role) and **reduced income support** (a benefit for the Australian Federal Government). 60% of cadets reported they were receiving JobSeeker which would have ceased upon starting EPIC, creating a reduction in income support.

Another outcome that wasn't included in this valuation is **improved labour market integration**. The Australian Government spends approximately \$500 million annually on settlement support programs and services to refugees in Australia.<sup>10</sup> In addition, the welfare, health care, employment and education support and expenditure by state, territory and local governments means that the cumulative investment in refugees and asylum seekers is significant. Therefore, supporting successful labour market integration is crucial for enabling refugees and asylum seekers to fully participate in the Australian economy and community.

Failure to ensure prompt labour market integration has profound consequences not only for refugees and asylum seekers in terms of job security and personal income forgone, but also for the Australian economy. Without secure, long-term employment for refugees, the estimated total future lifetime cost for refugees receiving income support payments is approximately \$21 billion.<sup>10</sup> This figure does not account for the immense social value that would also be created for the community.

#### 2.2.5 Outcomes for other stakeholders (not included in the social valuation)

##### Industry outcomes

Key outcomes identified for industry include:

- access to skilled labour in area of workforce shortage
- increased workforce diversity
- improved ability to create safe and socially cohesive workplaces.

Employers receive a highly motivated overseas-qualified cadet to fill a vacant position, deliver on business needs and fill areas of workforce shortage.

Cadets are highly motivated to learn and often hold qualifications and practical experience from their country of origin. It is well documented that employees from a refugee background are loyal and have lower turnover rates than the general population.<sup>11</sup> Such loyalty saves organisations training and hiring costs in the medium to long term. People with a refugee background often bring new ideas and perspectives into an organisation, diversifying the workforce.

The EPIC program offers significant tangible benefits for industry employers as it reduces costs for employers and ensures a smooth onboarding for the cadet by covering the cost of: the recruitment process; work readiness training that enhances the cadet's ability to integrate and be productive; a fully funded mentoring program (for cadets and their managers); employer cultural awareness training

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<sup>10</sup> Commonwealth of Australia, Department of the Prime Minister and Cabinet (2019). *Investing in Refugees, Investing in Australia: the findings of a Review into Integration, Employment and Settlement Outcomes for Refugees and Humanitarian Entrants in Australia*. Available at: <https://www.homeaffairs.gov.au/reports-and-pubs/files/review-integration-employment-settlement-outcomes-refugees-humanitarian-entrants.pdf>.

<sup>11</sup> <https://www.tent.org/resources/australian-employers-guide-hiring-refugees/>



enhancing their capacity to provide a supportive environment for their cadet; support services; the Graduate Certificate.

Organisations that have employed EPIC cadets across multiple programs have made substantial progress in developing the cultural competence of their workforce, creating a safer and more welcoming environment for future cadets. They benefit by increasing social inclusion and diversifying their workplace.

Employing a cadet from EPIC contributes to meeting contractual targets relating to the Major Project Skills Guarantee (MPSG) Local Jobs First policy requirements for contractors, meaning employers can claim MPSG hours per cadet and contribute to their required 10% target. Cadets' employment and training hours can also count as social spend towards social procurement spend targets in line with the Victorian Government Social Procurement Framework, due to the engagement of specialist employment service providers and other certified social benefit suppliers.

The Victorian transport infrastructure sector benefits from EPIC by acquiring trained and qualified talent, helping to mitigate skill shortages in entry-level engineering roles and assisting in addressing demand for skilled labour across Victoria's Big Build.

By investing in the development of a capable and diverse workforce, the EPIC program not only supports the immediate needs and long-term sustainability of the transport infrastructure industry, but also promotes social inclusion within the sector.

*'We've found positive outcomes and success with EPIC. We're loving (the program) and building our own capability in the projects as they go on.'* – **Industry/Employment partner**

### Managers and mentors

A key outcome identified for managers and mentors is **increased feelings of personal satisfaction**. Through their role working alongside the cadets, managers and mentors feel they have made a positive contribution to a cadet's professional development. In an LXRP 2022 survey, 100% of supervisors reported that they enjoyed being a supervisor to a cadet. There's evidence that they themselves have also developed as a person from the experience. This combination leads to an overall increase in managers' and mentors' feelings of personal growth and satisfaction.

