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Department of Jobs and Small Business

Job Commitment Bonus for Young Australians Evaluation

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List of acronyms

Acronym	Description
ABN	Australian Business Number
AICc	Akaike information criterion
ALMP	Active labour market program
CALD	Culturally and Linguistically Diverse
CDP	Community Development Programme
DES	Disability Employment Services
DHS	Department of Human Services
DoE	Department of Employment
ESA	Employment Service Area
ESAt	Employment Services Assessment
GFC	Global Financial Crisis
JCB	Job Commitment Bonus for Young Australians program
JCB1	First (12 months) JCB bonus
JCB2	Second (24 months) JCB bonus
JSA	Job Services Australia
JSCI	Job seeker classification instrument
JSEES	Job Seeker Experiences with Employment Services survey
LTU	Long term unemployed
MEM	Marginal effect on the mean
NEIS	New Enterprise Incentive Scheme
NESA	National Employment Services Association
NSA	Newstart Allowance
PPM	Post Program Monitoring survey
ppt	Percentage point
RDD	Regression Discontinuity Design
RED	Research and Evaluation Database
S1	JSA Stream 1
S2	JSA Stream 2
S3	JSA Stream 3
S4	JSA Stream 4
SA	jobactive Stream A
SB	jobactive Stream B
SC	jobactive Stream C
STU	Short term unemployed
VLTU	Very long term unemployed (two years or more)
YA(O)	Youth Allowance (Other)

Executive summary

Background

The program

The Job Commitment Bonus for Young Australians (JCB) offered an incentive payment to people aged 18 to under 31 years (young adults) who had been on Newstart Allowance (NSA) or Youth Allowance (Other) YA(O) for 12 months or more, to encourage them to find work and remain sustainably off welfare. It differed from traditional Australian employment programs, as it paid a financial incentive to the employee rather than the employer.

The JCB operated for two and a half years between 1 July 2014 and 31 December 2016, with 6595 first bonus, and 1223 second bonus claims approved.¹

The labour market

The program commenced at a time of weakened labour market conditions. The labour market for young adults deteriorated significantly following the onset of the Global Financial Crisis (GFC) with²:

- a higher unemployment rate (8.6 per cent in June 2014 compared with 5.7 per cent in September 2008)
- longer average lengths of unemployment (29.3 weeks in June 2014 compared with 17.9 weeks in September 2008 for 15 to 24 year olds)
- an increasing proportion of unemployed 15-24 year olds being long-term unemployed (LTU) (17.2 per cent in June 2014 compared with 8.5 per cent in September 2008)
- a decreasing labour force participation rate (79.7 per cent in June 2014 compared with 81.8 per cent in September 2008), explained in part by a higher participation in full-time education.

The evaluation questions

This evaluation addresses four key questions in order to assess the effectiveness of the JCB in achieving its objective of encouraging young long-term unemployed Australians to find work and remain sustainably off welfare. These are:

1. Did the JCB influence take-up and retention of employment among young (18 to 30 years) long-term unemployed people?
2. Did employment outcomes and off-income support outcomes of young long-term unemployed people increase following the introduction of the JCB?
3. What other types of financial incentive or support (for example, post placement, job seeker payments and employer subsidies), if any, were received in conjunction with the JCB?
4. Was the JCB cost effective?

1 Data as at 30 June 2017.

2 These statistics relate to 18 to 30 year olds unless otherwise stated.

The data

A comprehensive range of data has been used to address these questions including:

- four rounds of qualitative research
- a range of administrative data
- survey data.

JCB claims

An estimated 22 per cent of potentially eligible³ people claimed the bonus. Certain groups were more likely to claim if they were eligible including:

- single parents
- people with tertiary education
- people with disability
- women.

Education levels, and availability and accessibility of information were key factors influencing take-up of the bonus. Overseas experience indicates that financial incentives are more likely to motivate single parents and people on low incomes (Immervoll and Scarpetta, 2012).

Take-up was lower than anticipated, largely because of low awareness among the target cohort. The challenges of designing an effective communication strategy for this group, coupled with the lack of explicit funding for targeted communications are major reasons for this. There is evidence that awareness of the program was increasing as the program matured, as a result of word of mouth and increasing promotion via social media.

Other factors that hampered take-up included:

- negative perceptions and experience with the income support system
- several aspects of the program design
- a weak labour market
- perceived value of the bonus.

Participants in JCB qualitative research reported a general mistrust of government among the target cohort due to previous experiences with the income support system. Many participants were suspicious as to whether the JCB offer was genuine, believing it would be too difficult to qualify.

The complex program design and eligibility requirements meant that some people were confused as to whether they qualified, while others found it difficult to meet eligibility requirements. Some

3 'Potentially eligible' people are defined for the purposes of this evaluation as those that left income support during the JCB period of operation, their income support history and age met JCB eligibility criteria, they remained in the labour force and off income support for at least 12 months. These individuals are identified for analysis purposes only by the Evaluation Team not by the Department of Human Services JCB operating processes.

fieldwork participants were confused about the program requirements and were therefore discouraged from trying to obtain the bonus.

While most research participants were motivated to find work when unemployed, the primary barrier many faced was the lack of available jobs for which they had suitable qualifications and/or experience.

The prevalence of part time employment for young adults during the period the JCB operated generally meant it would have been difficult for some to meet JCB eligibility criteria requiring continuous employment, given they were more likely to be juggling several part-time jobs at the same time.

The motivational effect of JCB

Employment service provider perceptions

Employment services staff reported that the JCB provided insufficient motivation for job seekers who had been unemployed for an extended period. They felt a major barrier to take-up was the 12 month qualifying period which was too difficult for young adults to comprehend. Around a quarter surveyed believed it would not motivate job seekers to look for, or accept employment (27 per cent and 25 per cent respectively). Providers were slightly more positive in terms of its potential impact for sustained employment with fewer (18 per cent) believing it would not act as an incentive.

Research participant perceptions

Given the long qualifying period, (12 months) job seekers tended to assign a lower value to (or discount) future benefits. Hyperbolic discounting is a widely accepted model for describing this type of behaviour.⁴ Participants who were still on income support did not necessarily see the amount of the bonus (\$2500 for the first bonus payable after the 12 month qualifying period) as large, compared to what they would earn if working. Young job seekers appeared to have a poor understanding of the value of a lump sum compared with employed people, and many were unable to imagine holding a job for 12 months.

Most research participants who had applied for the bonus only became aware of it after they had left income support. In these cases, the JCB could not have exerted influence on them to increase their job search efforts. These participants were already motivated to get a job and generally stated the motivation to find work was getting off welfare and centred around:

- improved self-esteem
- social expectation, pressure and the desire for improved social standing
- achievement of a step toward future goals
- avoidance of compliance requirements

4 See Attachment A for a discussion about hyperbolic discounting.

- boredom / lack of direction / lack of meaning living on income support
- pressure / support from family and significant others.

Qualitative research findings suggest that the JCB had greater potential to influence people to remain off income support than it did to affect job search behaviour, especially for people who had a history of acting impulsively in leaving jobs. The JCB had the potential to encourage people to:

- stay in work and persist with a job they may not have been happy with in order to qualify, but only within reasonable limits
- transition from one job to another quickly and actively avoid becoming unemployed.

Quantitative analyses

Impact of the JCB on job search

Quantitative data about job seekers' job search behaviour, such as level of effort, motivation and types of jobs applied for, was not available. However, quantitative analyses of income support data find no evidence to suggest that the JCB affected job search behaviour among the target group. Increased and/or better targeting of job search efforts should result in improved employment outcome rates. Using this causal linkage, employment outcomes are used as a proxy to assess the effect of the JCB on improving job search behaviour effectiveness among LTU young adults including:

- Analysis 1:** Comparing the proportion of LTU young adults achieving employment outcomes, before and after the introduction of the JCB, using Post Program Monitoring (PPM) survey data.
- Analysis 2:** Comparing average time to job placement after becoming LTU, for job seekers at the lower and higher JCB age range boundaries, with LTU job seekers who are slightly older and younger. The comparison is done before and after the introduction of the JCB using a Difference in Difference regression (DID).⁵
- Analysis 3:** Comparing average duration on income support after becoming LTU, for job seekers at the lower and higher JCB age range boundaries, with job seekers who are slightly older and younger. This analysis uses Regression Discontinuity Design analysis (RDD).⁶

Impact of the JCB on sustained outcomes

Similar quantitative analyses that are used to assess the effect of the JCB on sustained employment outcomes for LTU young adults also show no significant effect. These analyses include:

- Analysis 1:** Comparing the percentage of LTU young adults who were off income support 52 weeks after exiting income support for young adults at the lower and higher JCB

5 See Attachment E for an explanation of Difference in Difference regression analysis (DID).

6 See Attachment E for an explanation of Regression Discontinuity Design analysis (RDD).

age range boundaries with those slightly older and younger, using a Regression Discontinuity Design (RDD).

Analysis 2: Comparing the proportion of LTU young adults that remained off income support for 52 weeks after exiting income support, before and after the JCB commenced, using Difference in Difference regression (DID).

Analysis 3: Comparing the proportion of LTU young adults that remained off income support for 104 weeks after exiting income support, before and after the JCB commenced, using DID.

However, other quantitative analysis conducted (see deadweight⁷ discussion below) finds some evidence of potential JCB impact on sustained outcomes. This supports findings from the qualitative research where people who had already exited income support and sustained their exits for 12 months reacted very differently to the JCB compared to people who had yet to reach 12 months off income support, based on the discounted future value they placed on the bonus. Those who had been employed longer saw the bonus as more attainable and therefore more valuable.

Deadweight

Predictive modelling⁸ is used to estimate deadweight. Assuming that differing economic conditions are fully accounted for in these regression models, then any statistically significant difference between predicted and actual outcome rates can be reasonably attributed to the JCB.

No statistically significant difference is found between predicted and actual 12 month sustained exits from income support indicating that the deadweight⁹ for JCB1¹⁰ was almost 100 per cent.

Similar modelling predicting the probability that people would reach the 24 months off income support milestone, for people who had already reached the 12 months off income support milestone, suggests that JCB2 deadweight while still high, was slightly lower for this group at around 95 to 96 per cent.

Had the JCB program continued, secondary benefits may have been realised from bonus recipients by their promotion of the program to family and friends, thereby increasing awareness of the program. If increased awareness of the bonus translated into increased motivation for job search and consequential sustained exits from income support, then deadweight might have decreased in the future. This evaluation, however, finds no evidence of this.

7 Deadweight refers to a situation where a person who left income support and remained off income support, would have done so without the JCB incentive.

8 These models control for differences in job seeker characteristics and macro-economic conditions.

9 Deadweight in this instance refers to the proportion of people who after sustaining their exit from income support who would have stayed off income support for a further 12 months without the JCB incentive.

10 In this report the 12 months bonus is abbreviated as JCB1 and the 24 months bonus as JCB2.

Job seeker behaviour

The JCB program sought to influence the behaviour of young long-term unemployed job seekers. This evaluation uses an established behavioural model, the *Trans-theoretical Stages of Change* model¹¹, to help understand peoples' responses to the JCB. This model explains intentional behaviour change over time in terms of: how people change; their motivation to change; and their confidence in their ability to change.

For the JCB to have had an impact on job seeker behaviour, it had to contribute to job seekers shifting from a negative motivational balance (where the cons outweighed the pros) to a positive one (where the pros outweighed the cons). Once a job seeker is sufficiently motivated to become employed they also need to have sufficient confidence in their own ability to overcome their barriers.

Most participants in the qualitative fieldwork expressed motivation to leave income support (without the JCB). They already had a positive motivational balance to get a job without the need for an incentive. They were aware that a problem existed, that they could and should do something to make their lives better, and that their behaviour needed to change. It is more probable that participants were past the Contemplation stage and in the Preparation or Action stages when looking for work. In these latter stages of the *Trans-theoretical Stages of Change* model, the critical issues relate to barriers to change, and the confidence to overcome them (self-efficacy), rather than motivational balance.

This research indicates that a more effective program to effect behavioural change would be one that targets people where self-confidence and barriers are an issue, tailoring interventions to the individual's motivational needs. Barriers to change can be removed directly or indirectly, or their impact can be diminished by increasing job seeker confidence in their ability to address them.

Recommendations

Program design should:

- be simple, with easy to meet eligibility requirement (to reduce complexity and confusion)
- consider the status of the labour market and how this will affect people's ability to qualify
- ensure design does not discourage people who are making genuine progress towards goals
- consider all types of employment (i.e. permanent, contract, casual, seasonal) recognising the types of employment prevalent among young people
- recognise the discounting of future value issue when designing payment schedules
- consider trials (perhaps randomised) to determine the most effective payment schedules for particular job seeker groups
- target financial incentives to people with low motivation to seek employment and/or who are at risk of churning back to income support

11 See Attachment A for a description of the *Trans-theoretical Stages of Change* model.

- address issues of self-efficacy by providing assistance in overcoming barriers and building self-confidence within the program or through other employment service programs (e.g. jobactive) that work in conjunction.

Communication should:

- involve sufficient dedicated resources for a strong, well-designed communication campaign
- ensure high levels of awareness and a good understanding of eligibility requirements in the target group
- encourage take-up by:
 - including promotion early and often during the program
 - clearly identifying all key stakeholders
 - contacting people when they are ready to claim¹²
 - not assuming that people will remember eligibility requirements later
 - using multifaceted marketing strategies including social media and word of mouth
 - having strategies to address known issues that will arise such as:
 - mistrust in government
 - people’s desire to disengage from the income support system
 - difficulty in having people update contact details
 - ensuring as many people as possible are contacted in the most appropriate and effective manner (time and method).

Implementation needs:

- strong communication and relationships between departments
- a clear understanding of roles and responsibilities between stakeholders
- adequate and timely staff training and development
- IT staff with appropriate expertise and knowledge (as was the case for the JCB program).

Conclusion

Low awareness of the JCB program among the target group and other barriers to take-up of the program explain the lower than expected claim rate, with around 22 per cent of potentially eligible people claiming the bonus. A more effective communication strategy and less complex program design might have resulted in higher take-up.

The JCB sought to influence job seeker motivation to undertake job search and leave income support. Such motivation was already high for most qualitative research participants for this evaluation (many had already found jobs). Quantitative analysis of administrative data finds no

12 Contacting people close to the date for claiming would only be recommended in situations such as where a financial incentive was one in a series of bonuses (where future preferred behaviour could then be encouraged or potentially influenced by claiming) or where by increasing awareness might improve word-of-mouth promotion of the program among the target cohort. Potential deadweight costs would need to be taken in to consideration.

evidence of impact of the program on job search behaviour but some evidence of a very small impact on encouraging more sustainable income support exits.

When analysed in the context of the *Trans-theoretical Stages of Change* model, it can be implied that addressing job seekers' barriers and confidence would be more effective than targeting motivation levels for these particular young people. LTU young adult job seekers need assistance with either removing their barriers or increasing their confidence in their ability to remove the barriers themselves. Incentive programs, such as JCB, would be more efficient and effective if they could be targeted specifically to job seekers with low motivation to work and/or a greater risk of churning back on to income support.

1 Introduction

1.1 The Job Commitment Bonus for Young Australians program

The Job Commitment Bonus for Young Australians (JCB) was a demand driven, uncapped program that offered an incentive payment to people aged 18 to less than 31 years who had been on Newstart Allowance (NSA) or Youth Allowance (Other) (YA(O)¹³), or a combination of both for a period of 12 months or more. To be eligible to claim the first bonus of \$2500, recipients had to find and keep a job, and remain completely off welfare for a continuous period of 12 months.¹⁴ A further \$4000 was available to those who remained employed and off income support for a further 12 months (24 months in total).¹⁵

The JCB aimed to boost participation in the workforce. The main objective of the JCB was to encourage young long-term unemployed job seekers off welfare and into sustainable employment.

The JCB operated for two and a half years between 1 July 2014 and 31 December 2016, with bonus claims submitted between July 2015 and March 2017.¹⁶ The Department of Employment (DoE)¹⁷ had the lead role in policy design, development and legislation, and was responsible for monitoring and evaluation, while the Department of Human Services (DHS) was responsible for program delivery. The initial allocated funding over five years to DHS and DoE was \$157.1 million. However, actual program expenditure was much lower than originally allocated due to low take-up and the program's early cessation.

JCB was available to eligible job seekers assisted under jobactive, its predecessor Job Services Australia (JSA) (until 30 June 2015), Disability Employment Services (DES) or the Community Development Programme (CDP) (which operates in remote areas).

At the commencement of the JCB, around one in five job seekers on the JSA caseload (18.4 per cent) were in scope, had they exited income support, entered 12 months of continuous employment and met other eligibility criteria (Table 1.1).

13 Those on YA(O) are looking for work rather than studying.

14 See Section 3.1 for details on eligibility criteria.

15 In this report the 12 months bonus is abbreviated as JCB1 and the 24 months bonus as JCB2.

16 The deadline was slightly longer for those with Special Consideration.

17 Now the Department of Jobs and Small Business.

Table 1.1: Age and length of unemployment for those on the JSA caseload, 1 July 2014 (per cent)

Age	Less than 1 year	1 – 2 years	2 years or longer	Total
18 years – under 31 years on NSA or YA(O)	18.3	7.8 *	10.6*	36.6
Other	23.7	12.9	26.8	63.4
Total	41.9	20.7	37.4	100.0

Notes:

1. * indicates JCB target group.
2. 'Other' refers to all other job seekers on the JSA caseload who were on NSA or YA(O).
3. Length of unemployment based on period of service in employment services.

Source: Department of Employment administrative data.

This evaluation presents insights on what aspects of the JCB did and did not work, and provides lessons that can inform future policy development and program design.

1.2 Labour market conditions

Highlights

Labour market conditions for young adults at the commencement of the JCB program were significantly weaker than before the onset of the Global Financial Crisis (GFC) with:

- a higher unemployment rate
- longer average lengths of unemployment
- an increasing proportion of 15-24 year olds being long-term unemployed (LTU)
- a decreasing labour force participation rate (explained in part by a higher participation in full-time education).

During the two and a half year operating period of the JCB labour market conditions improved slightly for young adults but they still encountered tougher employment prospects than prior to the GFC.

- an easing unemployment rate (8.4 per cent for 18 to 30 year olds)
- longer average lengths of unemployment (31.4 weeks compared with 29.3 weeks for 15 to 24 year olds)
- the proportion of those unemployed who were LTU stabilised (increasing slightly to 18.2 per cent from 17.2 per cent for 15 to 24 year olds)
- a slight increase in labour force participation of 0.1 percentage point (to 79.8 per cent for 18 to 30 year olds).

The weak labour market conditions for young people over the period studied also limited their ability to find full-time work and consequent ability to exit income support.

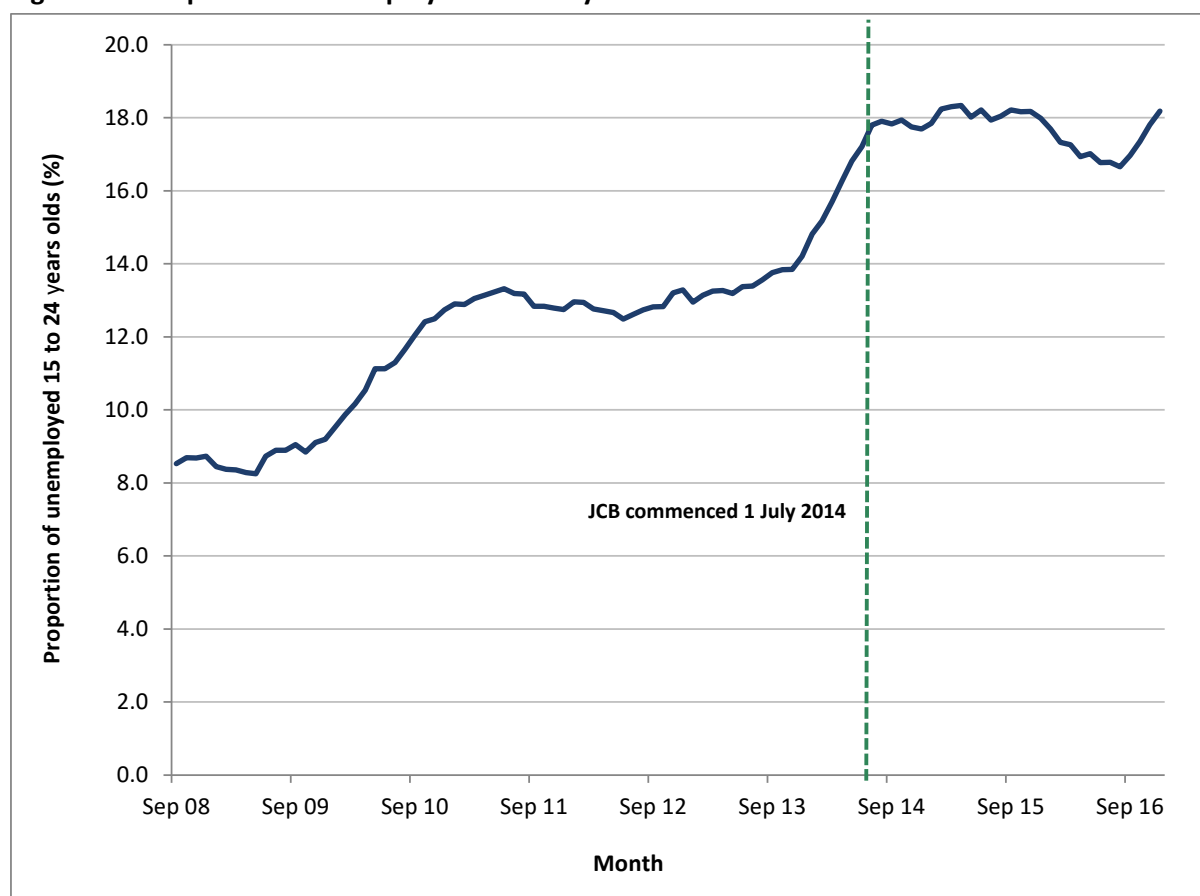
1.2.1 Labour market conditions for young adults

When the JCB commenced, (July 2014), there were around 4.3 million Australians aged 18 to 30¹⁸ (representing 22.6 per cent of the population aged 15 and over). Of these, 79.7 per cent were in the labour force (that is, either working or actively seeking work). Labour market conditions for these young adults were difficult, as evidenced by indicators such as the proportion who were LTU, and the young adult participation rate. Other labour market factors affecting young adults which may have affected the JCB include the rate of Not in Employment, Education or Training (NEET), the take-up of concurrent study and employment, and participation in education and training.

