



## The Tasmanian Jobs Programme Evaluation Key Facts

The Tasmanian Jobs Programme Evaluation has been released on the Department's website. The Tasmanian Jobs Programme (TJP) was a pilot wage subsidy program introduced on 1 January 2014. It was designed with the objective of helping Tasmanians who were, or were at risk of being, long-term unemployed to find sustained employment. The program included \$5.9 million in funding for 2,000 placements over two years to December 2015.

The TJP provided one-off incentive payments of \$3250 (GST inclusive) to Tasmanian businesses that employed eligible job seekers on a full-time basis for at least 26 weeks (pro-rata, or partial, payments for placements less than the minimum 26 weeks were not available). The TJP was available to job seekers who were Tasmanian residents and in receipt of income support payments (i.e. Newstart Allowance, Youth Allowance (Other) or Parenting Payment with participation requirements) for the preceding six months.

On 13 May 2015, as part of the 2015 Budget, changes were made to the TJP to make higher subsidy payments available for full-time positions and payments available for part-time positions. All agreements that commenced from 13 May 2015 were eligible to receive the new amount of \$6500 (GST inclusive) for full-time placements, or \$3250 (GST inclusive) for part-time placements with a minimum of 25 hours per week. All amounts were paid as a lump sum at the end of 26 weeks of continuous employment. Casual jobs remained ineligible.

The evaluation addressed how effective the TJP was in providing sustained employment opportunities for Tasmanian job seekers who had been unemployed for six months or more. TJP outcomes are assessed against Key Performance Indicators (KPIs) established for the program, which were:

- Program demand:
  - KPI 1(a): 80 per cent of allocated placements commence
  - KPI 1(b): 45 per cent of commenced placements achieve the incentive payment
- Employment outcomes:
  - KPI 2(a): 60 per cent of commenced placements achieve a 13 week outcome
  - KPI 2(b): 45 per cent of commenced placements achieve a 26 week outcome
- Reliance on income support:
  - KPI 3: 80 per cent of placements that achieve the incentive payment (for employers) have job seekers who remain off income support nine months after commencing.

TJP job placements that commenced between 1 January 2014 and 31 July 2015 are used in the analysis. The report also draws on employer and employment service provider surveys to provide

context on the use and perceived usefulness of the TJP (and wage subsidies more generally) as a labour market assistance tool.

Specific findings are<sup>1</sup>:

- KPI 1(a) was not achieved. Between 1 January 2014 and 31 July 2015, a total of 181 approved TJP placements were commenced under either JSA, jobactive, or DES, representing a take-up rate of 11.4 per cent
- KPI 1(b) was achieved. Around half (50.4 per cent) of the 131 TJP placements commenced by 31 January 2015 achieved an incentive payment
- KPI 2(a) was achieved. Of the 146 TJP placements commenced by 30 April 2015, 76.7 per cent achieved a 13 week outcome
- KPI 2(b) was achieved. Of the 131 TJP placements commenced by 31 January 2015, 64.1 per cent achieved a 26 week outcome
- KPI 3 was not achieved. Of the 52 JSA placements that commenced by 31 October 2014 (all full-time) and received the incentive payment after 26 weeks, 71.2 per cent were off income support nine months later. This shows that a high proportion of TJP recipients were able to transition off income support, but falls just short of the 80 per cent target. Job seekers who commenced a TJP placement had a significantly higher probability of being off income support than comparable job seekers in Tasmania who commenced non-TJP subsidised placements over the same time period.

Overall, the evaluation finds, despite a low take-up rate, participants sustained employment outcomes. These evaluation findings will inform future policy and program development. Some key lessons are:

- wage subsidies are effective for particular cohorts if the subsidy is appropriately designed
- future initiatives should carefully consider barriers to program take-up such as considering the labour market conditions, improving program awareness by employers, and the program design
- consideration should be given to tailoring the design of wages subsidies based not only on job seeker characteristics, but also with reference to business type and size.

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<sup>1</sup> Some dates referenced here vary from the 31 July 2015 end date mentioned above so as to allow sufficient time to achieve KPI requirements. For instance for KPI 2(a) analysis 30 April 2015 was the last date for TJP placements used as this date is 13 weeks prior to the last date (31 July 2015) for which TJP outcome data was available at the time of this analysis.