*'My journey as a mentor on the EPIC program has been one of growth – learning how to align my experience and translate anecdotally in the context of my assigned cadet...It has been one of the most rewarding experiences of my engineering career.'* – **EPIC mentor**

# 3. The value created by EPIC

## 3.1 Social valuation findings

The total social value created by EPIC for cadets, their families and government is \$8.777M, as shown in Table 1 below.

Figure 4 shows the value created by stakeholder and illustrates that close to half the value (47%) is created for cadets (\$4.18M) which equates to \$61,000 in value per cadet.<sup>12</sup>

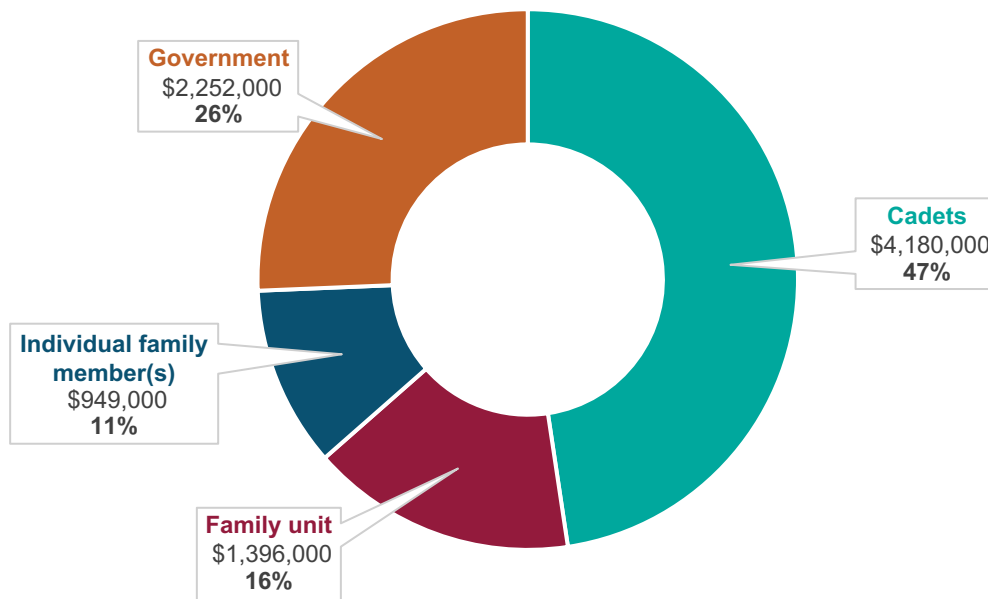


Figure 4 Value created by EPIC by stakeholder

Table 1 Value created by EPIC organised by stakeholder and outcome

Stakeholder	Outcomes	Value	% of value to stakeholder
Cadets	Renewed hope for the future	\$ 375,000	9%
	Improved emotional wellbeing	\$ 470,000	11%
	Strengthened career prospects	\$ 2,212,000	53%
	Improved self-esteem	\$ 1,009,000	24%
	Increased belonging	\$ 113,000	3%
	Increased financial security	\$ 1,323,000	95%

<sup>12</sup> Based on the 68 cadets who completed the full 18-month EPIC program.

<b>Family Unit</b>	Strengthened family relationships	\$ 73,000	5%
<b>Individual family members</b>	Increased pride	\$536,000	56%
	Improved life opportunities	\$ 332,000	35%
	Increased belonging	\$ 82,000	9%
<b>Government</b>	Increased tax revenue	\$ 958,000	43%
	Reduced income support payments	\$ 1,294,000	57%
	<b>TOTAL VALUE CREATED BY EPIC</b>	<b>\$8,777,000</b>	

The key findings of the analysis are:

- It is highly likely the total value created by EPIC is understated as this valuation did not include the 23 cadets from the MRPV cohort nor was the value created for all outcomes and all stakeholders. The value created for government through 'improved labour market integration' and through outcomes experienced by industry and managers and mentors was not quantified in this valuation.
- When cadets benefit, there is significant value created for government (26% of total value) through reduced income support payments and increased tax revenue.
- The outcomes generating the most value are 'strengthened career prospects' for cadets (\$2.2M), increased financial security for the family unit (\$1.3M), and reduced income support payments for government (\$1.3M).
- Female cadets represented 24% of the three EPIC cohorts, indicating that approximately \$1M in value was created for female engineering cadets.