Proportion of unemployed young adults who are LTU

As a result of labour market conditions since the GFC and increasing job search duration, the proportion of young job seekers who are long-term unemployed (LTU) has increased (Figure 1.1).¹⁹

Figure 1.1: Proportion of unemployed 15 to 24 years olds who were LTU



Source: ABS Cat. 6291.0.55.001 Labour Force Survey, Australia, electronic delivery.

Since the introduction of the JCB, the percentage of LTU job seekers aged 15-24 has stabilised (averaging 17.7 per cent during the 2½ year period of the JCB program compared with increasing to 17.2 per cent in June 2014 from 8.5 per cent in September 2008). Young adults, however, are still

18 The JCB target cohort was people aged 18 years to less than 31 years when they exited income support.

19 LTU are classified as those unemployed for over one year.

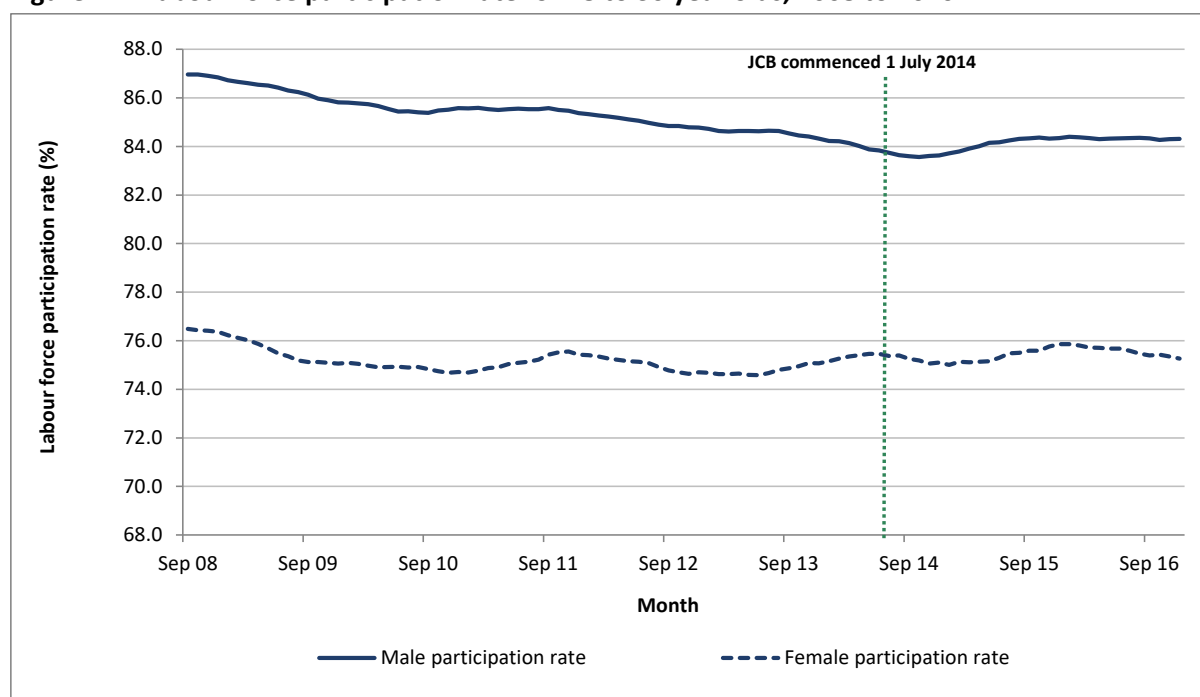
overrepresented in LTU figures. As at December 2016, people aged 15-24 comprised 17.7 per cent of the total labour force, but around 28.3 per cent of LTU job seekers.

Participation rate

Labour force participation²⁰ for 18 to 30 year olds has generally been trending downwards to September 2014, before flattening, decreasing by around 2 percentage points between September 2008 and December 2016 (from 81.8 per cent to 79.8 per cent). Over this period the male labour force participation rate decreased by 2.7 percentage points, while the decline was less for females (1.2 percentage points) (Figure 1.2). As economic conditions moderated somewhat, participation increased.

Changes in full-time education participation rates and NEET rates, related to this decline in labour force participation.

Figure 1.2: Labour force participation rate for 18 to 30 year olds, 2008 to 2016



Source: Customised data extract provided by the ABS from the Labour Force Survey, Australia. Calculations conducted by the Department of Employment, using 12 month moving averages.

Not in Employment, Education or Training (NEET)

Around one in ten people (9.9 per cent)²¹ aged 18 to 30 over the course of JCB were NEET. This group should be considered when looking at labour force participation rates. The OECD (2016)²²

20 Labour force participation rates are the percentage of the working age (or other specified population) who are either working or actively seeking work.

21 Figure calculated as an average over the course of the JCB, from July 2014 to December 2016.

22 OECD (2016) Investing in Youth Australia.

identify that low educational attainment is the most important driver of NEET status. Other cohorts including young mothers, Indigenous youth and youth with disability also experience higher NEET rates.

Table 1.2 shows average NEET rates for 18 to 30 year olds over the JCB operating period. Females have higher NEET rates than males, especially in the 25 to 30 age group, while NEET rates are greater in regional compared with metropolitan areas. The majority of NEET young adults (74.6 per cent of males and 88.7 per cent of females) were not looking for work.

Table 1.2: Average NEET rates for 18 to 30 year olds, July 2014 to December 2016, selected characteristics (per cent)

Characteristic	Average NEET rate (%)
Males, 18-24 years	6.0
Males, 25-30 years	6.3
Males, 18- 30 years	6.1
Females, 18-24 years	9.3
Females, 25-30 years	18.6
Females, 18 – 30 years	13.7
18-24 year olds	7.6
25-30 year olds	12.3
18 to 30 year olds in Capital cities locations	8.9
18 to 30 year olds in Regional locations	12.3
Total 18 to 30 year olds	9.9

Notes:

1. 'Capital cities' is defined as Greater Sydney, Greater Melbourne, Greater Brisbane, Greater Adelaide, Greater Perth, Greater Hobart, Greater Darwin, Australian Capital Territory.
2. 'Regional' is defined as the rest of NSW, rest of Victoria, rest of Queensland, rest of South Australia, rest of Western Australia, rest of Tasmania and the rest of the Northern Territory.

Source: Derived from customised data extract provided by the ABS from the Labour Force Survey, Australia. Calculations conducted by the Department of Employment, using 12 month moving averages.

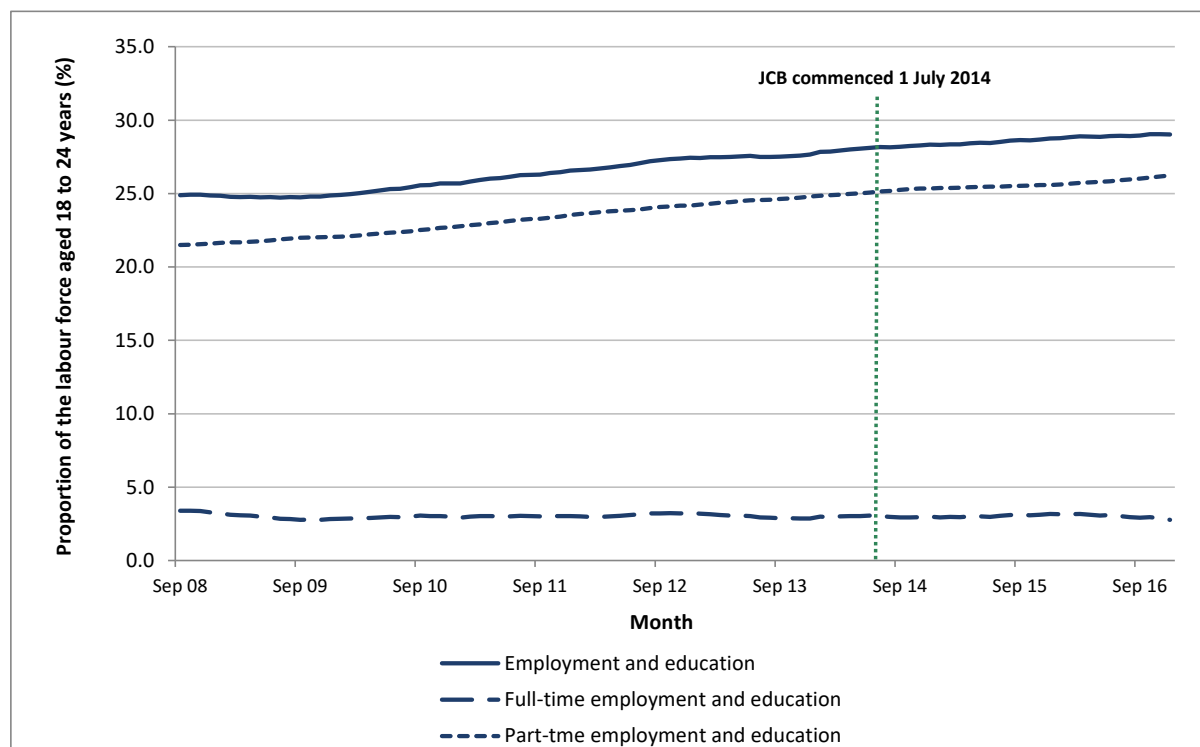
Increased take up of concurrent education and employment

Young adults are typically characterised by high participation in both the labour market and education. Since the GFC the proportion of young adults engaged in education combined with employment has increased. In September 2008 around a quarter of employed 18 to 24 year olds were also attending an educational institution (24.9 per cent) compared with 29.0 per cent in December 2016. The majority of these students (86.4 per cent) were engaged in part-time employment. The proportion engaged in part-time employment concurrent with study has grown since the GFC, while the proportion in both full-time work and education has remained relatively constant (Figure 1.3).

Between September 2008 and December 2016, the proportion of young adults in part-time work who were not attending an educational institution increased at a faster rate (46.5 per cent) than

those who were concurrently attending education (27.4 per cent). This indicates that young adults in general found it more difficult to find full-time work, regardless of their current study status.

Figure 1.3: The proportion of 18-24 year olds in education and employment



Source: Derived from customised data extract provided by the ABS from the Labour Force Survey, Australia. Calculations conducted by the Department of Employment, using 12 month moving averages.

Participation in education

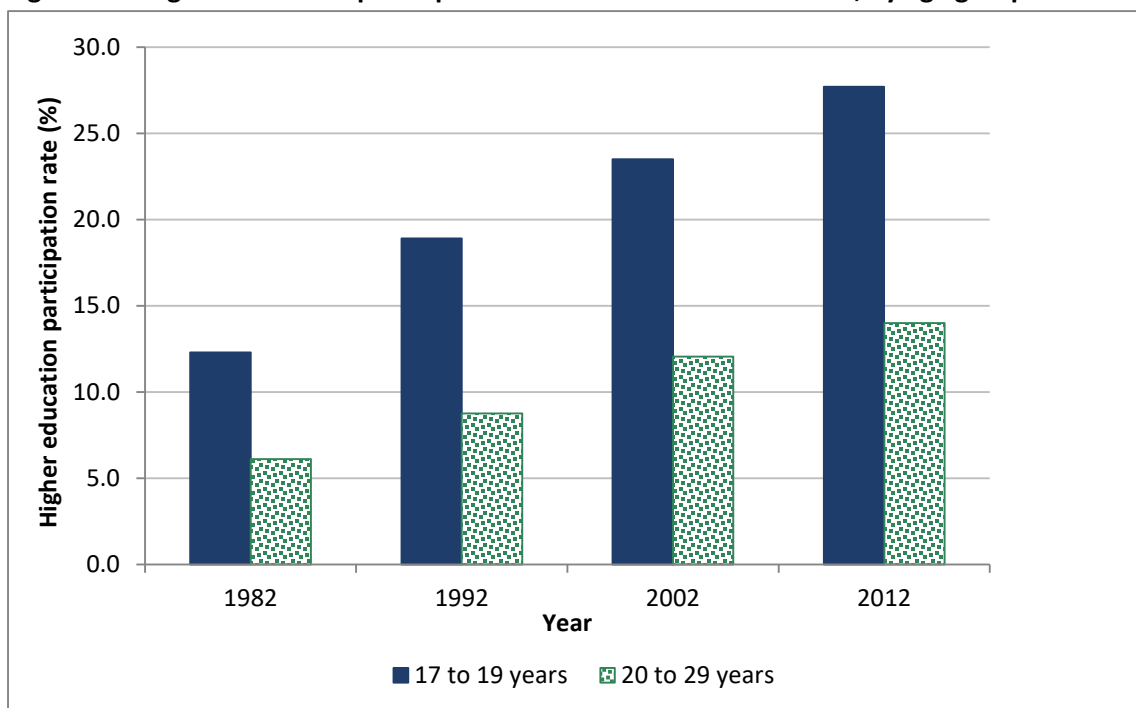
The proportion of young adults aged 18 to 24 years who attend an educational institution who are not actively looking for work (NILF) has grown around 3 percentage points from 11.7 per cent in September 2008 to 14.7 per cent in December 2016. Figure 1.4 shows this historical trend towards increased participation in higher (tertiary) education among young adults.

The increase in young adult participation in full-time education is likely due to a combination of the following factors:

- the ‘discouraged worker’ effect (where people give up searching for work or choose not to enter the labour market because of difficult labour market conditions)
- the Learn or Earn policy²³ introduced on 1 July 2009
- education reforms that led to increased participation in higher education.

23 People aged less than 21 who were receiving YA(O) and who had not yet completed Year 12 or a Certificate II qualification were required to participate in either full-time study or training or in part-time study or training in combination with other activities.

Figure 1.4: Higher education participation rates for domestic students, by age group



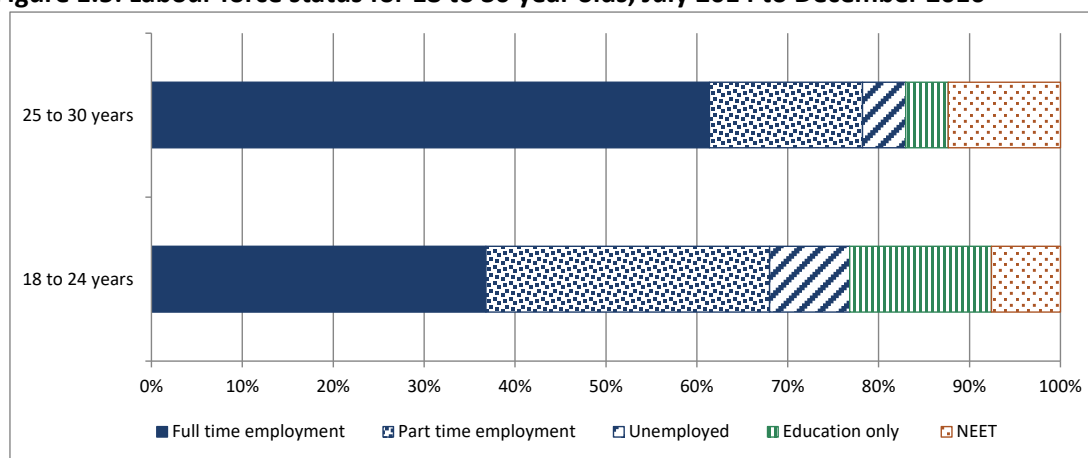
Note: Onshore international students removed from population figures for 2002 and 2012.

Source: Norton, A. & Cherastidham, I. (2014)

1.2.2 Differential impacts of labour market conditions

The 18 to 30 year old cohort has a diverse profile. A number are transitioning from full-time education to work for the first time, while others are undertaking family and/or caring responsibilities. People aged 18 to 24 are more likely to be employed part-time or in education (and outside of the labour force) than those aged 25 to 30. The 25 to 30 year age group are more likely to be in the labour force than those aged 18 to 24 (Figure 1.5). Employment outcomes for job seekers at the younger end of the JCB age range are more sensitive to changing economic conditions than are those in the older age bracket.

Figure 1.5: Labour force status for 18 to 30 year olds, July 2014 to December 2016



Note: The education only cohort is restricted to people who were in education and not in the labour force.

Source: Customised data extract provided by the ABS from the Labour Force Survey, Australia. Calculations by the Department of Employment.

Key indicators, such as unemployment rates and duration of job search, demonstrate the differential impact of economic conditions on those at each end of the JCB age target cohort (Table 1.3).

Table 1.3: Select labour market indicators for younger and older cohorts

Unemployment rate (per cent)

	Sep 2008	Jun 2014	Difference
18 years to 24 years	7.1	11.6	4.5
25 years to 30 years	4.1	5.7	1.6

Job search duration (weeks)

	Sep 2008	Jun 2014	Difference
15 years to 24 years	17.9	29.3	11.4
25 years to 34 years	30.4	33.4	2.9

Notes:

1. Unemployment rates based on special data request from ABS Labour Force Survey.
2. Job search duration based on period of service in employment services.

Source: Department of Employment administrative and ABS Labour Force Survey data.

2 Evaluation approach

2.1 Key evaluation questions

This evaluation addresses four key questions:

1. Did the Job Commitment Bonus (JCB) influence take up and retention of employment among young (18 to 30 year old) long-term unemployed people?
2. Did employment outcomes and off-income support outcomes of young long-term unemployed people increase following the introduction of the JCB?
3. What other types of financial incentive or support, if any, were received in conjunction with the JCB (for example, post placement support, job seeker payments and employer subsidies)?
4. Was the JCB cost effective?

For further detail of key indicators for these evaluation questions see Attachment B.

2.2 Scope

This report presents findings based on claims lodged for the JCB between 1 July 2015 and 31 March 2017.²⁴ By the cessation of the JCB program to new claimants on 31 December 2016 young people who had exited income support from 1 July 2014 to 31 December 2015 had the opportunity to claim the first bonus if they met eligibility criteria (Section 3.1). As the JCB ceased in December 2016, only those who had left income support between 1 July 2014 and 31 December 2014 could potentially claim the second 24 months bonus. Note that people had 90 days to lodge a claim for the bonus after becoming eligible (i.e. after a qualifying period). Claims data for these people is used in conjunction with administrative data and other sources of evidence such as qualitative research to address the four key evaluation questions.

2.3 Limitations

Results presented in this report are best estimates of the number of claims made and approved, given the available monitoring data. For this reason, analysis is limited to the aspects considered most reliable.

The JCB commenced under Job Services Australia (JSA) which was replaced by jobactive (July 2015). Changes in the service delivery model were factored into the JCB evaluation design and this limited the range of analysis available.

24 Only people with special consideration and final processing of claims received, and decisions on appeals lodged will change these figures.

2.4 Data sources

This report incorporates information from several sources, including:

2.4.1 Qualitative research

Several rounds of qualitative research were undertaken for the evaluation including in March 2015 (Round 1), November 2015 (Round 2), October 2016 (Round 3) and July 2017 (Round 4). The scope, aims and timing of these rounds of research varied and are detailed in Attachment C.²⁵

2.4.2 Administrative and survey data

Administrative and survey data sources used in this evaluation are detailed in Attachment D.

2.5 Administrative data analysis

2.5.1 Study populations

Attachment E explains the study populations used for the analyses in Section 4. These analyses deal with the potential impact of the JCB on job search behaviour and sustained employment. Job seekers serviced in JSA or jobactive are used for these study populations. These job seekers were registered in employment services managed by the DoE, for whom comprehensive administrative data was readily available.

2.5.2 Age groups used in analyses

The target age for the JCB were young adults aged 18 to under 31 at the time of leaving income support.

For the purposes of this evaluation, where relevant, young adults are segregated into two age groups: those aged under 25 and 25 or older. This is because these two groups are sufficiently different to respond differently to the JCB. This difference may affect the indicators considered.

For instance, those in the younger age group (18 to 24 years) are more likely to be in education (Figure 1.5). They display different barriers to employment, motivation and aspects of behaviour. By 25 years of age some external factors change that may influence the measures being analysed, such as eligibility for particular types of income support (e.g. YA) and dependent child status for students. Many more in this age group are starting families or becoming partnered which may influence their response to the JCB. Also as noted earlier, the impact on these groups of changes in economic conditions is quite different. (Section 1.2)

25 As each round of qualitative research had a different design, the nomenclature for quotations is not the same:

- March 2015 fieldwork quotes reference: date, gender, age, location and labour force status
- November 2015 fieldwork quotes reference: date, JCB claim status, gender, age and location
- October 2016 fieldwork quotes reference: date, JCB claim status, collection method, location
- July 2017 fieldwork quotes reference: date, category, age group, gender, location.

2.6 Behavioural change model

To enhance understanding of behaviour in relation to the JCB, this evaluation uses the *Trans-theoretical Stages of Change* model of behaviour change (TTM), or the *Stages of Change* to aid interpretation of qualitative research results. DiClemente and Prochaska developed the TTM in the early 1980s (Prochaska et al, 2013), based on their clinical observations of how people went about modifying problem behaviours such as smoking, overeating and problem drinking. While some models focus on specific dimensions of change, the TTM is a comprehensive model that recognises that people are at varying stages of preparedness for change, and not all are willing or able to make immediate or permanent behaviour change. Further detail on this model and discussion around its use for participant behaviour in relation to the JCB is explored in Section 5.

3. Job Commitment Bonus results

The Job Commitment Bonus (JCB) was an incentive to get a job and leave and remain off income support. Consequently, the administrative data from Department of Employment (DoE) and Department of Human Services (DHS) lacks employment information for these people as most had no need to remain in contact with the income support system or their employment service providers after gaining employment and exiting income support. Qualitative research was conducted for this group to inform the evaluation about the employment details, participant awareness, views of, and behavioural responses to the bonus. Findings are discussed in this section. Where available, quantitative data from administrative systems and departmental surveys are also presented.

3.1 Program design

Highlights

The JCB differed from traditional Australian active labour market programs, as it was a payment available directly to the employee rather than the employer.

The program design was constrained by requirements to comply with legislation that was highly prescriptive. This resulted in complex eligibility requirements.

Programs to encourage income support recipients off welfare have either a positive or negative approach. The JCB differed from traditional Australian active labour market programs, as it was a positive incentive program targeted directly to the job seeker.

Another unique aspect of this program was that the potentially eligible group (those who had *left* the income support system) were not typically the focus for DHS service delivery. This presented challenges in terms of communication (Section 3.3).