For readers who wish to understand the detail involved in calculating these values, all the data and calculations are available in Appendix B EPIC Social Value Model.

## 4. Recommendations

### Continue the EPIC program to maximise its social impact and leverage the investment made in building a successful program model

The social value created by EPIC provides a strong case for continuing it beyond December 2025 when Training for the Future and its current funding ends.

EPIC has a well-tested and evidenced model for creating social value for cadets, their families, government and industry. The hard work and investment in designing, testing and refining the model is done and can now be leveraged to further scale the social impact.

Cadets described wanting to see the EPIC program expand in scope to include employment partners in other fields of engineering (e.g. water supply and wastewater management). Other stakeholders described interest in and demand for an EPIC in other states. It is recommended that the opportunities to scale EPIC and its impact be investigated as part of the discussions about the EPIC's future.

**For the program to continue to build on its success, a new lead agency and funding source/s will need to be secured.**

# Appendix A Methodology

## Social value modelling

Social value modelling is an approach for understanding the impact of an initiative and providing evidence of the social value created. It draws on the Social Return on Investment (SROI) framework and principles – outlined below – however the methodology, stages and process are reduced compared to a SROI.

## SROI framework and principles

SROI is a framework for measuring and accounting for the broader concept of social value. It tells the story of how change is being created for the people and organisations that experience or contribute to that change. It does this by identifying and measuring social outcomes. Financial proxies are used to place a value on the outcomes that occur for stakeholders.

SROI is an approach that draws on well-established methodologies in economics, accounting and social research. It is underpinned by eight principles which ensure the analysis understands the changes that take place and the additional value that has occurred through the activities being delivered. The principles are presented in Figure 5.



Figure 5 Social value principles

## Calculating social value

Social value is calculated by placing a financial value on the quantified change using what are known as *financial proxies*.

The value of the outcomes represents ‘additional value’ that would not have occurred in the absence of the activities being analysed. Value that would have happened anyway (deadweight), that is attributable to other actors (attribution) or that has displaced other outcomes (displacement) has been deducted.

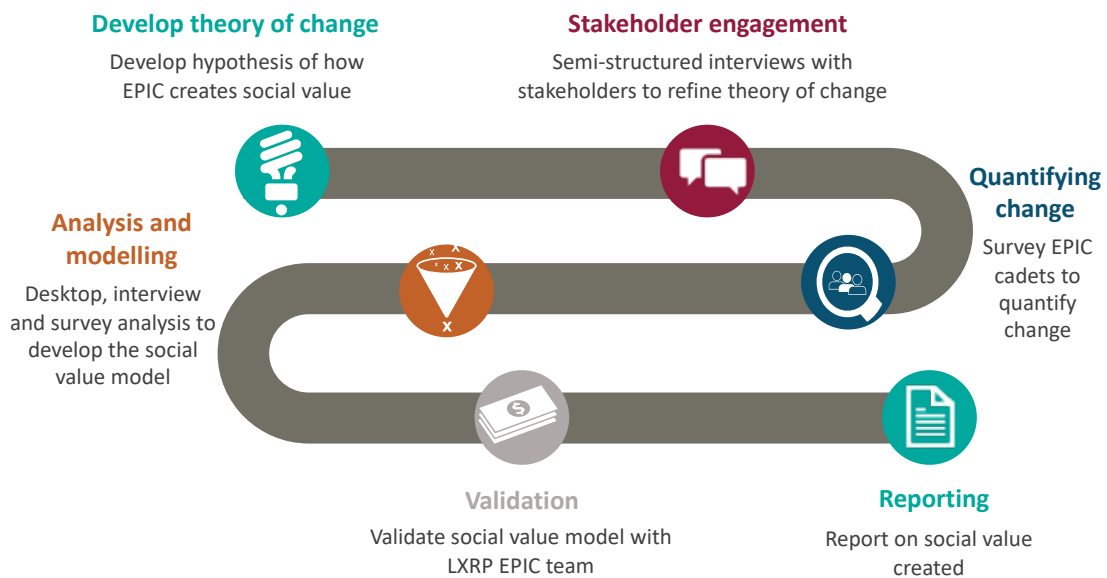
The values calculated, although expressed in monetary terms, do not equate to a financial return. The values represent the size of the value and the relative scale of different outcomes, so that economic, environmental and social outcomes can be understood using a common unit of measurement.