DHS had responsibility for the technological infrastructure, delivery of the JCB on-line system and payments. DHS and DoE consulted in the delivery of the program, with DoE having responsibility for the policy, monitoring, implementation and evaluation of the program.

Eligibility

The JCB program was enacted through Social Security Legislation.²⁶ According to this legislation, a person was eligible for the first (\$2500) bonus if they satisfied each of the following criteria:

- they were aged 18 or over and under 31 and, for a continuous period of at least 12 months while they were in this age bracket, they received the following (either on its own, or in combination):
 - Newstart Allowance (NSA)

26 *Social Security Legislation Amendment (Increased Employment Participation) Act 2014*. The bill for this Act made amendments to the *Social Security Act 1991*, the *Social Security (Administration) Act 1999* and the *Income Tax Assessment Act 1997* (making the JCB exempt from income tax).

- Youth Allowance (YA)(O) (that is, excludes Youth Allowance received as a full-time student, or as a new apprentice)
- either:
 - after 12 months of the continuous period of receipt of NSA and/or YA(O) the person started gainful work in Australia on the day after that period ended
- or
 - the person started gainful work in Australia within 30 days after the 12 month continuous period of receipt of NSA and/or YA(O) ended
- the person remained in gainful work continuously for 12 months
- the person was an Australian resident throughout this period of gainful work.

If the person received an income support payment in relation to any day in the work period, i.e. the period of 12 months continuous gainful work, they were not eligible. Similar rules applied for the second bonus.

Some types of employment did not qualify for the bonus. For example, work which did not involve a real commitment to workforce participation, or which was not likely to lead to the development of workplace skills. The legislation included the definition of ‘gainful work’ and established a 90-day deadline for bonus claims to be lodged after qualification.

The Secretary at the Department of Employment also made further eligibility determinations relating to:

- periods of continuous gainful work that were eligible that did not break the 12 month
- periods of continuous work required to qualify for the bonus, being:
 - authorised paid leave (such as annual, personal and carer’s leave)
 - authorised unpaid leave (of no more than 28 days)
 - no longer than five business day break between the end and start of the next period of gainful work by the person, (provided that such breaks did not exceed 28 days in total)
- circumstances in which the JCB would not be paid, (such as the kinds of work for which the JCB was not payable).

In late 2016 views on JCB program were sought from DoE and DHS management and staff involved with its implementation and delivery. Staff felt that greater flexibility in the eligibility requirements would have facilitated a more effective program design. While the legislation clearly defined the JCB eligibility criteria, the rules were complex and rigid. This meant that staff from both departments had to work out finer program design details. Such details included for example: the treatment of apprentices and those working casual/part-time but off income support; the date to be used as the exit date from income support;²⁷ and the delivery mode (whether it should be a demand driven or automated payment system). Staff also stated that the JCB program design complexity made effective communication with the target audience more problematic (Section 3.3).

²⁷ Options included the date of the last income support payment was made and the date that the income support was cancelled by DHS.

3.2 Implementation of the online application system

Highlights

The online system to apply for the bonus was implemented on budget, on time and within policy parameters. Smooth implementation was the result of good staff communication, a strong emphasis on training and good risk management.

The JCB program was designed and delivered within a tight timeframe. It was targeted at those who had left the income support system who had no need to remain in contact with DHS. As this was a group not previously dealt with by either DHS or DoE. There was a general lack of experience in delivering this type of policy initiative to such a group. Compounding this complexity, the on-line application system was the first system built, both as a stand-alone system and on the new DHS IT platform. Notwithstanding these challenges, the system was implemented on budget, on time and within the policy parameters.

DHS established a centralised claims processing team in Queensland, with a number of back-up staff also trained in processing, to manage risk and ensure that claims and issues were resolved quickly. DHS staff reported that this system worked well. Key staff spent a significant amount of time in Canberra during the planning and development phases, and during implementation, enabling them to gain a good understanding of the systems and processes. A detailed risk management plan was developed (for the planning and implementation phases). Staff felt that they were well prepared when the online system went live on 1 July 2015.

The new DHS platform posed some restrictions for the JCB build. For instance, the link on myGov accounts to claim the JCB could only be made available to applicants once DHS considered that people were potentially eligible. This meant the link was not visible to applicants until they had been off income support for 12 months.²⁸ The DHS payment system usually allows customers capacity to test their eligibility for payments, but as the JCB link only became live when people were potentially eligible, people could not do a prior check of their eligibility. DHS created manual links for a few people who requested this. Even if the facility had been more frequently requested, however, there were insufficient resources to provide this functionality more broadly.

While the online processing system worked smoothly, there were issues with the Management Information System (which had to extract data from both the old and new DHS IT platforms). The reporting solution was less than ideal (requiring considerable manual processing for both DHS and DoE). This would have presented significant challenges had the bonus take-up rate been higher. The system, while labour intensive, worked for the actual number of claimants.

28 The appearance of this link may have contributed to deadweight, as those previously unaware of the bonus may have applied after seeing the link. See Section 4.5.1 for estimation of deadweight levels for this program. Deadweight refers to the proportion of people who sustained their exit from income support, who would have done so without the JCB incentive.

3.3 Communication

Highlights

No funding was explicitly allocated for program communication with potential applicants.

Communication was limited to written and electronic mail from DHS to possible eligible participants once they had left support and more ad hoc promotion from employment service providers.

Word of mouth from claimants was another ad hoc way people became aware of the bonus.

Communication as a barrier to take-up is addressed in Section 3.7.

There were four main players in the communication of the JCB. These were: DHS; DoE; employment service providers; and young adults.

Department of Human Services

Before eligibility

There were two forms of direct communication with people who might become eligible for the JCB.

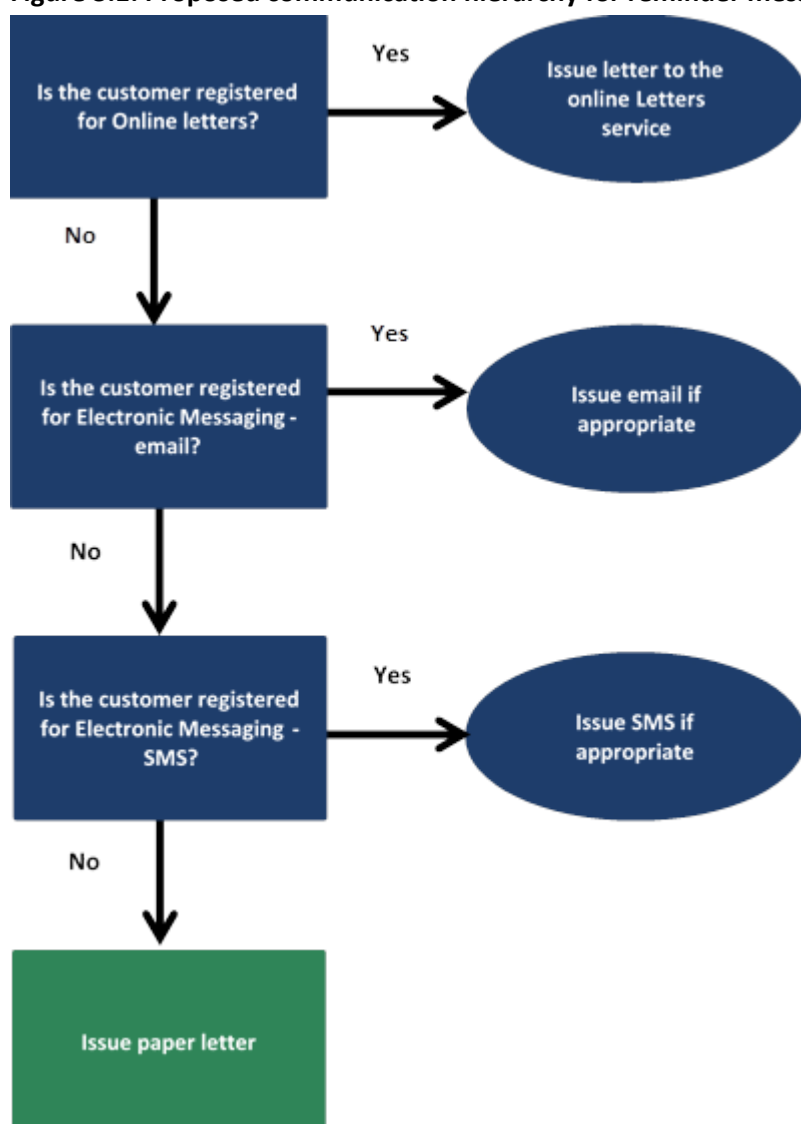
- A one-off mail out occurred between 16 and 19 June 2014, immediately prior to the program commencing. In total, 135,496 letters were sent to existing young adult recipients of NSA and YA(O), who had been in receipt of payment for 12 months or more, informing them about the bonus.
- A paragraph alerting people to their potential JCB eligibility was included in the DHS letter sent when people left income support. The paragraph directed readers to the DHS JCB webpage for further information. The inclusion of this paragraph ceased in July 2016, after the decision to cancel the program. In total, an estimated 122,123 letters were sent with this paragraph included (Attachment F, [Table F.1](#)).

An obvious issue with this communication is that it occurred around nine to 12 months before people were eligible to claim.

After eligibility

Once DHS records indicated that people may be eligible for the bonus an electronic reminder message system was used to try to contact them. These messages were sent when people reached 12 and 24 months off income support. These messages were sent until 31 December 2016. Only eligible former DHS customers who had registered for, and linked their Centrelink Online and myGov Accounts, could receive these messages. Figure 3.1 outlines the communication hierarchy originally proposed for these notifications.

Figure 3.1: Proposed communication hierarchy for reminder messages



Source: Department of Human Services.

Paper letters were not sent to former DHS customers as privacy requirements were not confirmed before the program was cancelled.

Reminder notifications were also not sent to people who did not meet residency or citizenship eligibility criteria, whereas the initial paragraphs (included in the cancellation letter) were.

The electronic reminder messages reached an estimated 54 per cent of 18 to 30 year olds who remained off income support for 12 months or longer as at 31 March 2016.

Other government promotion

There were various other forms of program promotion designed to reach job seekers and the general public including:

- the Minister for Employment issued a press release at the commencement of the program
- the DoE website where eligibility criteria, FAQs and case study examples were provided
- a webpage on the DHS website

- reference to the JCB in some brochures available at DHS Customer Service Centres
- inclusion in auto-reel screen shows at DHS Customer Service Centres
- social media such as a YouTube video, Facebook and twitter information
- a translated press article and SBS radio script for Culturally and Linguistically Diverse (CALD) customers
- information published on various online channels such as Youth.gov.au.

Employment Service Providers

DoE developed a communication strategy (which had both departments responsible for actioning specific components). The strategy assumed that employment service providers would play an important role in the promotion of the JCB program to young adult long term unemployed people (LTU) job seekers on their caseload. Initial promotion of the JCB focussed on the National Employment Services Association (NESA) and employment service provider CEOs. Other departmental communications aimed at employment service providers included:

- a news item on the Provider Portal²⁹ encouraging providers to use the JCB to motivate job seekers
- information about the JCB on the Provider Portal
- postcards, posters and fact sheets about the JCB distributed to providers to use and distribute as they saw fit.

Long-term unemployed job seekers

Some participants in the qualitative research stated that once they had learnt of the JCB they told others who might be interested.

I found out, my sister told me, she was on Centrelink at the time, and I called up probably about a month before I could apply for it, just to see when I would be eligible because like why would I not?

October 2016 (Round 3), received JCB, focus group, Sydney

Possible observer effect

Communications from the DoE Post Program Monitoring (PPM) survey (Attachment D) may have encouraged some people to apply for the bonus. As this was sent around the same time as the DHS electronic reminder it may have also served as a reminder to eligible applicants.

Also, recruitment for the qualitative fieldwork for this evaluation may also have created an increased awareness of the program among those contacted. In fact, a few participants in the Round 2 fieldwork indicated they only became aware of the bonus after receiving the call about the research and had lodged a claim as a result.

29 An online portal used by DoE to provide information to providers.

3.4 Application process

Highlights

Most applicants found the online system well organised and the application process relatively easy to follow. Payments were also more timely than expected.

While collating supporting documentation was not a problem for many, some anticipated that it would be difficult.

Issues that were identified with the application process included:

- there was no automatic acknowledgement of claims or ability to check on claim progress
- accessing myGov accounts was problematic for some as their accounts had become inactive
- limited knowledge about the JCB in some DHS Customer Service Centres.

Applicants lodged claims using their myGov accounts, by providing employment details, including the employer's ABN (for all their employers over the period worked) and by submitting:

- the first and the most recent payslips from each employer and one payslip per quarter in a work period from any employer and/or
- evidence of income earned from a business (for self-employed work).

Application forms (paper) could also be lodged at DHS Customer Service Centres.

Applicants had 90 days to apply for the bonus from the day they first met eligibility requirements. People who missed the 90 day window had a second opportunity to claim JCB1, when lodging a claim for the second bonus. However, they had to be eligible and approved for both bonuses to receive JCB1 at this second opportunity. Applicants were advised in writing whether their claim was granted, rejected or required further evidence. There was an appeals process for rejected claims.

3.4.1 Eligibility

Research participants who had lodged a JCB claim said that they researched eligibility criteria mostly from government websites (Centrelink, DHS and myGov). Participants were generally confident of their eligibility based on this research.

The restriction that the on-line link to apply was only available once people had been off income support for at least 12 months was raised by some, with one participant mentioning that he had used the on-line eligibility checker (that only became available once the live link for the JCB was available on myGov):

So you have to wait exactly 12 months to the day for you to be able to go online and actually apply for it. So the day that you last receive your payment to that very day so you can't actually apply for it just before that so it's ready on that day. It says "Look you can apply for it" but it doesn't give you that timeframe and when you can actually apply for it.

November 2015 (Round 2), received JCB, female, under 25 years, non-metropolitan

I think I just got an email. And it said "If I'd like to participate in a survey", or something like that. And then I click on to it and it was like eight questions and then that determined whether I was eligible for it.

November 2015 (Round 2), received JCB, male, 25 years or more, non-metropolitan

People with further queries either telephoned or visited a DHS shopfront. These participants found that while staff members were helpful, some had limited JCB knowledge.

After one year to my work, I was very excited and go to Centrelink and report them that yes I'm one year now I can get the bonus. But the person who I'm talking in the centre, I showed them the letter that they sent me, because it's telling me it's from the Centrelink, they don't even know about.

October 2016 (Round 3), received JCB, focus group, Gold Coast

I think there needs to be a lot more clarification with the actual Centrelink Employees, like I went in there to ask them about my first one and I got three different answers from four different people.

October 2016 (Round 3), received JCB, focus group, Sydney

3.4.2 Lodgement

Positive experiences

Experiences with the application process were discussed with a small sample of JCB applicants.³⁰ The application process appeared more straightforward for claimants with previous myGov experience. Overall, time taken to complete the application was within their expectations.

Many participants who applied for the bonus found the application process relatively straightforward and the system well organised. For some the process was easier than anticipated.

Yeah I did it online. All you've got to do is go online and just say when did you work, who did you work for and when did you start and do you still work and whatever, and they know when you got off Centrelink.

October 2016 (Round 3), received JCB, focus group, Sydney

With the applications I used their website mainly, I just went on because it was all electronic based and it was just easier to complete, and they had the help boxes so if there was a question that you didn't know exactly what it was referring to, there's like a little question mark, you hover over it, it gives you more information, so it just makes it easier for if you have a problem, or misunderstanding something. And they've got, either you upload documents, so you just scan them into the computer and put it up there, and it saves you creating duplicates.

October 2016 (Round 3), received JCB, interview, regional NSW

Generally, for those participants who had received the bonus, processing times were timely and appropriate. Some stated that this exceeded their expectations, with some finding the funds

30 In the round two fieldwork, seven of the participants had received the bonus and three had their claim rejected.

deposited in their bank accounts before they were notified by DHS that their application had been successful.

It was actually relatively quick; I think it was maybe a week to two weeks. So it was quite a fast turnaround, I was expecting a little longer based on some of the stuff you had to put in to Centrelink, it does take a little bit, because it's a big government organisation.

October 2016 (Round 3), received JCB, interview, regional NSW

I was surprised at how quick it went through.

October 2016 (Round 3), received JCB, focus group, Gold Coast

Because I actually looked in my bank statement and it was, I noticed it was up and I thought "I wonder if that was the [JCB]" and yeah it was.

November 2015 (Round 2), received JCB, male, 25 years or more, non-metropolitan

Negative experiences

Many research participants sought assistance with their applications at a DHS Customer Service Centre. There were issues of unfamiliarity for people who had not previously used myGov and had been advised to claim online. Some found themselves locked out of their DHS accounts or unable to remember log-in details, as they had not accessed their accounts for over a year.

I guess as it was my first time using myGov, navigating my way around and becoming, like, a member of, like, the Centrelink part of myGov took a bit of figuring out. And yeah, I found that bit a little bit challenging.

November 2015 (Round 2), received JCB, female, 25 years or more, non-metropolitan

It says that you can apply online [though Centrelink account], and I attempted to go through using my login and all of that sort of thing, but all of my permissions, obviously since I haven't received any financial aid in such a long time they've removed a lot of my permissions.

November 2015 (Round 2), received JCB, female, under 25 years, metropolitan

A few incidents of technical glitches within the myGov system were raised by those who had applied in both tranches of fieldwork (Round 2 and 3), including site crashes when uploading supporting documentation, automatically logging off when progressing through the application, and lack of support for large PDF files and some people had problems with lodging using a mobile phone.

I actually started filling out the application form and the website won't recognise my company's ABN.

October 2016 (Round 3), not yet claimed, focus group, Brisbane

Yeah it was pretty difficult to get it in, it took me almost three weeks to lodge my first claim. I couldn't do it online; I had to go into the office a few times.

October 2016 (Round 3), received JCB, focus group, Sydney

I had a bit of an issue with it though because I tried to send it through the Centrelink app, but my phone was distorting the picture, so they couldn't actually read it, it was all blurry, so I had a bit of an issue with that and had to send it in a couple of times, but it got there.

October 2016 (Round 3), received JCB, interview, regional NSW

Some who applied for the bonus considered the time required to collate all supporting documentation was acceptable and many had no problems providing this information. Others had difficulty getting all the required information together in a relatively short timeframe (having only become aware of the JCB late in their 90-day claim window period), while others who had not claimed the bonus thought this would be an issue for them:

Well yeah, as soon as I was told that I need to get, all of the information on my pay slips for the last 12 months that was already going to be too much for me to investigate something I wasn't really sure about.

October 2016 (Round 3), not yet claimed, focus group, Melbourne

I don't get pay slips, I invoice. Monthly, I get paid monthly, so I don't really get a pay slip as such. So I don't know if that would cause problems with it.

October 2016 (Round 3), not yet claimed, focus group, Gold Coast

The lack of an automated response acknowledging receipt of applications and the inability to check their progress were considered weaknesses of the on-line system. Some participants stated they had followed up with DHS to ensure their applications had been received and to check their status.

DoE established a complaints email link from the department's website and responded to approximately 360 emails. Long wait times for the DHS telephone call centre was often the reason people sent enquiries to the DoE mailbox.

Most applicant issues mentioned by DHS staff aligned with participant complaints recorded in fieldwork, and related to:

- accessing myGov accounts
- that the link to claim the JCB was live only once the applicant became eligible.

3.5 Claims made, approval and rejection rates

Highlights

An estimated 22 per cent of potentially eligible people claimed the bonus. Higher levels of education and access to information were key factors affecting the likelihood of actually claiming.

Some types of people were more likely to lodge a claim, if eligible, including: single parents, those with tertiary education and women.

Awareness of the bonus appears to have increased over time.

Many applicants were unaware of their right to appeal decisions.

3.5.1 Claims made

During the time the JCB program operated, 8,015 people lodged claims for the first bonus (JCB1), with 1,325 of these lodging a claim for the second bonus (JCB2).³¹ Some lodged more than one claim for the same bonus, because of application / processing issues or rejection of earlier attempts.

Table 3.1 shows the final status of claims³² for the 8,015 people who lodged one or more claims for the bonus.

Table 3.1: JCB Claims, as at 3 April 2017

Processing status	JCB1 claim	JCB2 claim
Claim approved	6,584	1,217
Claim rejected	1,207	95
Claim being processed	170	13
Claim withdrawn	54	3
No claim lodged	-	6,687
Total	8,015	8,015

Notes:

1. This table shows the final status of claims lodged by each person.
2. As at 30 June 2017, 6,595 JCB1 and 1,223 JCB2 claims had been approved.

Source: DHS and DoE monitoring data.

Results of the JCB Post Program Monitoring (PPM) survey show that the majority of in-scope job seekers who left income support (91.3 per cent) were employed 12 months later, with just 2.5 per cent having left the labour force and just over 6 per cent (6.2) unemployed.

Respondents who left income support and potentially could have claimed the JCB, had their employment met eligibility criteria, were asked about their pattern of employment over the previous 12 months, since they left income support. Of the 91.3 per cent who were employed, around one in six (16 per cent) had not been in continuous work, with 12.0 per cent reporting that they had been employed for the entire 12 months but had taken unpaid breaks and a further four per cent had breaks between work of at least one week duration.

31 Based on data available as at 3 April 2017, which was the latest claims data available at the time the analysis was conducted for this report.

32 Based on data available as at 3 April 2017, which was the latest claims data available at the time the analysis was conducted for this report.

One in five (22 per cent) who were ‘potentially eligible’³³ claimed the bonus. People who were ‘potentially eligible’ who did not claim would include those who:

- did not actually qualify for the bonus based on their employment during the 12 month qualification period (as such information is not available for this analysis)
- were unaware of the bonus
- were aware of the bonus but missed the deadline to apply for JCB1 and were unable to apply at the deadline for JCB2 (as they either did not qualify for JCB2 or the program ceased before they reached this milestone)
- consciously chose not to apply even though they qualified.

There was a spike in JCB claim rates³⁴ in June 2015. This, in conjunction with qualitative evidence indicates that people were more likely to check their myGov accounts around tax return time and consequently found communications from DHS.³⁵ It may also go some way to explaining the higher claim rates shown in earlier months of the program (July to September 2014). There was, however, a gradual decrease in JCB claim rates over this period, which more likely reflects a diminishing effect of the bulk promotion letter sent in June 2014 (Figure 3.2).

And it was just after tax time, so I assumed they were going to say you owe me money, and then I was like, wait till next year.

October 2016 (Round 3), not yet claimed, focus group, Melbourne

It was around tax time and I had my group certificate in my hand and I was like wicked, and they wanted proof of income, and I had my group certificate already on their file, so attached that new activity, that new claim, it was very easy I thought.

October 2016 (Round 3), received JCB, focus group, Gold Coast

There was another noticeable jump in lodgement rates from February to June 2016. This increase may reflect that in early 2016 the DoE and DHS increased the proportion of potentially eligible claimants who received electronic reminder messages.³⁶ The ‘hit rate’ for these reminders increased from 47 per cent of potentially eligible people from July to December 2015, to more than 54 per cent³⁷ three months later. This clearly demonstrates the importance of communication for program take-up rates. Program awareness may also have been improving due to word of mouth, as more

33 ‘Potentially eligible’ people are defined for the purposes of this evaluation as those that left income support during the JCB period of operation, their income support history and age met JCB eligibility criteria, they remained in the labour force and off income support for at least 12 months. These individuals are identified for analysis purposes only by the Evaluation Team not by the Department of Human Services JCB operating processes.

34 The JCB claim rate is the proportion of ‘potentially eligible’ people who actually lodged a claim

35 The situation may have contributed to deadweight. Those who had reached the 12 months off income support milestone may have applied for the bonus yet would not have had they remained unaware of the bonus without this ‘timely’ correspondence. See Section 4.5.1 for estimation of deadweight levels for this program.

36 Those who received electronic reminder messages in early 2016 would have exited income support 12 months earlier, in early 2015.

37 As the overall average (which included the first six months period that the rate was 47 per cent) to that time was 54 per cent.

people claimed the bonus. The extent to which this was occurring is unknown, but some people involved in the qualitative fieldwork did raise it.

I started with a group of about five other mates, well there was about twenty of us and five of them were on Centrelink six months beforehand. I told them about it and four out of those five went and did the claim as well.

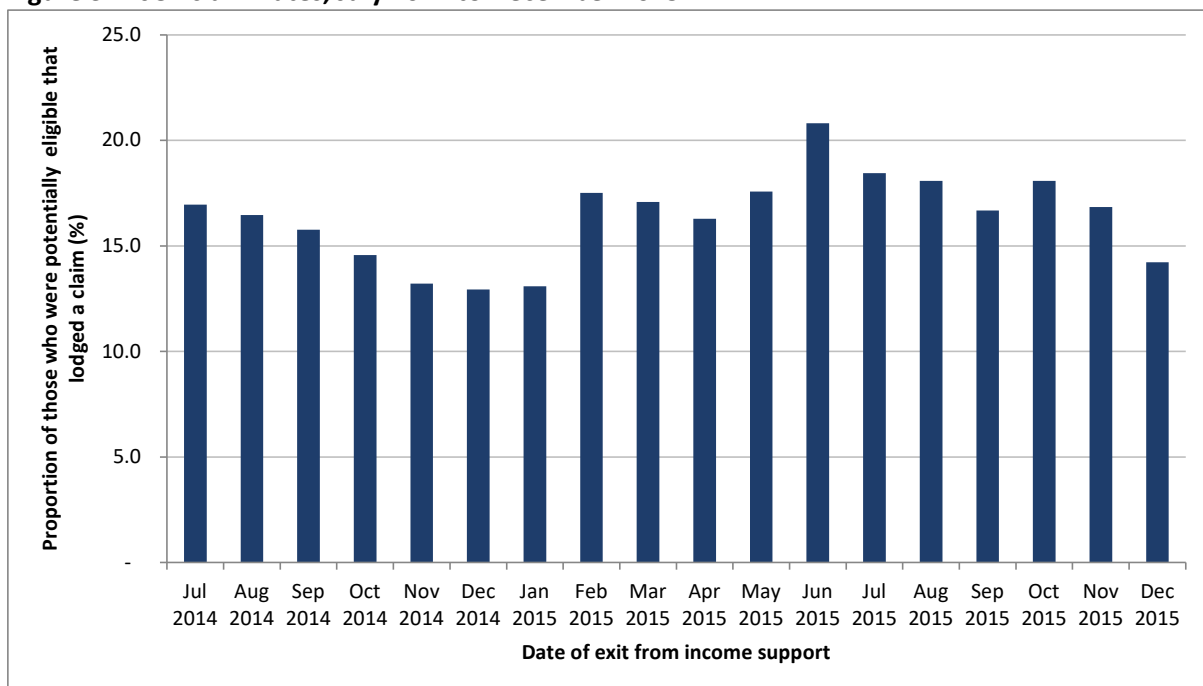
October 2016 (Round 3), received JCB, focus group, Gold Coast

Yeah I tell people about it, and I'm pretty sure I even did a Facebook post about it when I received it... I think I posted a link about it too, sort of saying that it was a bit odd, but I'll take any money I can get. Basically.

October 2016 (Round 3), received JCB, interview, Melbourne

Given the evidence above, it is likely that had the JCB continued, this form of communication would have become more prevalent and would have played a greater role in the program.

Figure 3.2: JCB claim rates, July 2014 to December 2015



Note: ‘Potentially eligible’ means that these people exited income support, had an income support history and were of the eligible age for the JCB and they remained off income support for at least 12 months.

Source: DHS and DoE monitoring data, and Research and Evaluation dataset (RED).

As the JCB program was in operation for two and a half years, the second bonus claim was only available to those who left income support in the first six months of the program.³⁸ These people could lodge JCB2 claims between 1 July 2016 and 31 March 2017.^{39,40}

Most applicants lodged separate claims. Of the 1,325 applicants who lodged claims for both bonuses, around one in five (17.6 per cent⁴¹) applied for both bonuses simultaneously (Table 3.2).

Table 3.2: Lodgement types for bonus claims, as at 3 April 2017

JCB first bonus (12 months)

Lodgement type	Claim approved	Claim rejected	Claim being processed	Total
Applied for JCB1 only or separately	6,393	1,176	159	7,728
Lodged a combined claim	191	31	11	233
TOTAL	6,584	1,207	170	7,961

JCB second bonus (24 months)

Lodgement type	Claim approved	Claim rejected	Claim being processed	Total
Applied for JCB2 separately	1,028	62	2	1,092
Lodged a combined claim	189	33	11	233
TOTAL	1,217	95	13	1,325

Notes:

1. For an explanation of how this data was derived from the available monitoring data see Attachment E.
2. Excludes withdrawn and cancelled claims.

Source: DHS and DoE monitoring data.

Only those who did not know about the bonus before the expiry of the JCB1 application deadline or, who had difficulty either collating the required documentation or applying, would likely have waited to lodge a combined claim at the second opportunity.

Of the 7,961 JCB1 claims lodged and not withdrawn, 2,280 were by applicants who left income support between July and December 2014. Around one in ten (10.2 per cent) lodged their JCB1 claim at the second opportunity (24 months after leaving income support). Therefore, a significant proportion of these applicants became aware of the program well after they had obtained

38 Between 1 July 2014 and 31 December 2014.

39 Allowing for the 90 day claim window.

40 This deadline could also be extended if special consideration was granted.

41 Excluding those who withdrew claims.

employment, with either insufficient time to lodge their first application or having missed the deadline entirely.

3.5.2 Types of people claiming the Job Commitment Bonus

Employment services

Approximately 91.5 per cent of people who lodged a bonus claim had most recently been in JSA or jobactive, while 7.9 per cent had been in Disability Employment Services (DES) and 0.6 per cent in the Community Development Programme (CDP).

This is in keeping with the proportion of eligible job seekers in JSA/jobactive. However, a higher proportion of participants from DES, and a lower proportion of participants from CDP lodged a claim than were in scope. Lack of access to information for CDP participants and increased levels of post placement support for DES participants may have influenced this.

Gender and length of unemployment

More than half (56.2 per cent) of the JCB1 claims were lodged by men. This result is slightly lower than expected based on the gender mix of those either LTU or very long term unemployed (VLTU) alone. Males represented 60.8 per cent of young adult LTU/VLTU job seekers on the JSA caseload at 1 July 2014. This suggests that from the eligible cohort young women were more likely to lodge a bonus claim than young men.

Almost three out of five applicants were LTU (57.5 per cent), that is their period of qualifying income support⁴² was between one and two years. The remaining 42.5 per cent were VLTU who had been on qualifying payment types for two years or longer.

Of the potentially eligible cohort, VLTU were more likely to claim than LTU (46.1 per cent of those who claimed the bonus were VLTU compared with 41.8 per cent of those who were potentially eligible being VLTU).

Age group

For those aged 18 to 24 the proportion who claimed the bonus who were VLTU was lower (44.9 per cent) than those in the higher age range of 25 to 30 years (47.6 per cent). This differential can be explained by the fact that those in the younger age grouping were more likely to have been in education before becoming unemployed, and had less time in the labour force purely because of their age.

People approved for JCB1 were on average older than those who were 'potentially eligible' for the bonus (24.3 years compared with 23.9 years).

42 Continuously on NSA, YA(O) or a combination of both until exit from income support.

Claims by state

The distribution of claims across the states and territories (Table 3.3) largely follows the distribution of the target group on the JSA caseload. Victoria and Western Australia were exceptions and the reason(s) for this are not immediately apparent. Possible explanations relate to changes in employment and unemployment rates and differences in communication about the JCB program at the state level.

Table 3.3: JCB1 claims, as at 3 April 2017, compared to the Australian labour force and the JSA caseload at the commencement of JCB, by state (per cent)

State	JCB1 Claimants (%)	Australian labour force 18 - 30 years July 2014 (%)	JSA caseload 18 – 30 years unemployed one year or longer 1 July 2014 (%)
New South Wales	29.4	30.6	29.5
Victoria	28.3	25.3	23.1
Queensland	22.4	20.4	24.0
South Australia	9.7	6.7	10.0
Western Australia	5.1	12.1	7.9
Tasmania	3.5	1.8	3.8
Northern Territory	0.4	1.2	0.7
Australian Capital Territory	1.2	1.9	1.0
Australia	100.0	100.0	100.0

Notes:

1. Includes claims that were subsequently withdrawn.
2. Labour force figures are rolling 12 month averages of August 2013 to July 2014 data.
3. JSA caseload LTU status determined by length of time in service (that is, since registration with DHS).

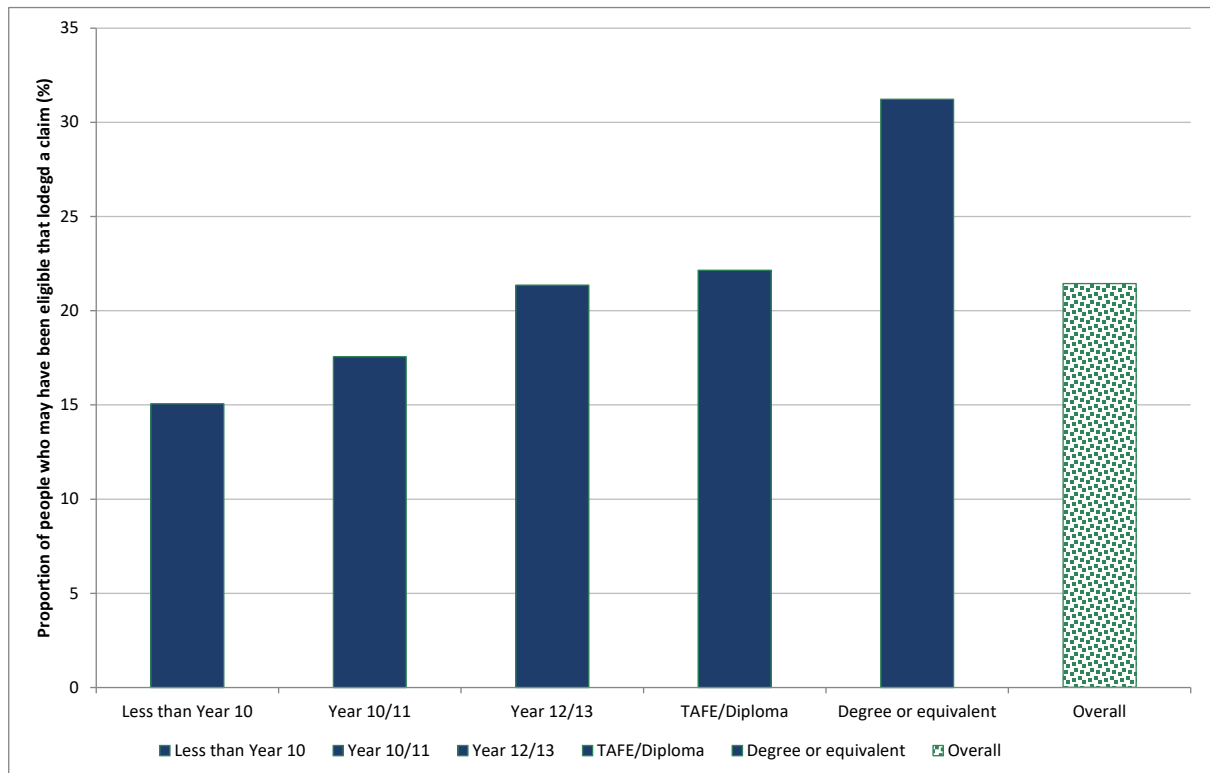
Source: DHS and DoE monitoring data, DoE administrative data and ABS Labour Force special run (extracted March 2017).

Education

More than half of claims were lodged by applicants with post school education.⁴³ People with less than Year 12 education were significantly less likely to have claimed the bonus, while those with a degree or equivalent levels of education were significantly more likely to have lodged a claim (Figure 3.3).

43 39.8 per cent of claimants had TAFE/Diploma level qualifications and a further 14.7 per cent had a degree or equivalent.

Figure 3.3: JCB claim rates by highest level of education



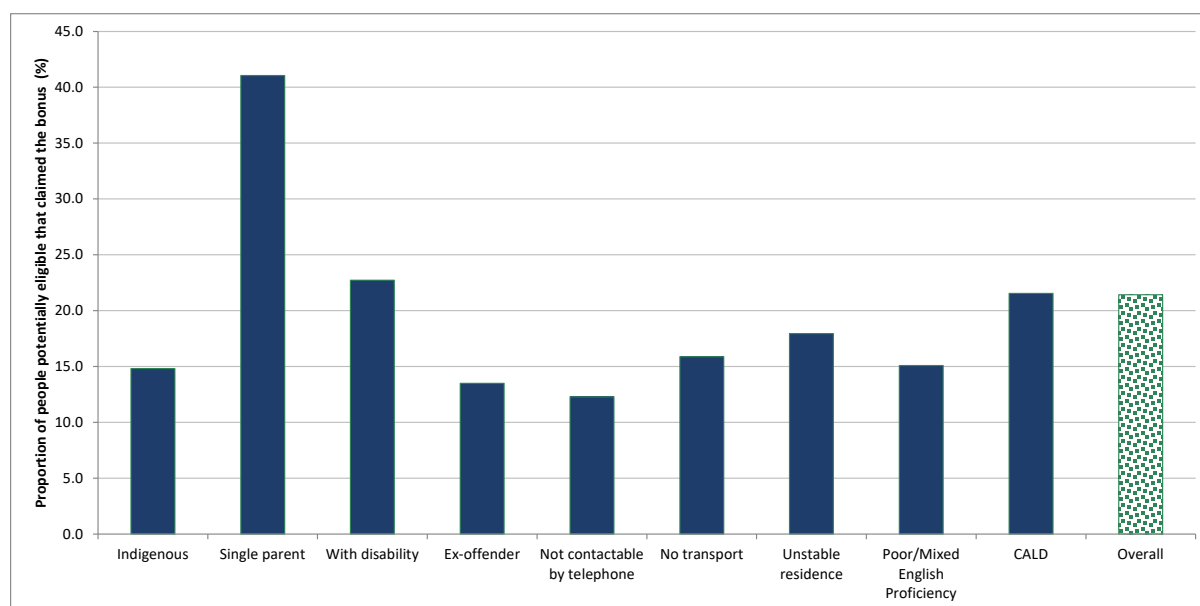
Note: Refer to Attachment F, [Table F.2](#).

Source: DHS and DoE monitoring data.

Figure 3.4 shows the proportion of people with certain demographic characteristics who were potentially eligible⁴⁴ who lodged a claim for the bonus. While small in number, single parents and people with disability had above average claim rates (Attachment F, Table F.3).

⁴⁴ Potentially eligible people are those who left income support during the JCB period, their income support history and age met JCB eligibility criteria, who remained off income support for at least 12 months. Post Program Monitoring (PPM) JCB data estimates of the proportions that remained in the labour force and had continuous employment used in this analysis do not vary by demographic group.

Figure 3.4: JCB claim rates by selected characteristics (per cent)



Note: Refer to Attachment F, [Table F.3](#).

Source: DHS and DoE monitoring data.

Predictive demographic characteristics of JCB claimants

When regression techniques are used to control for the different types of applicants, the following demographic characteristics are found to be the best predictors of a person having claimed, as opposed to being potentially eligible and not claiming (Attachment F, Table F.4). Single parents, in general, would have been more likely to maintain myGov access due to interaction with the childcare/child support systems or Family Tax Benefit. They would therefore have been more likely to receive relevant information, which may have resulted in them being more likely to apply if eligible than those who were not single parents.

Table 3.4: Demographic characteristics of people more likely to claim the JCB (percentage points)

Characteristic	Percentage points more likely
Single parents	8.1
Living in a high/extreme disadvantaged ESA	4.5
With tertiary education compared with TAFE	4.5
Had been on income support more than three years	4.3
Females	2.9
Had been on income support two to three years	2.7
CALD	2.1
25 to 30 years old	1.8
People with disability	1.4

Note: Refer to Attachment F, [Table F.4](#).

Source: DHS and DoE monitoring data, DoE administrative data and Research and Evaluation Database (RED).

Demographic groups less likely to have lodged a claim than not having applied were people:

- with poor/mixed English proficiency
- with lower education levels
- who are not contactable by phone
- who are ex-offenders.

These results indicate that education levels and availability and accessibility of information were key influences on take-up.

There are certain job seeker demographic groups who are more strongly influenced by financial incentives. Immervoll and Scarpetta (2012) found that financial incentives have more influence on people on low incomes and single parents. Findings from this evaluation support this.

3.5.3 Relationship with financial support received from employment service

Another aspect explored in this evaluation is the relationship between bonus applicants and different amounts or types of Employment Pathway Fund (EPF)⁴⁵ assistance when in employment services⁴⁶, for those:

- who did not claim the bonus but were potentially eligible
- who remained on income support
- who left income support but did not sustain their exit, churning back to income support within 12 months of exiting.

The detailed results of these analyses are at Attachment F, Tables F.5 to F.8.

Compared with people who did not receive EPF support, people who did were more likely to have claimed the bonus (Attachment F, [Table F.5](#)). This differed depending on the main type of EPF support they received (Table 3.5). People who received EPF support for professional services were 3.5 percentage points less likely to have applied for the bonus. Professional services are often provided to those with mental health or other disability issues as well as people requiring higher levels of support.

45 The Employment Pathway Fund operated under JSA. A similar fund operates under jobactive. It is called the Employment Fund (EF).

46 The study population selected for this analysis was chosen to avoid issues with the change of model to jobactive from 1 July 2015 and consequential changes to the Employment Fund (which differs in operation compared with the EPF fund under JSA).

Table 3.5: Likelihood a person would claim the bonus by type of EPF support provided compared to those who received no EPF support (percentage points)

Type of EPF support provided	Percentage points more likely
Wage subsidy support	5.9
Other types of EPF support	5.3
Transport and licensing support	4.8
Provider services support ¹	3.5
Training support	3.0
Professional services	-3.5

Notes:

1. Some assistance that could be claimed under the provider services support category changed between JSA models e.g. reverse marketing was not included in 2012–15 but had been earlier.
2. Refer to Attachment F, [Table F.6](#).

Source: DHS and DoE monitoring data, DoE administrative.

While people who received greater EPF support (in dollar terms)⁴⁷ were more likely to have claimed the bonus than the other types of people, noted above, this shows not so much the connection between EPF expenditure and bonus attainment, but rather, the effectiveness of EPF expenditure in helping job seekers to exit income support by becoming more job ready.

3.5.4 Rejection rates

Table 3.6 shows the rejection reasons for JCB1 claims in the program’s first 12 months of operation. The main reason was a lack of required documentary evidence (44.3 per cent of rejections), followed by people not satisfying the 12 months continuous employment requirement (25.8 per cent). Almost a quarter of rejected claims were because the 90 day claim window had expired. These claimants could only lodge a successful JCB1 claim if they continued in employment to a successful 24 months milestone.

Some of the rejected claims in the ‘Evidence not supplied’ and ‘Claim outside 90 day period’ categories were subsequently successfully lodged / amended and approved. The large number of rejections for ‘Evidence not supplied’ raises questions about the effectiveness of communication. Better communication around the application process and eligibility criteria may have improved the success rate of previously rejected claims. There are a significant number of rejections for reasons that demonstrate a misunderstanding of the eligibility criteria (Table 3.6). This indicates there may have been people who were eligible but did not realise it. The extent to which this occurred cannot be quantified, but is explored in the qualitative research (Section 3.7).

⁴⁷ Results of analysis provided in Attachment F, Table F.5.

Table 3.6: Reasons for rejections of JCB 1 claims, 1 July 2015 to 5 July 2016

Rejection reason	Number	Per cent
Evidence not supplied	455	44.3
Not in continuous employment for 12 months	265	25.8
Claim outside of 90 day period	293	23.3
Not on qualifying payment for 12 continuous months or did not meet age criteria	36	3.5
Other	32	3.1
Total	1,027	100.0

Notes:

1. Processing data of rejection rates from July 2016 was not available in the monitoring data.
2. 'Other' category includes: Residentially unqualified, Precluding payment/returned to income support and Employment not suitable (including scholarship, self-employed under NEIS, Green Army).

Source: DHS and DoE monitoring data.

It should be noted that these figures may not represent the final outcome for many claimants as some made several lodgement attempts. The final claim status is ultimately more relevant than the number of attempts. Following re-lodgement and amendment, 15.1 per cent of people who applied for the first bonus were ultimately unsuccessful (Table 3.1). Rejection rates for the second bonus, as expected, were lower (7.2 per cent). This is likely because people who claimed the second bonus had previously submitted a claim for the first (only 17.6 per cent of people claiming the second bonus submitted a Combined Claim) (Table 3.2).