Unlike a SROI, a social valuation does not include the investment required to create the social value.

### EPIC social valuation

The scope of the valuation was limited to the value created for cadets, their family members and government (in their capacity as a provider of income support and social services). While there is evidence of outcomes for other stakeholders, they were not included in the scope of the social valuation and are described in narrative form only in this report. Discount factors to reduce over claiming (that is, deadweight, attribution, displacement, benefit period and drop off) were informed by stakeholder interviews and cadet survey data and applied to all outcomes.

Think Impact followed a six-stage process to model the value, illustrated in below.



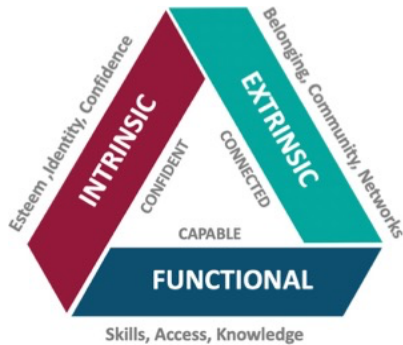
**Figure 6 Six stage methodology followed to determine social value**

The stakeholder engagement and research undertaken to develop the social value model included:

- a document review including EPIC program documentation, evaluation reports, existing case studies and cadet interviews
- a half-day workshop with LXR staff to develop the theory of change
- nine semi-structured interviews conducted by Think Impact, including with six cadets (five male and one female from cohorts one, two and three) and EPIC program partners who worked with cadets across all three cohorts (Career Seekers, mentoring specialist Nerdu Badji Education and Jesuit Social Services)
- four semi-structured interviews conducted by a LXR staff member with five family members of cadets including two daughters, two sons and a husband
- an online cadet survey sent to 69 cadets to quantify the outcomes (with a 48% response rate - 33 out of 69 respondents - from across cohorts one (25%), two (25%) and three (50%), representing both male (75%) and female cadets (25%))
- targeted research of publicly available information and use of a database of SROI financial proxies to evidence and value the outcomes.

## Benefit period and drop off calculation

Think Impact's 'Enduring Impact' tool was used to estimate benefit period and drop off. This tool has been developed by Think Impact over the course of its work in social impact. The basis for the development of the tool was partners seeking to understand whether initiatives contributed to long-term change for participants and if so, what factors assisted in this long-term change.



**Figure 7 Think Impact's Enduring Impact tool**

For effective long-term change to take place (enduring impact) for individuals, initiatives usually require three components:

- 'Intrinsic' change – changes in self in terms of areas such as confidence, identity, self-esteem, etc.
- 'Extrinsic' change – changes in networks, sense of belonging, community, culture, peers, etc.
- 'Functional' change – changes in skills, knowledge, access to information, capability, etc.

Drawing on the Enduring Impact principles, the benefit periods and drop off rates listed in Appendix B have been applied to the outcomes in the model. Where outcomes reflected multiple pillars from the Enduring Impact tool (i.e. a combination of Intrinsic/Extrinsic/Functional) a longer benefit period was applied. For some stakeholders/outcomes, this logic did not strictly apply, and an alternative rationale was utilised drawing on stakeholder data (from interviews and surveys) and professional judgement.

## A.1 Statement of limitations

In preparing this report, Think Impact has relied upon information provided by LXR, information available in the public domain and stakeholder data including interviews and cadet survey data. Every attempt was made to assess the reliability and quality of data sources. The report only outlines the material areas of value identified during this process.

The understanding of family outcomes was developed through interviews and quantified through the cadet survey which provided an indirect cadet perspective on change for their family members. The findings may not reflect the full diversity and experience of every cadet family. For the social value model, it was assumed that:

- the family unit is a singular stakeholder (68 stakeholders in total) being made up of both cadet and close family members including those they may live with
- individual family members included two per cadet (68 x 2 = 136 stakeholders), being either a partner, child, parent, sibling or other close family member.

Government outcomes were calculated based on cadet survey responses. Think Impact has not verified the accuracy or completeness of this information beyond cadet responses.

The dollar values stated in this report do not represent cash rather are financial proxies denoting the value created.

# Appendix B EPIC social value model

Contact Angela Brown ([angela.brown@levelcrossings.vic.gov.au](mailto:angela.brown@levelcrossings.vic.gov.au)) at LXP for a copy of the social value model, Appendix B.





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