Some applicants whose claims were rejected and later approved were unaware of how or why this changed.

I found it very difficult, so the first time I put it through it got declined. And then I went into Centrelink and spoke to them and they said to do it again, and then it got approved.

October 2016 (Round 3), received JCB, focus group, Gold Coast

Applicants with rejected claims responded in varying ways. Some accepted the outcome and understood they had failed to meet the eligibility criteria

Yeah, I was expecting like the answer to be positive, but then when they explained to me why and all that, I was okay with it, I understood it...Actually to be honest I was like, "Oh you know, that would be nice to have the Bonus".

November 2015 (Round 2), claim rejected, female, under 25 years, metropolitan

Others were frustrated, upset and annoyed as they felt things beyond their control hindered their application. Some were unaware that their claims had been rejected and did not recall receiving any communication from DHS about the outcome of their claim. Others had read the communication from DHS about their rejection but found the feedback and information provided insufficient explanation.

When I got declined I had to make a judgement call on why I had been declined. All it said in the letter was we don't feel that you've been working 12 months. It felt very bland and generic, it didn't feel like someone had actually reviewed my application.

November 2015 (Round 2), claim rejected, male, 25 years or more, metropolitan

It was easy to apply, the problem was it got rejected and I had no reasoning for why it got rejected, the information was so minimal that I thought well, what's going on here, all the information I provided was correct, so I had no idea and then chasing it was extremely difficult because there's no point of contact, and no one knew anything about it when you called any Centrelink office. They were like Job Commitment Bonus I have no idea what you are talking about.

October 2016 (Round 3), claim rejected, interview, regional Victoria

3.6 Appeals

Highlights

Most appeals related to a misunderstanding of eligibility requirements. The number of appeals would likely have been lower had there been more effective communication about eligibility requirements or a simpler program design.

Some research participants lacked awareness of the right to appeal, and others though aware, thought the process would be too much effort.

I think the reason was because I was on payments and then I got, I went off payments for I think two months and then I went back, no, I was off payments, I was working but then I went back on payments for just two months, and then I went back off them, and I was working for a year then, but I think there was something like, you need, that sort of two months when I went back on it, sort of initially stuffed it up, they said I wasn't eligible, but there's a clause that says, you can go back on it for just a small amount of time and still be eligible or something. It was all very confusing.

October 2016 (Round 3), received JCB, focus group, Gold Coast

The wait times for Centrelink are so long. I didn't bother (appealing).

October 2016 (Round 3), claim rejected, interview, Melbourne

Qualitative evidence suggests that communication was an issue in that:

- more effective communication about eligibility criteria or simpler, less complex program requirements may have reduced the number of rejected applications
- communication with applicants about the reasons for claim rejections was not effective
- many were unaware of their right to appeal rejected applications, while others based on preconceived negative views were discouraged from seeking an appeal.

Appeal rates

In around two-thirds (68.5 per cent) of the 178 appeals lodged to 12 May 2017 the original decision was upheld. A further 11.8 per cent of appeals were withdrawn after the decision was explained to the applicant (Table 3.7). This aligns with findings from qualitative research that communication about rejections lacked information and explanation about the decision (Section 3.5).

Table 3.7: Appeals of JCB claims, 1 July 2015 to 12 May 2017

Decision	Number	Proportion (%)
Affirmed (decision to reject not overturned)	122	68.5
Withdrawn	21	11.8
Set aside	19	16.3
Dismissed	51	2.8
Still in progress	3	1.7
Total	178	100.0

Notes:

1. In 21 cases the appeal was withdrawn following explanation of the decision at the customer's request.
2. One case was set aside following the provision of additional information to support the claim.
3. At 12 May 2017 twenty cases had been considered by the Administrative Appeal Tribunal (18 cases had one review, with two cases decided after two reviews).

Source: Department of Human Services monitoring data.

A comparison of the proportion of appealed cases by rejection reasons with overall rejection rates (Table 3.6), shows that while almost equal numbers of claims were rejected for either 'not being in continuous employment' (25.8 per cent) and 'claim being made outside the 90 day period' (23.3 per cent), the proportions that appealed from these two groups was quite different. About a third (34.3 per cent) of appeals were rejected because they 'lodged their claim too late', compared to just 4.6 per cent rejected because they were 'not in continuous employment' (Table 3.8).

Table 3.8: Claims appealed by reasons for rejection, 1 July 2015 to 12 May 2017

Rejection reason	Number	Proportion (%)
Claim outside of 90 day period	60	34.3
Qualifications not met	39	22.3
Not eligible for first JCB payment	34	19.4
Did not respond to information request	14	8.0
Not receiving qualifying payment for more than 12 months	11	6.3
Not in continuous employment for 12 months	8	4.6
Other	9	5.1
Total	175	100.0

Note: 'Other' category includes:

- Not on qualifying payment for 12 continuous months or did not meet age criteria
- Residentially unqualified
- Customer was self employed
- Method of Payment.

Source: Department of Human Services monitoring data.

This suggests that while there was confusion around the continuous employment requirement, most applicants whose claims were rejected based on this criterion accepted the decision once they better understood the requirement.

The high proportion of appeals against the 90 day claims window indicates that the specifics around this requirement, such as:

- their date of exit from income support
- the date they last received payment
- the gap allowed between that date and starting work
- the final date of their 90 day claim window

were confusing, overly complex, unknown or possibly just considered unfair to the claimant. Simpler rules, more flexibility and improved communication may have mitigated these issues.

3.7 Issues affecting take-up rates

Highlights

The main issues that impacted take-up of the Bonus were:

- low program awareness
- prior negative perceptions with the income support system
- program design issues
- a weak labour market
- discounted future value of the bonus.

3.7.1 Program awareness

Program awareness among the target audience was one of the main barriers to program take up. The JCB could not meet its objective of motivating and encouraging long-term unemployed young adults into work and off income support if young adults did not know it existed.⁴⁸ There was no explicit allocated funding to either DoE or DHS for promotion of the JCB program.

There were impediments to DHS contacting the target group that included:

- these young adults are generally quite transient, often changing address and digital contact details (email addresses and mobile phone numbers)
- there were no established protocols for DHS communicating with people who were no longer their clients
- new privacy rules introduced around the same time as the JCB further compounded issues as DHS had to determine if they were even allowed to write to people's last known address under these new rules

48 The communication strategy and other methods of communication of the JCB are discussed in Section 3.3.

- once people exit the income support system they are usually keen to sever ties with the system (unless they are accessing other payments such as child care support or Family Tax Benefit) and therefore have no need to update their contact details with DHS, and many do not readily want to reconnect with the system online again.

There is evidence that while some providers saw the JCB as a useful tool and promoted it to their clients others may not have, meaning this primary source of promotion for the program was likely not fully effective.

My job provider did tell me. It was a good incentive for me to get back to work. She was like, pretty much pushing it.

October 2016 (Round 3), received JCB, focus group, Sydney

When I was in Melbourne I had to go to one of the job places, in Oakleigh. And the person there went and showed me the piece of paper and she was like what do you know about this, because I already had my job at that point, so they were like if you stay in the job for a year you can get this and I thought that's pretty cool.

October 2016 (Round 3), claim rejected, interview, Melbourne

Identified issues with the communication

Table 3.9 summarises some issues for the main forms of communication for the JCB.

Table 3.9: Issues with selected forms of communication with potential applicants

Communication	Problem
Bulk mail out letter	<ul style="list-style-type: none"> • Had the potential to raise awareness and influence job search behaviour at the start of the program, but occurred too long before qualification to be fully effective.
Paragraph in exit from income support letter	<ul style="list-style-type: none"> • Sent as people were leaving income support, so too late to influence job search behaviour. • Had potential to influence motivation to stay employed, but sent too long before qualification to be recalled.
Electronic reminders to myGov accounts	<ul style="list-style-type: none"> • Timely reminder for those who stayed off income support, but if person was previously unaware of bonus then claims resulting from this communication would most likely be 'deadweight'. • Many people no longer needed to access myGov accounts so this form of communication did not always reach its audience • There was no similar communication for those unable to receive electronic messages.
Information provided at DHS Customer Service Centres such as brochures and auto-reel shows	<ul style="list-style-type: none"> • Potentially seen by those seeking employment but those who had left the income support system (and could try to qualify for the bonus) had no need to go to Customer Service Centres.

There were low levels of awareness of the JCB in both Round 1 fieldwork (nine months after the program had commenced) and Round 3 (just prior to the program ending). Combined, these two studies gauged views of a diverse range of young adults who had been long-term unemployed job seekers. These young adults had either remained long-term unemployed or obtained employment and left income support (some of them had sustained the employment for more than 12 months). All were in the JCB target cohort at some point and with effective communication, should have been aware of the program. Excluding those who had applied for the bonus, awareness levels were low,

with many participants only finding out about the bonus because of their participation in the research.

Qualitative research provides evidence of some issues that the formal communications implemented for the bonus needed to overcome to be more effective.

Method of communication

Most participants who were aware of the bonus were informed by correspondence from DHS. There were issues with both postal and electronic DHS messages sent to the target cohort. The use of myGov was ineffective, as people had little reason to access this system once employed for income support or job search reasons, and some had completely disconnected from it.

I remember like because I requested Centrelink to take me off their records.

October 2016 (Round 3), not yet claimed, focus group, Gold Coast

Some people no longer received myGov notifications, while others checked messages infrequently and therefore found correspondence when it was too late. Some indicated they only scanned for correspondence that was critical or needed immediate action, for example at tax return time.

I didn't get, I can't remember if I got anything in my myGov account, I didn't check it heaps because I mean there's not much point in doing it once I'd gone off payments and stuff, but I didn't get a text or anything, there wasn't a reminder saying you have been working for a year, now you can get your money.

October 2016 (Round 3), claim rejected, interview, Melbourne

Staff involved with the program felt that a dedicated social media campaign to raise awareness and reach those harder to reach may have been beneficial. An engagement strategy using proven methods of communicating with the target cohort may have been more effective, but without dedicated funding this was not possible.

Timing of delivery

The despatch of DHS correspondence could have been more effectively scheduled to achieve the desired behavioural outcomes. There was evidence of promotion by some providers and some word of mouth program promotion, but based on qualitative evidence, these appear not to have been extensive.

I think I got a letter when I first started working and then I got two follow ups around the time I was ready to apply for it.

October 2016 (Round 3), received JCB, focus group, Melbourne

I actually had no idea it was going until I received a letter in the Centrelink site, in my Centrelink account, they just sent a letter saying you are eligible for the Job Commitment Bonus, so I had no idea it was a thing until a year after I'd finished receiving support. So yeah, and then I just, because I was eligible, I claimed it.

October 2016 (Round 3), received JCB, interview, regional NSW

As the DHS communications were sent when people were either leaving or had been off income support for some time, some paid little attention to them.

With things that are relevant sort of things, like Centrelink was probably getting to the point where it was no longer a relevant factor.

October 2016 (Round 3), received JCB, interview, regional NSW

Some participants suggested that emails to eligible participants, or promoting the JCB on television or radio, could have helped raise awareness of the program. Many thought that the JCB could have achieved its objective of encouraging job seekers to increase job search and remain off income support.

I definitely think awareness did need to be a little bit better because I wouldn't be surprised if a vast majority of people have no idea that it exists, because it really is, you really do have to dig to find. If I didn't get that letter there was no way you'd be aware. Because after you've been working, even if you've been working for six months you wouldn't be going back on to the Centrelink website for any reason.

November 2015 (Round 2), received JCB, female, under 25 years, metropolitan

Desire to disengage from the income support system

Another reason that many may not have read the DHS communications was as they had already mentally disengaged from Centrelink when they received their income support exit letter.

But I don't go on there (MyGov) that's the cool thing because I have nothing to do with Centrelink.

October 2016 (Round 3), not yet claimed, focus group, Adelaide

Actually I do remember them calling when I got a job and maybe they were trying to say something, but I didn't want to talk to them, because I had a job now and I hated talking to them and they could have been saying about this.

October 2016 (Round 3), not yet claimed, focus group, Adelaide

Receptiveness to message

There was a sentiment of mistrust of dealings with government, with some participants actively avoiding looking at government communications. The message of a positive financial incentive was not what people were expecting to receive from DHS and some found this difficult to absorb.

It's very confusing. My mind was actually blown.

October 2016 (Round 3), received JCB, focus group, Melbourne

No, just like, that's pretty, like that's insane, like I haven't seen anything like that before. I got a letter and I was like cool, yeah I didn't believe it until I saw the money in my account.

October 2016 (Round 3), received JCB, focus group, Melbourne

Awareness of the bonus was measured through the JCB Post Program Monitoring (PPM) survey. Only about one-quarter (27.3 per cent) of participants surveyed were aware of the JCB. This figure is likely an overestimate as some people would have reported awareness, assuming that was the 'correct' or 'socially desirable' response. The PPM JCB survey occurred sometime after respondents had left income support which would have reduced recall of the JCB, as the relevant correspondence would have been received some 12 months earlier. Having heard something about the bonus does not equate to being sufficiently informed to be motivated by it.

This reported low rate of awareness is confirmed by qualitative research findings.

Some responses from those ‘aware’ of the JCB in the Round 1 fieldwork illustrate this point:

I think I have something sketchy in the back of my mind. If you stay in a job for a certain amount of time you get a bonus? Is that it?

March 2015 (Round 1), female, 25 years or older, Brisbane, unemployed

Not entirely sure, is that the one how if you stick with a job for about two years, then you get, I don't know, some amount of money?

March 2015 (Round 1), female, under 25 years, regional Queensland, unemployed

Awareness of the bonus as reported in the PPM JCB survey was primarily gained through government sources (either a government letter or DHS) (Table 3.10).

Table 3.10: Sources of information about the Job Commitment Bonus

Source of information	Proportion
Government letter	40.5
DHS	28.0
Employment services provider	12.8
Friend	12.7
Government website	12.4
Employer	1.1
Other	10.5

Note: Column adds to more than 100 per cent as people could choose more than one source of information.

Source: DoE PPM JCB survey.

Of the young adults who lodged a claim for JCB1,⁴⁹ based on applications for qualifying in the period 1 July 2015 to 30 June 2016, 66.7 per cent were sent the bulk mail out letter from DHS.

Provider awareness

According to the 2016 Employment Provider Survey, by the second year of operation, awareness of the JCB was high among providers, with 92 per cent having heard of it. These providers were asked whether the staff had discussed the bonus with job seekers. Most of them (72 per cent) said that their staff had discussed the JCB with job seekers in the target cohort. However, 12 per cent stated that their staff had not discussed the JCB with job seekers and 16 per cent were unaware whether the JCB had been mentioned to job seekers. Most providers stated that the majority of job seekers were either ‘very aware’ (23 per cent) or ‘somewhat aware’ (64 per cent) of the JCB. Only 8 per cent thought job seekers at their site were not at all aware of the JCB. In the 2015 qualitative research conducted with providers and job seekers, low levels of awareness of the JCB were found, suggesting that provider awareness of the JCB had been increasing over time.

49 Approved, rejected or being processed status at 3 October 2016.

Most participants in the main round of fieldwork who had applied for the bonus became aware of the bonus after they became employed. These results indicate that employment service providers may not have used the JCB as a motivational tool as effectively as they could have.

Improving communication

For most people, friends and family are the most trusted source of information. Using online social networking to harness the social influence of friends could have provided a low cost way to raise JCB awareness. Similarly, word of mouth (from family and friends) and advertising, promotion (by providers and social media) are other potential ways that receptiveness to the JCB message might have been improved.

The early cessation of the JCB program means it is not possible to ascertain if this type of program promotion may have grown over time. This method to increase program awareness was not an aspect considered in the communication strategy.

Communication strategies for any future programs involving this younger group should consider taking advantage of online social networks. A recent study⁵⁰ into social media usage by young people⁵¹ found that:

- social media is their first source of information, being convenient and accessible
- using social media to communicate with young people can increase engagement and is an effective way to increase their awareness of programs
- young people believe that government should communicate with them using the communication mediums they use rather than expecting young people to engage through channels that government might otherwise prefer / traditionally use.

3.7.2 Views about dealings with the income support system

The target cohort for the bonus were people either still on income support or those who had recently exited income support. For this group, the JCB program was a paradigm shift, with the government offering them a positive financial incentive, rather than the income support compliance framework that they were used to.

Many participants in the Round 1 fieldwork expressed doubt and mistrust of the JCB. Based on established negative perceptions and prior experience with the income support system they were suspicious that qualifying for the JCB would be difficult. Similar sentiments were expressed by some participants in the Round 2 fieldwork, believing there were hidden catches that would make qualifying difficult.

50 Rose, J. and Morstyn, L., 2013

51 The majority of participants were aged between 18 and 25 years.

It just seems a bit too good, it's one of those things like oh I'm going to get this and then you go in there and they are like oh you didn't fill out section 16C with that period, you missed a XXX, sorry, you are not getting it.

March 2015 (Round 1), male, 18-30 years⁵², regional Victoria, employed

How much of any of us have learned to trust the government support?

March 2015 (Round 1), female, 25 years or older, Melbourne, employed

Beyond that there would be hard things you have to jump through. Every Centrelink thing I've ever done is.

October 2016 (Round 3), not yet claimed, focus group, Melbourne

There's a catch to it, it seems too easy.

October 2016 (Round 3), not yet claimed, focus group, Melbourne

Analysis by the Department shows that while trust in government departments is higher than the OECD average, in recent years it has declined faster than the OECD average. To overcome a mistrust in government, tailored messages using a variety of sources are often required. The main sources of information for the JCB were government related.

3.7.3 Complex program design

Views about eligibility requirements were gathered from participants who may have been or might become eligible, or had applied for the bonus. Many of those interviewed in the qualitative research who were aware of the JCB were confused about program rules, and some were discouraged from trying to obtain it.

While some found the eligibility criteria straightforward, others found the requirements confusing, which led some to decide not to claim.

I didn't pursue it any further because I thought they meant full time for the 12 months.

October 2016 (Round 3), not yet claimed, focus group, Melbourne

There was obvious confusion among participants with issues such as:

- knowing their exact date of exit from income support
- the time limit for applying for the bonus after qualifying
- the definition of 'off income support'

I was told when I did call up...because you're not receiving any type of payment, even if it is like rental assistance or anything like that. ... they had to explain that to me a little bit like that but I didn't receive any of it.

November 2015 (Round 2), received JCB, female, under 25 years, metropolitan

52 In regional areas, recruitment of employed persons for focus groups was more problematic and as consequence focus groups were conducted for 18 to 30 year olds rather than split by age as they were in metropolitan areas.

- regulations surrounding unpaid leave, sickness or injury

Yes it said that you weren't allowed to have more than two weeks unpaid. In a row, I believe, or in the entire time. But at the point where I got the first one, I did understand that the second one would be under the condition that I did have to stay in work. Luckily at the time I was pretty happy with the job I had so, it didn't end up being a factor.

October 2016 (Round 3), received JCB, interview, regional NSW

Maybe if you have a medical certificate or something like that it should be all right, right?

October 2016 (Round 3), received JCB, focus group, Sydney

- the number of business days break allowed between jobs

Depending on the circumstances. So say as you said, say I injured myself and I physically can't work, I didn't want to break my leg, but I want to be at work, why should I miss out on that because of that, but then say someone wants to take five days off to take a holiday but still be entitled to the bonus.

October 2016 (Round 3), received JCB, focus group, Sydney

- types of work eligible
- why only NSA and YA(O) recipients could become eligible.

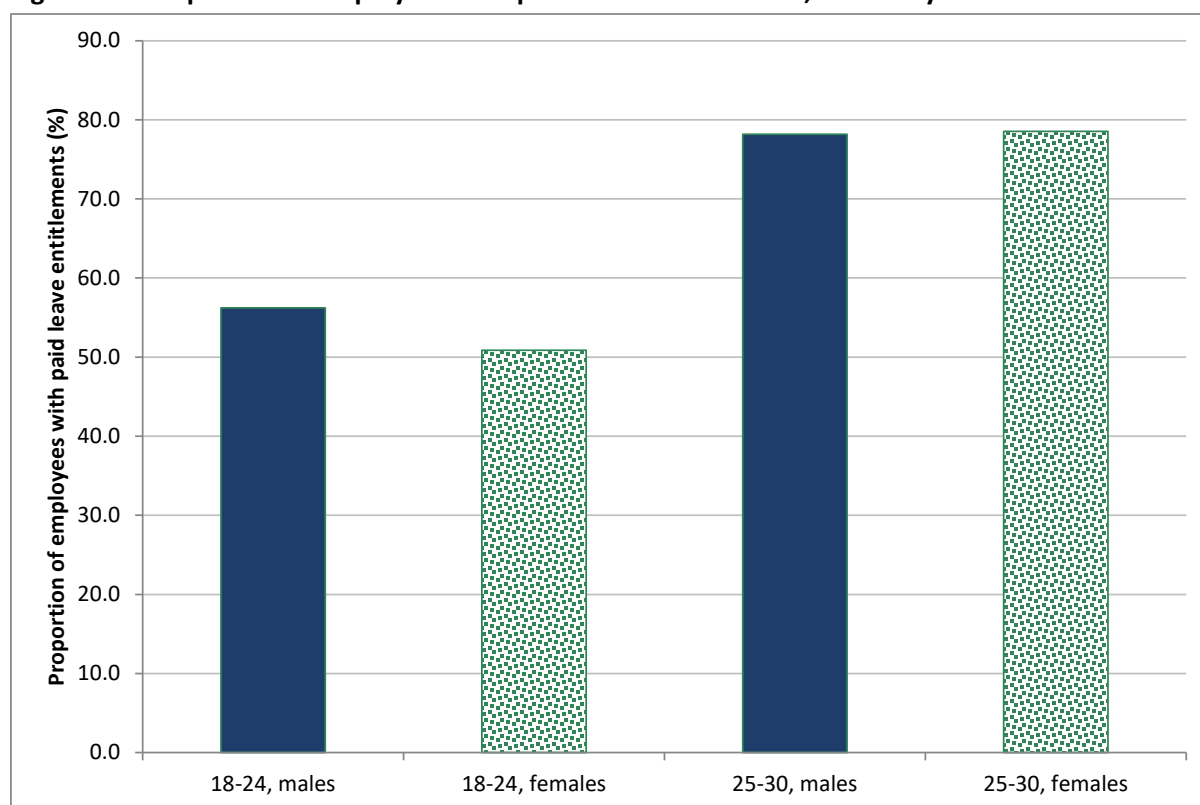
The online application system for the JCB did not capture type of employment. However, from available claims data, around two-thirds of people (69.7 per cent) had a single job. The remaining third (30.3 per cent) had multiple jobs which may have been held concurrently or consecutively.⁵³ Of the people who claimed after being in more than one job around three-quarters claimed after two jobs (78.7 per cent), and a further 12.1 per cent for three jobs.

Of those PPM JCB survey respondents who were employed 12 months after exiting income support (91.3 per cent of respondents), around two-thirds were in permanent work or self-employed (60.0 per cent and 5.9 per cent respectively), with the remaining third (34.1 per cent) in casual employment.

These results would be expected based on ABS Australian labour force data for this age cohort. That survey finds that around two-thirds of 18 to 30 year olds are in full and/or part-time work as employees with paid leave entitlements (66.1 per cent) and 33.9 per cent are employed on a casual basis. ABS Labour Force Survey data also shows that for 18 to 30 year olds, people in the younger half of the age group are more likely to be in casual employment than those in the higher half of the age range (Figure 3.5). Females are also more likely to be in casual employment than males in the 18 to 24 year age group, but this differential is not present in the 25 to 30 age group.

53 Based on monitoring information for claims lodged and approved after 1 July 2016. Equivalent information was not available for earlier claims.

Figure 3.5: Proportion of employees with paid leave entitlements, 18 to 30 year olds



Notes:

1. As the data series was quite volatile at this level by age and gender, the average rates between November 2014 and December 2016 are provided.
2. Refer to Attachment F, [Table F.9](#).

Source: Customised data extract provided by the ABS from the Labour Force Survey, Australia. Calculations by the Department of Employment.

These patterns of employment mean that it was problematic for a significant proportion of the target cohort to readily meet the employment criteria⁵⁴ for the bonus, even when they did remain off income support. This was because a significant proportion were in casual work, working to multiple employers over the qualifying period and not in continuous work (with paid leave).

Yeah I don't actually really know anyone in terms of like friends that have done it. I know a lot of people who were eligible but then lost jobs for one reason or other. And I know one of my good friends tried really hard to stay employed but her café ended up going out of business so she lost her job. I know people who have had situations where they've tried to stay eligible for it over a twelve month period but it just hasn't eventuated. Or even that thing where one friend of mine had to change job because her job wasn't offering her enough hours, so in that time where she was looking for another job, that she was unemployed and back on Centrelink for a short period of time. And then she wasn't eligible for it. And even people that fall under that category where they are not working enough because they are studying. And they are

54 For instance, the maximum of a five day break criterion between jobs.

only working a certain amount of hours like one or two days a week. That kind of situation as well I think.

October 2016 (Round 3), received JCB, interview, Melbourne

Based on the above data it is likely that younger females would have had greater difficulty qualifying than others as they are more likely to be employed as casuals.

The JCB five business-day break allowed between jobs potentially disqualified some people for the bonus because of matters outside of their control, such as type of employment available, or being medically unfit for work. Some research participants did not understand the requirement or were not aware of this complexity.

3.7.4 Weakened labour market

The JCB program commenced in weakened labour market conditions, which had deteriorated particularly for young adults after the onset of the Global Financial Crisis (GFC) (Section 1.2).

While most fieldwork participants were motivated to find work the primary barrier reported by many was the lack of available jobs for which they had suitable qualifications and/or experience.

It was kind of, sort of ended up applying for anything, because you needed to meet the quota, and there weren't heaps of jobs in Adelaide. Even now there's not much work. So you are sort of a bit limited in what you can do, and I'd never had a job before, so I didn't have experience. And that made it extremely hard for me to apply for stuff.

October 2016 (Round 3), claim rejected, interview, Melbourne

It's like Dubbo, Dubbo is where I used to live before I moved here, but before I moved to Queensland again. It's a really, really small town. There's no hope for a job there.

October 2016 (Round 3), received JCB, focus group, Sydney

Yeah I think underemployment is a problem. A lot of people are only working casual or temporary or contract. And they want to be working full time, but there's just not enough positions out there.

October 2016 (Round 3), received JCB, focus group, Melbourne

Departmental analysis of ABS labour force data shows that for the period July 2013 to June 2014 the monthly average probability that 15-24 year olds who were unemployed would transition to employment was 19.3 per cent, much lower than the 25.2 per cent transitional probability for the 12 months period preceding the onset of the GFC. This reflects the softer labour market conditions in 2014 compared with 2008, with fewer job opportunities (Table 3.11).

Table 3.11: Monthly transition probabilities for 15-24 year olds, July 2013 to June 2014

Transition from	Oct 2007 to Sep 2008 (%)	Jul 2013 to Jun 2014 (%)
Outside the labour force to employment	10.6	8.1
Outside the labour force to unemployment	7.6	8.0
Unemployment to employment	25.2	19.3
Unemployment to outside the labour force	28.2	26.8
LTU unemployment to employment	14.6	9.8
LTU unemployment to outside the labour force	25.5	24.2
Employment to unemployment	1.6	1.8
Employment to outside the labour force	4.5	4.6

Note: These figures are monthly averages, seasonally adjusted and smoothed over the 12 month period.

Source: ABS Labour Force Survey, unpublished data, seasonally adjusted and smoothed by the Department of Employment.

In 2013–14, young adults aged 15-24 who were LTU were half as likely to move from unemployment to employment than the average unemployed 15-24 year old (9.8 per cent compared with 19.3 per cent), and less likely than in 2007–08 (9.2 per cent in 2013-14 compared with 14.6 per cent in 2007–08).

The probability that 15-24 year olds would transition from outside the labour force to employment also fell compared to 2007–2008 (10.6 per cent in 2007–2008 compared with 8.1 per cent in 2013–2014). This had implications for young adults who left study to look for their first job. It also affected young mothers re-entering the workforce when their youngest child reached school age.

Historically, when labour market conditions are weak, young adults tend to increase their participation in education (or stay in education longer) in an attempt to improve their job prospects when labour market conditions improve. In line with deteriorating labour market conditions since the GFC, employment outcomes for domestic graduates have weakened considerably across all tertiary education sectors over the last five years. Skill shortages are not a feature of the subdued labour market under which the JCB operated, and there are few shortages in those skilled occupations in which young adults work (section 1.2).

The proportion of young adults citing reasons related to job supply as the main difficulty in finding employment rose from 19.5 per cent in July 2008 to 29.4 per cent in July 2013:

- labour demand reasons, for example too many applicants for available jobs
- no vacancies in line of work
- no vacancies at all. (ABS, *Job Search Experience, Australia*, July 2013 (Cat No. 6222.0))

This suggests insufficient job opportunities for young adults in a relatively weak labour market, which would have negatively impacted the likelihood of young adults being eligible for the bonus.

3.7.5 Negative reactions to the concept of the bonus

Some young adults reacted negatively to the idea of the bonus.

Genuine desire to leave income support without the need for a financial incentive

Some participants felt that the bonus was unnecessary, as their main incentive was getting and keeping a job, not getting a financial bonus. A consistent message across the various rounds of qualitative research was that there are positive benefits from working such as the regular routine, receiving a higher income than when on income support, and no longer needing to meet Mutual Obligation or Annual Activity Requirements. These benefits are seen as sufficient incentive to obtain employment without the additional need for a cash incentive.

A job should be reward enough... Instead of just sitting around at home all day doing nothing, having a job, going and earning money, should be reward enough.

July 2017 (Round 4), on Work for the Dole, under 25, male, Melbourne

It is a job opportunity, once you get it. It's better than going to Work for the Dole. You're going to Work for the Dole and you still get your average \$400 a fortnight. Some people have bills to pay... I think a job is a job and, at the end of the day, even if there wasn't a free grant bonus I would take the job because a job is a job.

July 2017 (Round 4), on Work for the Dole, under 25, female, Perth

Many stated that the opportunity of receiving a bonus would not influence their decision on whether to accept a job, preferring to find employment relevant to their experience, education or interests. This sentiment was particularly evident for those with tertiary education or with qualifications in specific fields, who did not want to compromise career plans.

I would like it if they found a job that I needed so if they could find a job in the aviation industry and they provided for me and I got three grand like I'd stick to that job, for sure. But if it was just a random here's a job...Yeah, I wouldn't look down other avenues just for the sake of \$3,000.

July 2017 (Round 4), jobactive self service, 25-49, male, NSW Central Coast

Additionally, participants felt that having a job they enjoyed was far greater motivation to remain employed than the promise of a financial payment.

Insulted by offer

There was a small group of research participants, mostly those who were already employed, who were insulted by the idea of being given money for something they considered a normal part of being a contributing member of society. Some stated that they would not seek to apply for the bonus even if they qualified.

I'm not going to lie it actually kind of tickles my humour bone. It's like congratulations you can hold a job and here's some money. It's like we are functioning adults, we should be able to hold jobs anyway.

October 2016 (Round 3), not yet claimed, focus group, Brisbane

That's almost saying that you weren't motivated in the first place.

October 2016 (Round 3), received JCB, focus group, Melbourne

Interestingly, a few research participants who had received JCB1 stated that they were not sure that they would apply for the second bonus because of their personal objection to unnecessarily taking something they do not need.

Personally for me I don't like claiming these sorts of things if I feel that I'm perfectly fine without it. It's a personal choice of mine because...I feel that I am in a financial situation I probably won't, yeah, I won't claim it.

November 2015 (Round 2), received JCB, female, under 25 years, metropolitan

Yeah, I mean definitely I could see it as being an incentive [to stay in the job for another 12 months], but I guess there's the sort of people out there that might need it a little bit more than what I do.

November 2015, received JCB, male, 25 years or more, non-metropolitan

Feelings of guilt accepting the money

There was some guilt associated with accepting money that participants felt might be more needed by those who were still looking for work and / or those whose circumstances were more challenging.

I would feel, I don't know, I guess because now that I do have stable employment, I don't know if I'd feel a bit guilty, like I don't know, that's just me, like because where I am at the moment is really good and I don't know if I'd feel guilty for taking that away from someone else, maybe depends. Think about all the shoes I could buy.

October 2016 (Round 3), not yet claimed, focus group, Gold Coast

Yes. Well you think about the amount of kids that haven't got jobs and or how I have recently just got a job, and are pushing for the 12 months to get the bonus, that's a lot of money, that could be put towards something else.

October 2016 (Round 3), received JCB, interview, regional NSW

Not best use of taxpayer money

A few participants considered the potential impact and questioned whether it was the best use of taxpayer money.

It makes you think where is that money coming from, are they cutting it off like helping the health system, because where are they getting that money from, because the government is always talking about we want to get to a surplus, but you are giving money away, so where is that coming from?

October 2016 (Round 3), not yet claimed, focus group, Gold Coast

It kind of makes me feel bad too, because I know that that's coming out of like the taxpayers and stuff. And I mean like I was paying tax when I was working, but like it makes me, although it is an incentive for, like it was going to be an incentive if I had have known, to stay in work, but like the amount is great, but I think that might be too much.

October 2016 (Round 3), received JCB, interview, regional NSW

Just a waste of government money sort of thing. It could be going to more important things. People in jobs they're getting money they don't need more money from government.

July 2017 (Round 4), jobactive case management, under 25, female, Geelong

4 Impact of the JCB

There were two main opportunities for the JCB to influence behaviour to achieve its objectives:

- while looking for work, the promise of the JCB may have motivated job seekers to increase their job search efforts, accept employment and leave income support
- once employed, the promise of the first and second bonus may have encouraged sustained employment (not necessarily in the same job, but avoiding a return to income support).

The following two sections use qualitative and quantitative data to assess impact of the JCB on job search behaviour. The sections which follow them explore if there was any discernible impact of the JCB on the type of employment obtained or how long employment was sustained. The final section considers other program effectiveness and efficiency measures.

4.1 Impact on motivation and job search behaviour

Highlights

Qualitative research suggests the JCB was unlikely to have had an effect on motivating participants to find employment, with most finding out about the bonus after they became employed.

While job seekers state that the offer of a bonus may affect their job search behaviour, other factors significantly affect their likely response to the offer of a financial incentive. These include their attitude to work, their perceived likelihood of achieving employment in the near future, attitudes and motivation.

Designing an effective financial incentive program to appeal to a required target group is a complex task.

4.1.1 Provider perceptions

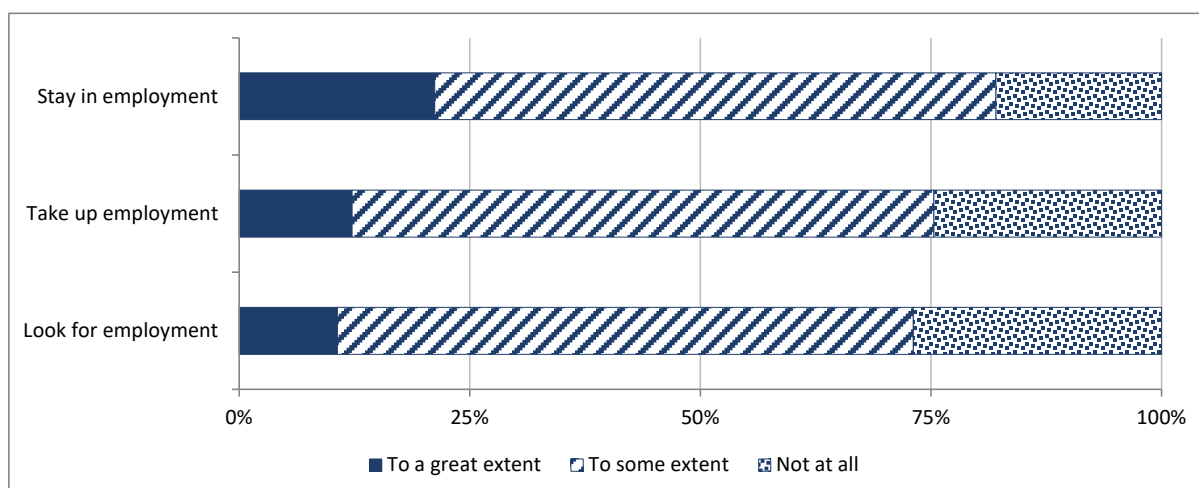
Providers in the 2015 Employment Service Provider survey reported that while the JCB was an additional tool to motivate job seekers, it was insufficient motivation for job seekers who had been unemployed for an extended period of time. Providers felt a major barrier to program take-up was the 12 month qualifying period which they felt was too difficult for young people to comprehend.

I think for young people, it is just too long. I think they generally, that generation, doesn't really think 12/24 months ahead. Maybe instead of giving the money to the job seeker, maybe it's something that's given to the employer, so the job seeker can have paid days off work, you know, three months or six months. "Now you have worked for three months. Now we are going to pay the employer to give you two days off with full pay."

Site manager, large provider site, inner regional, Tasmania

Providers had differing views about the extent to which the JCB would encourage and motivate job seekers, with around a quarter believing it would not motivate job seekers to look for, or accept, employment (27 per cent and 25 per cent respectively). Around one in five providers believed the JCB would not be a good incentive for sustained employment (18 per cent). (Figure 4.1)

Figure 4.1: Extent to which providers thought the Job Commitment Bonus motivated job seekers



Source: Department of Employment 2016 Employment Service Provider survey.

4.1.2 Job seeker perceptions

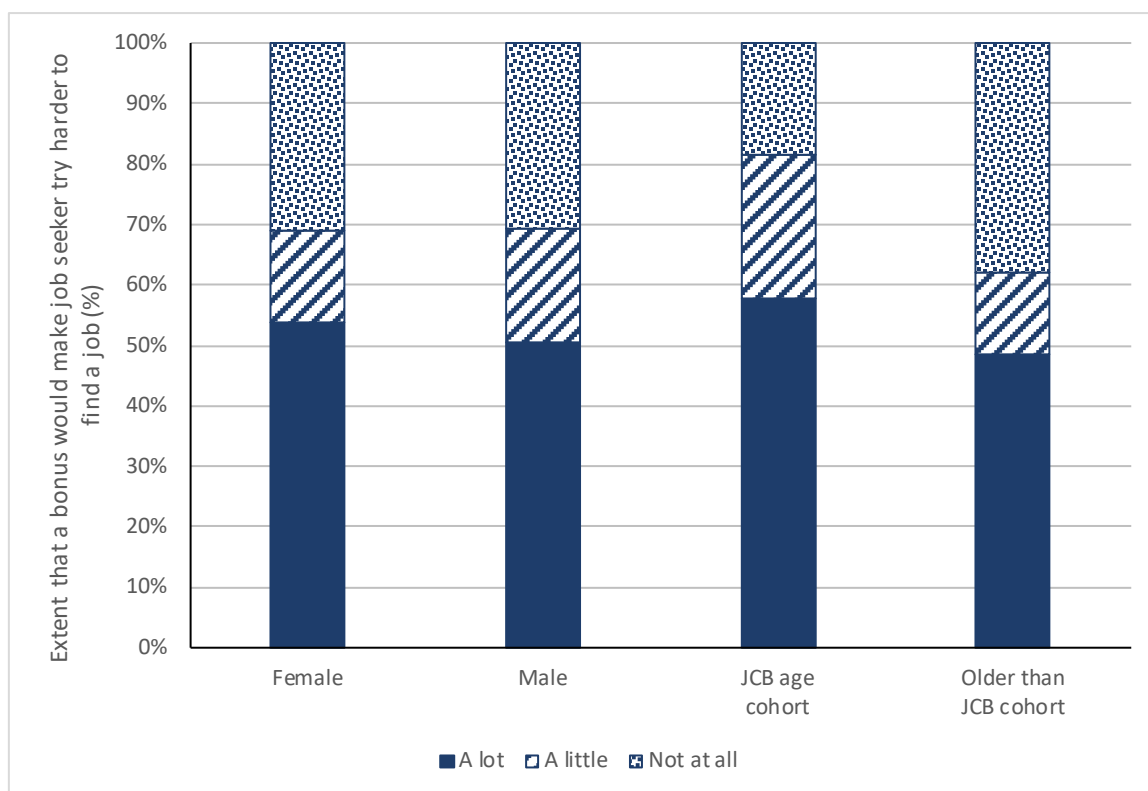
The views of job seekers, as to how a ‘theoretical’ bonus might influence job search behaviour, were sought in the Job Seeker Experiences of Employment Services survey (conducted in 2017). This survey was not restricted to the types of job seekers for which the JCB was available.

Job seekers’ age and gender affect how a person is likely to respond to an offer of a financial bonus. A larger proportion of females than males stated that the offer of a financial bonus would make them try a lot harder to find a job (53.8 per cent of females compared to 50.5 per cent of males)⁵⁵, and people in the JCB age cohort indicated that they were much more likely to be influenced by a bonus offer than older job seekers (57.7 per cent of those aged 18 to 30 years compared with 48.6 per cent of those aged 31 years or older said they would try a lot harder to find a job). (Figure 4.2).⁵⁶

55 This difference is statistically significant.

56 This difference is statistically significant.

Figure 4.2: Job seeker views of the potential effect of a bonus on job search behaviour (per cent)



Source: Department of Employment 2017 Job Seeker Experiences of Employment Services survey.

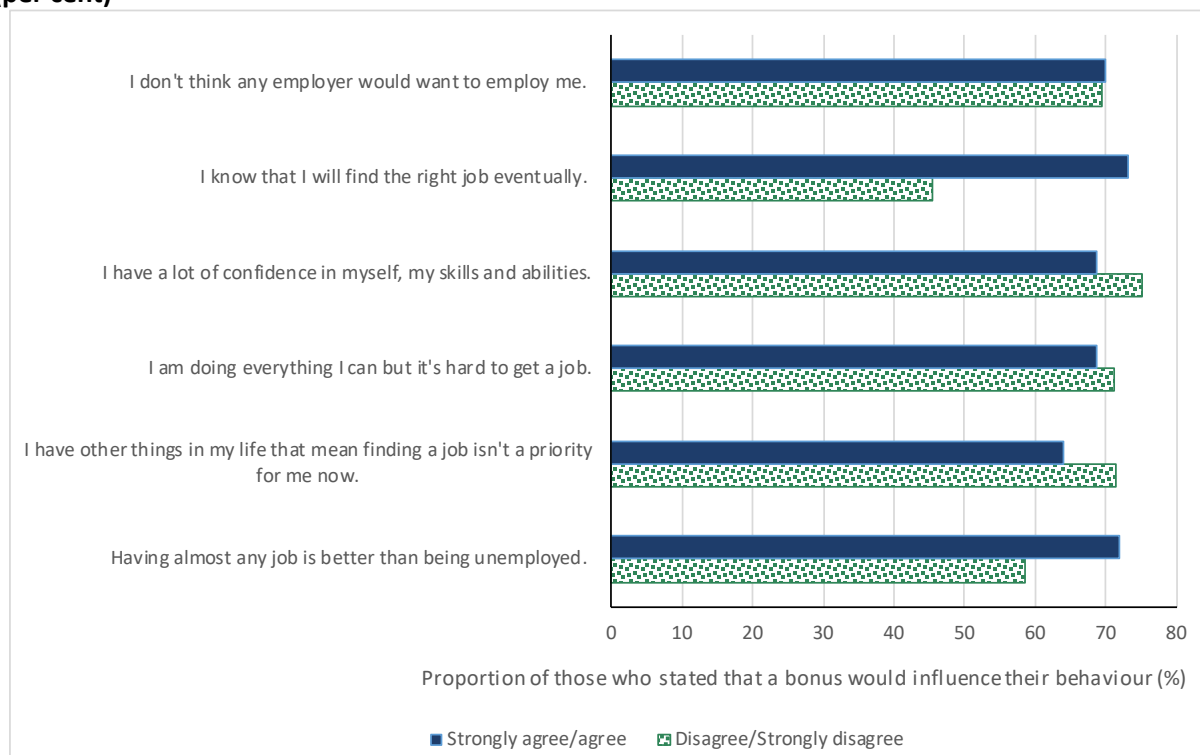
Job seekers' attitudes to work also significantly affect their likely response to a bonus. (Figure 4.3) Generally, those who demonstrated a more optimistic outlook about the labour market and a desire to be employed were more likely to agree that a financial bonus would impact their job search behaviour.

In addition to their attitude, a job seeker's perceived likelihood that they would gain employment in the next 12 months is also found to be important. Those who thought they were likely or very likely to find a job in the next 12 months were more likely to state that a bonus would make them try harder to find work (59.2 per cent said it would make them look a lot harder compared with 46.2 per cent who thought it unlikely/very unlikely they would find work).⁵⁷

These findings suggest that while a well promoted program has the potential to influence job seeker job search behaviour, people's likely response to a bonus is complex with many factors influencing behaviour.

57 This difference is statistically significant.

Figure 4.3: Attitudes to work of those who stated a bonus would affect their job search behaviour (per cent)



Notes:

1. The above shows attitudes to work for those job seekers who stated that an offer of a bonus would make them try harder to find a job (either 'A lot' or 'A little'). That is, those who stated that an offer of a bonus would have no effect on how hard they tried to find a job are excluded from this analysis.
2. All differences in agreement/disagreement with statements are statistically significant except for the statement 'I don't think any employer would want to employ me'.

Source: Department of Employment 2017 Job Seeker Experiences of Employment Services survey.

Behavioural analysis indicates that the effectiveness of interventions can be improved by taking in to account common patterns of how people think, respond and behave. Departmental analysis shows that responses to incentives are complex, with most people discounting benefits that will take time to be realised. Given the long qualifying period for the JCB (12 months) job seekers tended to assign a lower value to (or discount) future benefits. Hyperbolic discounting is a widely accepted model for describing this type of behaviour.⁵⁸ The value of the bonus for people who had already left income support and were closer to the qualifying 12 month deadline was more apparent. This group considered the bonus more attainable than those still seeking work or having just commenced employment, and appeared to be more motivated by the idea of the bonus.

Research participants who were still on income support did not necessarily see the amount of the bonus (\$2500) as large, compared to what they would earn if working. The perception of money in

58 See Attachment A for a discussion about hyperbolic discounting.

general, of post-tax income and the value of a lump sum, was poor among some of this group and lesser than for comparable employed people.

Most job seekers were unable to imagine holding a job for 12 months.

You can't really even think about having the job next month let alone in 12 months because there is so much ... closing down or people getting made redundant and all that and Holden and then like Subcorp is getting rid of so many workers.

October 2016 (Round 3), not yet claimed, focus group, Adelaide

Consequently, these job seekers discounted the value of the future bonus amount (\$2500) on the basis of their perceived likelihood of attaining it.

The theory behind this behavioural analysis can be explained this way: A person who felt absolutely certain they would reach the 12-month qualifying period would be able to plan on receiving the money, and its value would be perceived as the full \$2500. A person convinced that they would not be able to stay off income support for the required 12 months, however, would assign a discounted future value of \$0 as they did not consider they could ever attain it.

It was evident from the fieldwork that while participants would not consciously assign a probability to the likelihood that they would be able to achieve the bonus, they would subconsciously respond based on this type of calculation.

Participants in Round 1 fieldwork exhibited strong motivation (without the influence of the JCB financial incentive) to find work and keep their job. They wanted to participate in the community, by having money to do things they could not currently do, and did not want to be dependent on welfare. For many unemployed, and a number of employed participants, the goal of being off welfare for a year seemed unachievable.

The income earned from employment was a more significant financial factor that would affect motivation to stay off income support for 12 months. The effect of the bonus on the person's overall financial situation over the 12 month period was not as significant a proportion as it would be to someone on income support.

Allowing for the combination of these effects, that is the high motivation from employment earnings and the discounted future value applied to the bonus, the impact of the bonus might be much less than would otherwise be expected.

Given most fieldwork participants were focused on the immediate term, often days and at best weeks, they demonstrated limited capacity to perceive themselves as employed in 12 month. It seems probable that they would have placed a low probability on their chances of attaining the 12 months bonus and therefore the discounted future value of the bonus would have been quite low.

It's not realistic at all. It's 12 months down the track.

October 2016 (Round 3), received JCB, focus group, Melbourne

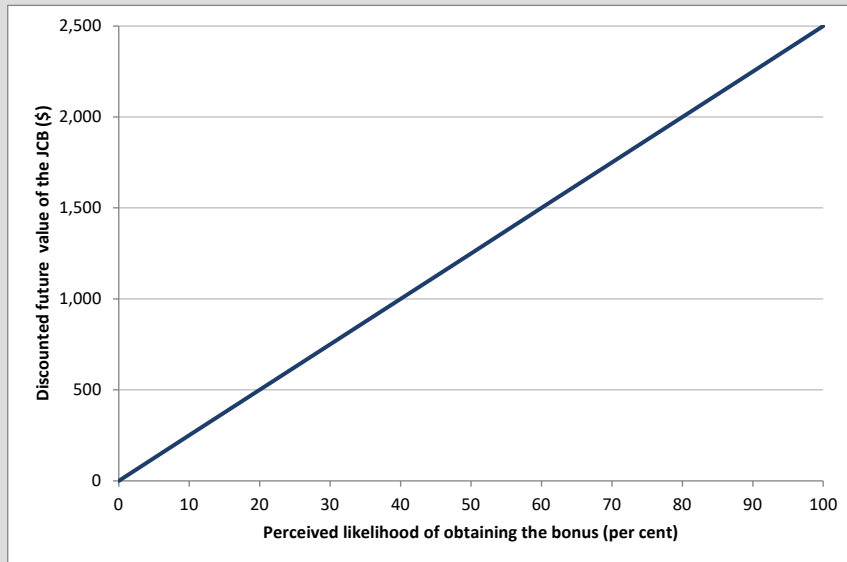
I am motivated by money, but the time, like a year that's a long time. Like it can be a short time but it gets to a point where you forget about it like we all did.

October 2016 (Round 3), received JCB, focus group, Adelaide

Example:

The discounted future value placed on the bonus payment depended on the belief in the likelihood of attaining it (Figure 4.4). The remaining length of time required to qualify affected the perceived probability of attaining the bonus. The greater the perceived chance of getting the bonus, the greater its assigned the future. Assuming a linear relationship⁵⁹ between the discounted future value and perceived likelihood of attaining the bonus, the following diagram shows how the discounted future value would change.

Figure 4.4: Discounted future value placed on the bonus



For example, those who thought that they:

- had no chance of achieving the bonus would have given it a discounted future value of \$0
- had a 25 per cent chance of achieving the bonus would have given it a discounted future value of \$625
- were certain they would achieve the bonus would have given it a discounted future value of \$2,500.

For someone who earned \$31,000 in the 12-month period (after tax and Medicare levy deductions) the additional impact on their overall financial situation of adding the discounted future value of the bonus to their annual income was:

- 2 per cent increase for those who thought they had a 25% chance of achieving the bonus
- 8 per cent increase for those who were certain they would achieve the bonus.

Participants felt the bonus would most likely have only a marginal increase on job search motivation.

- For those already motivated to gain employment they believed it would make only a small difference.

59 The actual relationship may not be linear. A linear discount rate is used to simplify the example. Refer to Attachment A where hyperbolic discounting is discussed. Hyperbolic discounting uses a discount rate that decreases over time.

There's the people that are already motivated, they want to get a job because of the job. So it wouldn't really factor too much into their decision-making, but it would be something that they would be like oh yeah I can get that, that's great.... They want to kind of be in a job for themselves, to be able to improve themselves, to be able to make money and be able to live a better life.

October 2016 (Round 3), received JCB, interview, regional NSW

- While they felt that it was unlikely to improve motivation for someone who had next to no motivation to obtain a job.

I can't see that being a massive motivator though. Like yeah, as someone said, you have people who want to work, they will look at that and go great, now I just want to work more, so they are in the same boat. And people who don't want to work, still won't want to work.

March 2015 (Round 1), Male, 18 to 30 years, regional Victoria, employed

Sounds good. But I mean we are trying to get a job anyway, the bonus, I don't think, it would be nice to have and I'm not upset that I'd be eligible for it, but I'm still going to try and get a job whether it's there or not.

March 2015 (Round 1), Male, under 25 years, regional Queensland, unemployed

There are ones that just want to bludge off the government and don't want to get a job and I think you are not going to get those people off. But people like us that want to get out there and get a job, yeah you will definitely get them off. But I think it just comes down to what type of person you are.

October 2016 (Round 3), not yet claimed, focus group, Brisbane

- And while they believed it had the potential to incrementally improve job search motivation for those with low motivation, it was unlikely to provide sufficient incentive to shift motivation from very negative to positive.

I think it's mostly relevant to someone who has a job, a full-time job lined up already, you know, so they are going through the process of getting this job and then they see this and think well this is great.

March 2015 (Round 1), Male, 25 years or more, Brisbane, unemployed

This is discussed further in Section 5, in the context of the *Trans-theoretical Stages of Change* model (TTM).

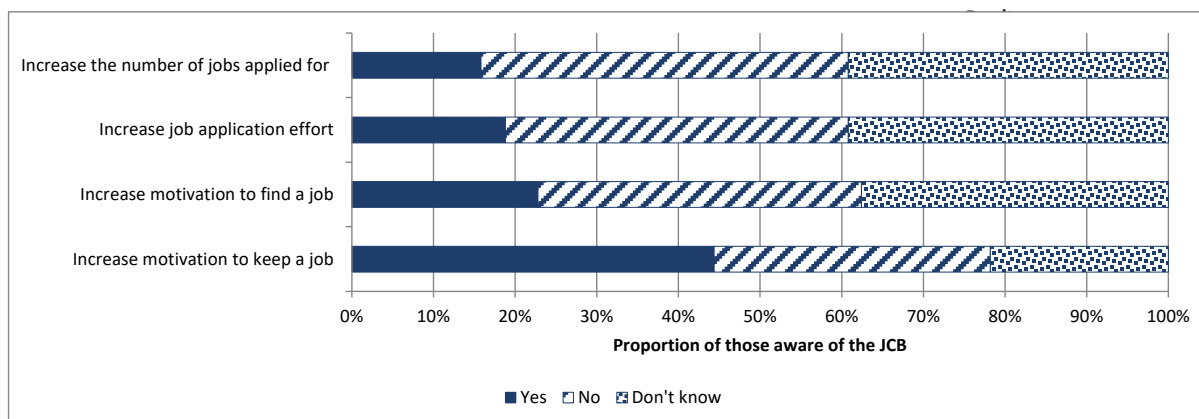
Most participants in the Round 2 fieldwork (who were employed) had been unaware of the JCB when searching for work. These participants were motivated to get a job and leave income support, without the need of a bonus. Those participants who had claimed the bonus had only become aware of the program after accepting employment. It therefore could not have acted as an incentive to increase their job search efforts.

4.1.3 Post Program Monitoring (PPM) survey evidence

The PPM JCB survey explored job seeker awareness of the bonus while still looking for work. The level of awareness reported is greater than would have been expected based on the general low level of awareness found among qualitative research participants. Of the PPM JCB survey respondents who reported awareness of the bonus (about a quarter of respondents), over 20 per

cent (22.8 per cent) reported that knowledge of the JCB had increased their motivation to find a job, while nearly half (44.3 per cent) stated it had increased their motivation to *keep* a job (Figure 4.5).

Figure 4.5: Reported impact of JCB on job seeker behaviour



Note: Only those who stated that they were aware of the JCB were asked this question.

Source: Department of Employment PPM JCB survey.

The survey asked about their motivations more than a year previous and this may have resulted in some misreporting due to recall issues. Also, as reported in the qualitative work, many people became aware of the JCB after they had left income support. It is likely then that the results in this figure may overestimate the likely impact of the JCB.

4.1.4 Other possible bonus payment structures

Round 4 qualitative research canvassed job seekers' views about the concept of a bonus. It also investigated what type of bonus payment structure might be most appealing to encourage them to leave income support and sustain employment. This topic was also canvassed to a limited extent in Round 3 research.

Generally, participants did not think a bonus would provide additional motivation or incentive for them. The level of support and reactions to the concept of a job bonus expressed in Round 4 were similar to those expressed in previous rounds (see Section 3.7), that is:

- the greater income from work compared to income support was considered sufficient incentive to get off income support
- there was an unwillingness to accept 'just any' type of job, especially for those with tertiary education. Even those who initially stated they would accept any job to qualify for a bonus, qualified the type of work they would consider, suggesting that a bonus did not really provide a strong incentive
- potential negative impacts on mental health and wellbeing if a job was disliked would outweigh the incentive of a bonus.

Some stated that a cash bonus might offer encouragement to accept a job that was less than ideal, where it was a job that they could learn to enjoy, or one that might enable them to get off income support and subsequently seek work that better suited their needs.

That would be an awesome idea. Because once I get a job, I always stay in the position anyway. You would kind of want to move through roles and be able to elevate yourself or move to a higher position too.

July 2017 (Round 4), on Work for the Dole, 25-49, male, Adelaide

In terms of payment structure there was not consensus, with some feeling that larger, less frequent payments were more motivating (for example as enforced savings) while others suggesting smaller, more frequent payments might keep them motivated.

I'd rather one lump sum, I feel that's better drive.

October 2016 (Round 3), received JCB, focus group, Brisbane

Maybe you don't get the other half until you've been working for a year or two.

July 2017 (Round 4), exited jobactive, 18-65, male, Geelong

If they had split up the incentive over three months, \$2,500 spread over 3 months, and then at the end of three months you can get a \$500 to \$600 bonus, that would have been motivating.

October 2016 (Round 3), received JCB, focus group, Adelaide

... if it was in the short term, 6 months, then I think it would motivate people more to make sure that they are employed, because it's so more regular.

October 2016 (Round 3), received JCB, mini focus group, regional Victoria

Maybe they could do it a different way like maybe give a pay rise rather than a lump sum or maybe a smaller sum and then a pay rise because then they would stay for longer.

July 2017 (Round 4), jobactive case management, under 25, male, Geelong

Participants also suggested that other payment options might be more appealing to job seekers than a bonus such as: a lump sum invested in super funds; a contribution towards a home loan deposit; vouchers for public transport or supermarket; or a contribution towards personal or professional development, like education courses, driving lessons or car registration.

I think even if they did do it, even if they did it as a service say you stay in this job for 12 months instead of you getting that money we'll put it in your super or when you decide to buy a house you've got your first home buyer's grant say it's \$20,000.00 so we'll give you \$5,000.00 extra credit. Even if they did it in the beginning. Say you're three months into the job or maybe you are the 12 months and they say "We realise you're still catching the bus, you can have that money, you can go use it to get a licence." like use it for a service instead of just giving them \$5,000.00. That could be a different way of doing it.

July 2017 (Round 4), jobactive case management, under 25, female, Geelong

The incentive should be \$10,000 for a home loan. You stay in a secure job for two, three years because everyone – you know what I mean? Something where you can actually have security and stability, not just a lump sum of money that you can buy something nice for yourself.

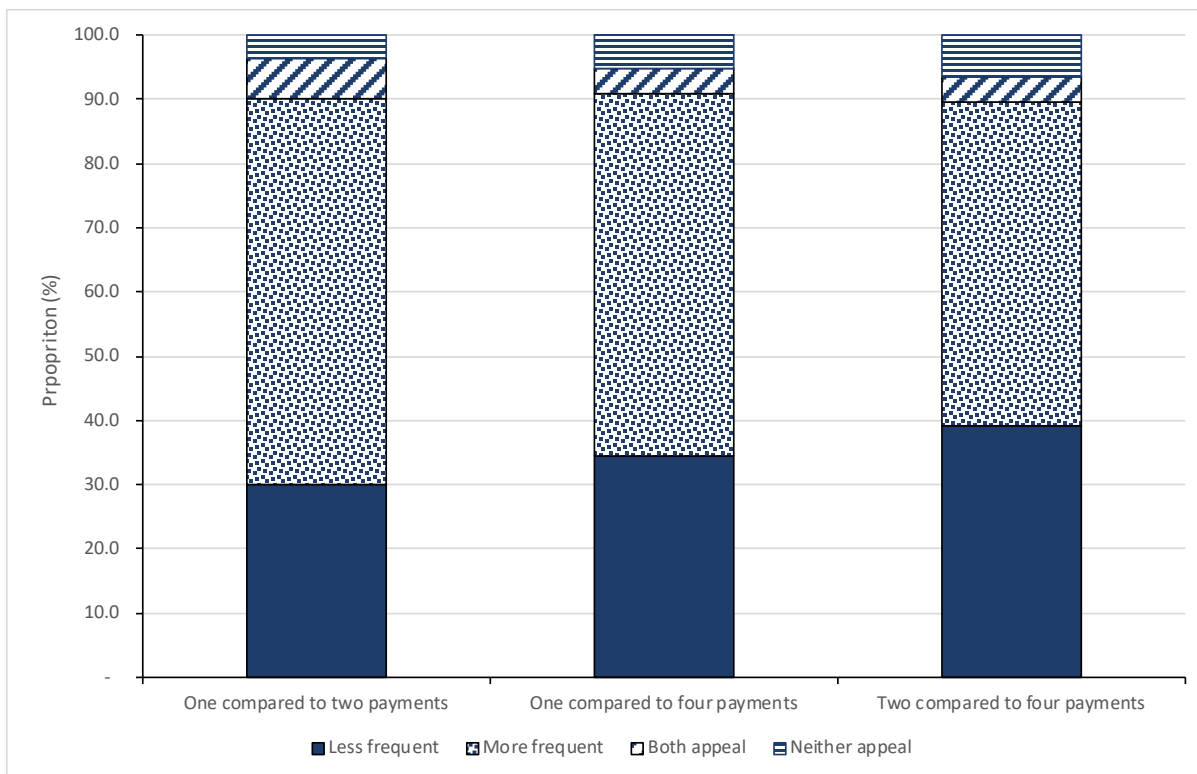
July 2017 (Round 4), on Work for the Dole, under 25, male, Townsville

In the quantitative component to the Job Seeker Experiences of Employment Services survey (2017) job seekers⁶⁰ were asked to choose between potential bonus payment options:

1. a lump sum payment
2. two equal payments
3. four equal payments.

Respondents were presented with two payment options only (i.e. one payment compared to two payments, one compared to four or two compared to four). Irrespective of which two payment options job seekers were asked to choose between, more frequent payments were preferred to less frequent payment options (with around twice as many people preferring more frequent payments to one payment, with less of a differential in preference when people were asked to choose between the two and four payment options). (Figure 4.6)

Figure 4.6: Preferred bonus payment frequency



Source: Department of Employment 2017 Job Seeker Experiences of Employment Services survey.

Significant differences are found in bonus frequency preferences between males and females, those in the age group targeted by the JCB compared to older job seekers, by period of unemployment, attitudes to work and people’s perceived likelihood of obtaining a job in the next 12 months. (Attachment F, [Table F.10](#))

60 These job seekers were in employment services but not necessarily in the demographic cohort that the JCB targeted.

While how people state they would behave in a ‘theoretical’ scenario may not necessarily translate in a ‘real life’ situation, these results show that there are many factors that might influence behaviour and response to a financial incentive. The relationship demonstrated from these survey results between preferences for different payment options and demographic factors, attitudes and job seeker motivation shows the complexity that would be involved in designing an effective financial incentive program to appeal to a required target group.

4.2 Impact on job search – quantitative analysis

Highlights

Employment outcome rates for the JCB cohort were slightly higher after the program’s introduction compared to the years immediately before it commenced, and decreased later in the period of JCB operation. Changes in employment service delivery model and macro-economic conditions would have had a significant effect on outcome rates.

No quantitative measures considered found evidence of the JCB affecting the effectiveness of job search behaviour for young adults.

To ascertain whether the JCB had an effect on job search effort, three different analyses are presented. Quantitative data was not available to directly measure changes to job search behaviour.⁶¹ More effective job search efforts (either as a result of increased activity or better targeting) would be expected to lead to improvements in employment outcome rates. Using this causal linkage, three measures of employment outcomes are used as a proxy to assess if any evidence of JCB improving job search behaviour effectiveness can be found. Each examines the question from a different perspective and when taken together provide a comprehensive assessment of JCB influence on job search behaviour.⁶² The analyses address key indicators detailed in the Evaluation Strategy using available data and allowing for constraints created from other external factors such as the change in employment services model (from JSA to jobactive) (Section 2.3):

Analysis 1: Compare the proportion of LTU young adults achieving employment outcomes before and after the introduction of the JCB, using PPM survey data.

Analysis 2: Compare average time to job placement after becoming LTU, for job seekers at the lower and higher JCB age range boundaries, with LTU job seekers who are slightly older and younger. The comparison is done before and after the introduction of the JCB using a Difference in Difference regression (DID).^{63 64}

61 Refer Section 4.1 for qualitative analysis of this aspect.

62 Many analyses in this report are conducted on data for people who left income support in the earlier stages of the JCB program, when awareness of the program would most likely have been at its lowest (aside from an initial peak in awareness that may have been created by a bulk mail out letter in June 2014).

63 See Attachment E for a description of this technique.

64 Regression Discontinuity Design analysis (RDD) is used to see if there is any difference in outcome rates. The fact that those aged 31 years and over were ineligible for the JCB provides the opportunity to use this statistical technique to

Analysis 3: Compare average duration on income support after becoming LTU, for job seekers at the lower and higher JCB age range boundaries, with job seekers who are slightly older and younger. This analysis uses Regression Discontinuity Design analysis (RDD).⁶⁵

4.2.1 Employment outcomes for long-term unemployed young adults

Figure 4.7 shows employment outcomes for long-term unemployed job seekers, who were on NSA or YA(O), and aged 18 to under 30 years of age.

Results from the PPM Survey indicate that employment outcomes for LTU⁶⁶ young adults serviced under JSA from October 2012 to June 2014, prior to the introduction of JCB, were lower than for those serviced between January 2014 and June 2015.⁶⁷ LTU males mostly accounted for this change:

- male LTU employment outcome rates increased by 9.1 percentage points to 44.6 per cent for those serviced between January 2014 and December 2014 from 35.5 per cent for those serviced between July 2013 and June 2014
- female LTU employment outcome rates increased by 1.8 percentage points to 46.5 per cent for those serviced between January 2014 and December 2014 from 44.7 per cent for those serviced between July 2013 and June 2014.

The change in outcome rates for people who had been unemployed more than two years (VLTU) was lower than for LTU, but rates also increased slightly (by 0.6 percentage points).

The extent to which young LTU adult employment outcome rates differed between these two survey periods (July 2013 and June 2014 compared to January 2014 and December 2014) varied depending on the highest level of education of the job seeker. For those with secondary level education (less than Year 10 and Year 12) rates increased by 4.7 and 6.5 percentage points respectively (higher than the overall average increase of 3.1 percentage points). Rates increased less than average for people with Year 10 or 11 education (increasing by 1.2 percentage points), while outcome rates remained fairly stable for those with post-secondary level education. (Attachment F, Table F.11)

compare outcomes with those aged just below with those just above the JCB age criterion cut-off limit, and similarly at the lower end of the JCB age range limit. There is no reason to believe there would be any other difference between these two groups other than potential eligibility for the JCB. Regression models are used that control for any differences between people that may impact the outcomes being measured. Therefore, any differences found between the regression models at the age boundaries can be attributed to the effect of the JCB. Four types of models are fit to assess if there was a difference in outcomes between these two groups: linear; linear interaction; square; and square with interaction models, with the model of best fit for each separate analysis chosen for interpretation of results.

65 See Attachment E for a description of this technique.

66 Those who had been unemployed between 12 and less than 24 months, aged 18 to 30 years who were on NSA or YA(O).

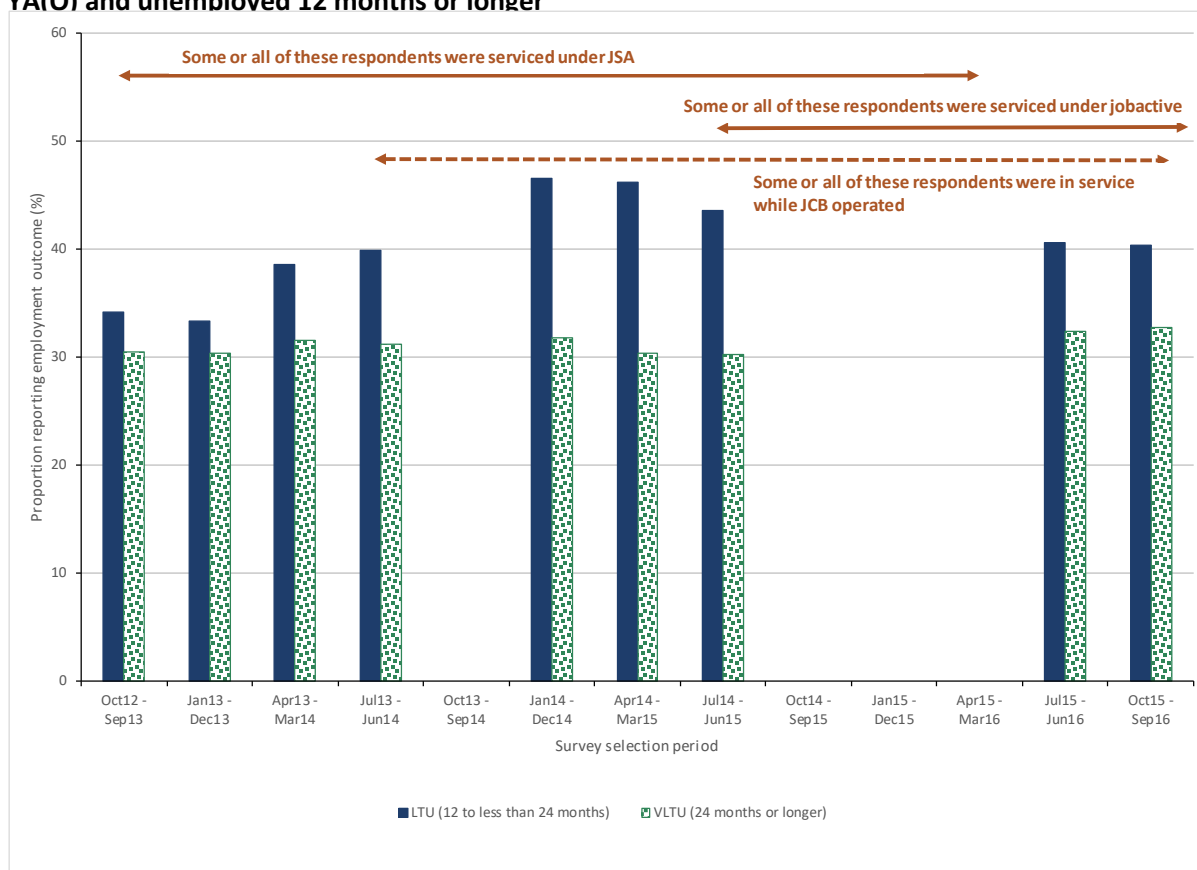
67 Those selected for the PPM survey as serviced under JSA in the period April 2015 to June 2015 (included in the July 2014 to June 2015 results in Figure 4.7) may have been serviced under jobactive by the time of the survey, as the survey is conducted three months after sample selection.

It is not possible to attribute this increase in employment rates to the JCB. This is because the job seekers surveyed between July 2014 to June 2015 were surveyed when the JCB was operating. For the other two time periods under consideration (January 2014 to December 2014 and April 2014 to March 2015) some of the job seekers were surveyed before the JCB was introduced and some were surveyed after the JCB program had commenced.

LTU employment outcome rates subsequently decreased back to levels similar to those reported for July 2013 to June 2014 (prior to the introduction of JCB). Those surveyed for the two time periods, July 2015 to June 2016 and October 2015 to September 2016, were surveyed when the JCB was operating and they had all been serviced under jobactive.

Outcome rates for those unemployed longer (VLTU) did not show the same results, remaining fairly static over this period, increasing slightly for those serviced under jobactive during the period that the JCB was operating (represented in Figure 4.7 as the two time periods July 2015 to June 2016 and October 2015 to September 2016).

Figure 4.7: Employment outcomes for those aged 18 to 30 years who had been on either NSA or YA(O) and unemployed 12 months or longer



Notes:

1. LTU refers to those job seekers who had been unemployed 12 to less than 24 months at the time of survey selection. VLTU refers to those who had been unemployed 24 months or longer.
2. Job seekers were surveyed three months after sample selection. For instance, employment outcomes shown for January 2014 to December 2014 refer to responses from people in employment service during this period who were surveyed between April 2014 and March 2015.
3. Data for the October 2013 to September 2014 selection was not available.

4. The sample selection methodology for those who were serviced under JSA differed from that for those in jobactive. Caution should be used when comparing results between the two employment service delivery model periods. For this reason, data for three time periods: October 2014 to September 2015, January 2015 to December 2015 and April 2015 to March 2016, is not be presented as these periods include the point of change between the employment services model (which occurred on 1 July 2015).
5. Refer to Attachment F, [Table F.11](#).

Source: Department of Employment Post Program Monitoring survey.

Labour market conditions for the 18 to 30 year age group improved marginally during the JCB operating period (Section 1.2), compared to preceding years, suggesting that improved employment outcomes should have been expected, regardless of any JCB effect.

Additionally, it should be noted that no allowance or adjustment has been made for differing macro-economic conditions during the period, or for demographic differences between the job seeker cohorts surveyed.

Analyses 2 and 3 use study populations of 'new entrants' to the JCB eligible population, those that became LTU during the analysis period. (Attachment E). The populations are constructed to account for changes in service delivery models and differences in macro-economic conditions over time. Findings from this analysis cannot necessarily be extrapolated to VLTU job seekers. Given that VLTU job seekers are likely to discount the value of the bonus even more strongly, as they see it as less achievable, there is little reason to expect that a greater motivational impact of the bonus for VLTU job seekers than for LTU job seekers.

At the lower end of the JCB age range (19 years) labour force participation status (and more relevantly the NEET status) were significantly influenced by macro-economic conditions (Section 1.2), state education policies and the Learn or Earn policy. How these might influence any analysis is unclear, so no conclusions could be drawn from analyses at the lower age boundary.

4.2.2 Time to job placement after becoming LTU

This analysis compares the time to getting a job placement after becoming LTU for those in the higher JCB age range (25 to 30 years) to those slightly older (31 to 35 years). This analysis was restricted to JSA job seekers serviced in Streams 2, 3 or 4.⁶⁸

Difference in difference regression analysis compares time to getting a job placement after becoming LTU, before and after introduction of the JCB. This analysis controls for demographic differences and macro-economic conditions. The interaction variable included in the regressions is the combination of whether the person entered income support before or after commencement of the JCB (and when they became LTU), combined with their age group. It is not statistically

68 Stream 1 job seekers were excluded because the incentive structure in JSA provided little incentive for providers to record job placements for Stream 1 job seekers early in their period of service. LTU for this analysis is defined by time on income support not time in employment service.

significant⁶⁹ in terms of the probability of achieving a job placement within 180 days of becoming LTU (Attachment F, [Table F.13](#)).

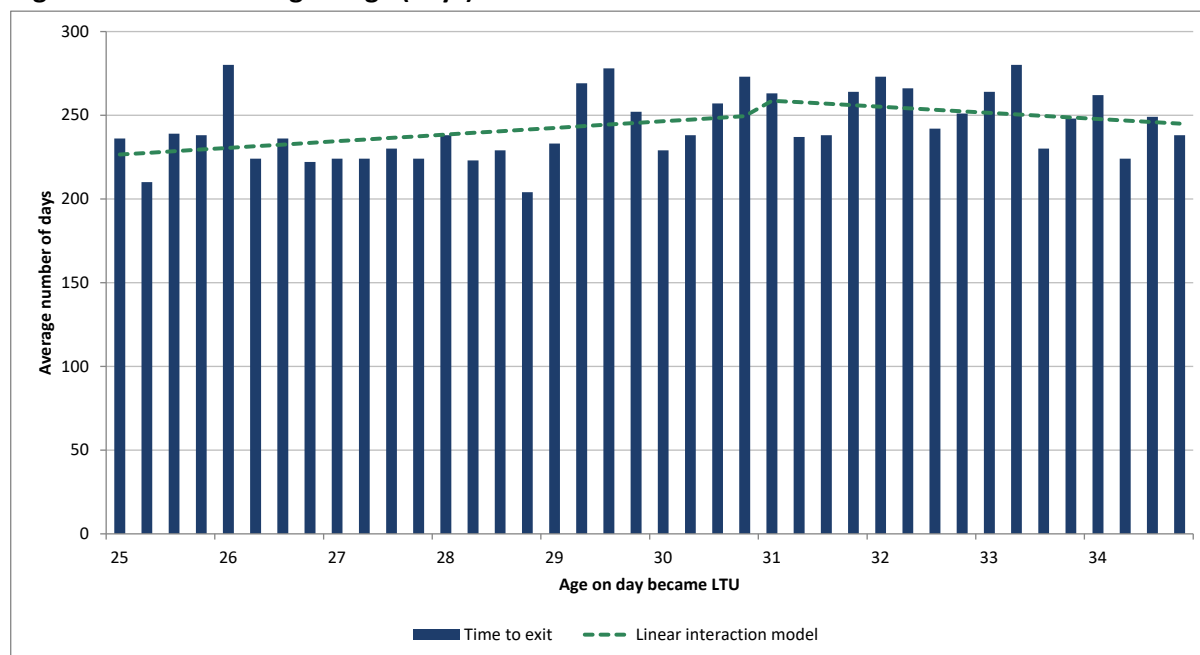
This lack of quantitative evidence of any effect from the JCB on the effectiveness of job search behaviour, aligns with sentiments expressed in the qualitative fieldwork.

4.2.3 Time taken to exit income support after becoming LTU

The average number of days taken from when a JSA job seeker became LTU to exit income support is determined using survival analysis. Regression Discontinuity Design (RDD) is then used to model these results by age.

The difference in the average time to exit income support after becoming LTU is statistically insignificant for those just above and below the 31 year age boundary.⁷⁰ This indicates there is no effect on income support exit as a result of the JCB (Figure 4.8).

Figure 4.8: Average number of days to exit income support after becoming LTU, modelled at the higher end of the JCB age range (days)



Notes:

1. Age is rounded down to the nearest quarter of a year. For example: 30.00, 30.25, 30.50, 30.75 years.
2. Survival analysis is used to derive the median number of days to exit income support for those in each age category after people had been on income support for 12 months. The end date for the survival

69 For DID analysis the significance of this interaction variable is the aspect of most interest, as if it is found to be statistically significant this would indicate an effect of the JCB. The interaction variable is the combination of whether the person entered income support (and became LTU) before or after JCB introduction combined with the age group that people belonged to. Further information about DID is provided in Attachment E.

70 A linear interaction model is found to be the best fit for this outcome measure.

analysis was 30 June 2015, so all servicing was comparable being under JSA, without any jobactive servicing to confound results.

3. Results are in Attachment F, [Table F.15](#).

Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

Such regression discontinuity analyses were also tested on other outcomes measures such as time to job placement and time in employment services (Attachment F, Tables F.11 and F.13). The evidence above, as well as from tests on the other outcome measures do not show evidence of more effective job search activity for those in the JCB age cohort. While this analysis has considered only LTU young adults, they represented more than half of those in the JCB eligible cohort.

4.3 Impact on type of employment obtained

Highlights

Macro-economic conditions are likely to have played the major role in any change in the types of employment in which young adults were engaged during the period of JCB operation. There is no evidence of impact from the JCB on the type of employment obtained by young adults.

Differences in the employing industries for those who received the bonus compared with the general labour force for this age demographic are likely to result from factors other than the JCB.

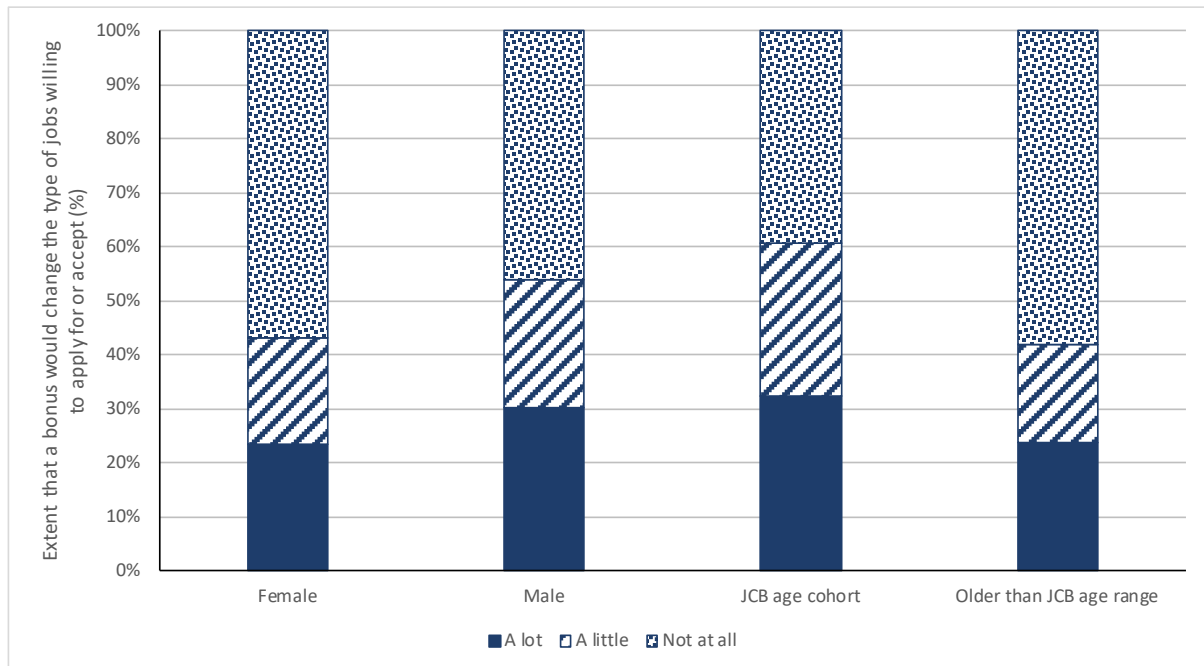
This section explores whether any change in the type of work that young adults obtained during the time of JCB operation can be attributed to the bonus. For example, were young people more likely to try to obtain permanent work because of the JCB.

4.3.1 Type of work

In the Job Seeker Experiences of Employment Services survey (2017) a significantly lower percentage of females than males stated that the offer of a financial bonus would make them 'a lot' more willing to change the type of jobs they would apply for or be willing to accept (23.4 per cent of females compared to 30.1 per cent of males). People in the JCB age cohort indicated that they were much more likely to be influenced by a bonus offer than older job seekers (32.3 per cent of those aged 18 to 30 years compared with 23.7 per cent of those aged 31 years or). (Figure 4.9)

People who thought they were likely or very likely to find a job in the next 12 months were more likely to state that a bonus would make them more willing to change the type of jobs they applied for or were willing to accept. Thirty three per cent said it would make them change 'a lot' compared with 19.8 per cent who thought it unlikely/very unlikely they would change. As was the case with job search intensity, job seeker attitudes to work affected their views as to how likely they were to be willing to change the type of jobs they sought or would accept.

Figure 4.9: Job seeker views of the potential effect of a bonus on the type of jobs they were willing to apply for or accept (per cent)



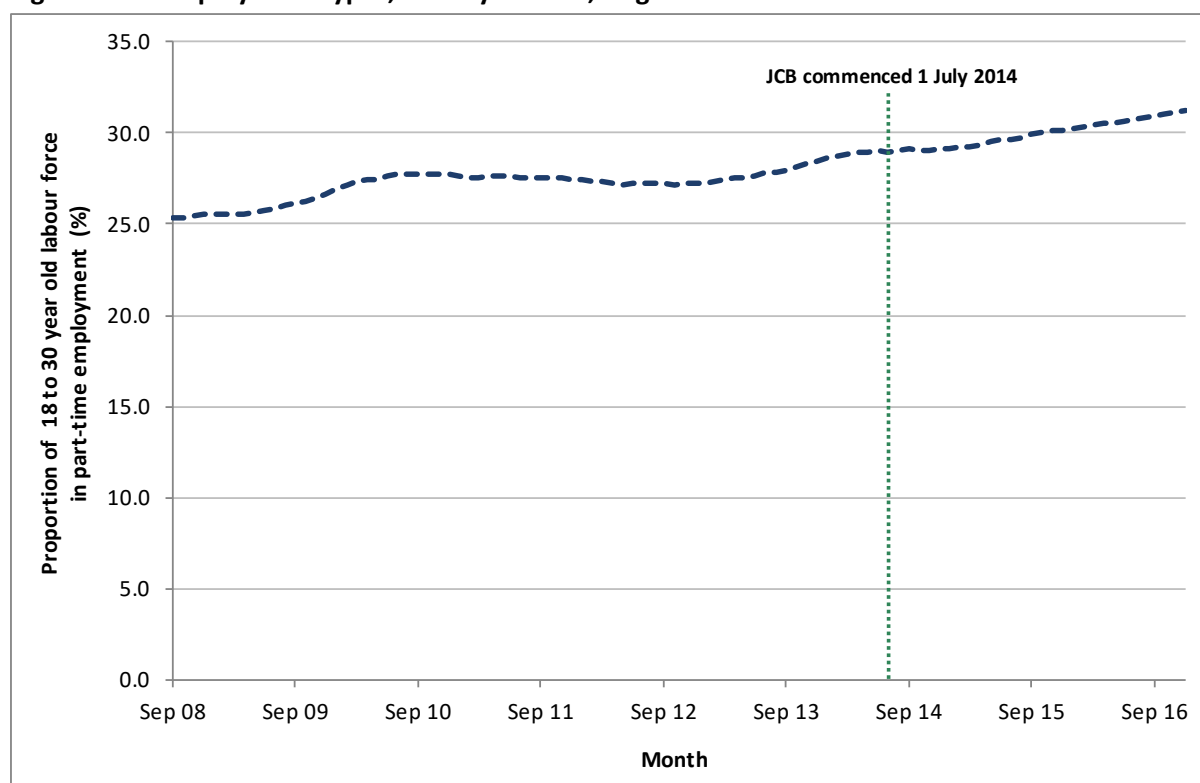
Source: Department of Employment 2017 Job Seeker Experiences of Employment Services survey.

For young people, the type of work performed has altered in response to weak labour market conditions for them. As finding employment becomes harder, people increasingly willing accept any employment, even if it means working fewer hours than desired.

Part-time work may be a personal choice to accommodate other time commitments such as study, or caring responsibilities. Figure 4.10 shows that the proportion of 18 to 30 year olds in the labour force in part-time employment grew by 6.0 percentage points since the GFC (from 25.3 per cent in September 2008 per cent to 31.3 per cent in December 2016). This indicates that young adults are more likely to take up part-time work now than previously. This trend makes it more difficult for young adults to meet the JCB eligibility criteria of continuous employment given they are now more likely juggling several jobs at the same time.

Administrative data to analyse whether there is any discernible difference in the type of work (pay rates, number of hours worked, tenure, employment type (full-time, part-time, casual)) that people who claimed the bonus accepted compared to those who did not lodge a claim, was not available.

Figure 4.10: Employment types, 18-30 year olds, August 2008 to December 2016



Source: Derived from customised data extract provided by the ABS from the Labour Force Survey, Australia. Calculations conducted by the Department of Employment, using 12 month moving averages.

In the absence of baseline data for the JCB target cohort it is not possible to say whether the PPM JCB survey results for type of employment⁷¹ are markedly different to rates before the introduction of the JCB. Given the lack of measurable impact for the JCB in job search, it is likely that factors such as changing macro-economic conditions played the major role in any change in employment types over the JCB period.

4.3.2 Industry of employment

There has been a continual shift, over recent years, towards more service based employment industries for 20 to 29 year olds. Since the onset of the GFC, the largest growth in young adult employment has been in 'Accommodation and Food Services' and 'Health Care and Social Assistance'. 'Manufacturing' experienced the largest decline. (Attachment F, [Table F.16](#))

Young adults are more likely to be employed in service based industries⁷² (79.6 per cent for young adults compared with 76.5 per cent for others) (Attachment F, [Table F.17](#)). Young adults are over

71 JCB PPM survey found that 34.1 per cent of people were in casual employment.

72 'Agriculture, Forestry and Fishing', 'Manufacturing', 'Mining' and 'Construction' are classified as goods-producing industries, with 'Electricity, Gas, Water and Waste Services' viewed as both a goods-producing and service industry. All other industries in ANZSIC are service industries.

represented in the following service industries when totals are compared to employment across the entire labour force by the following amounts (percentage points):

- retail trade 7.2 percentage points
- accommodation and food services 6.8 percentage points
- construction 0.8 percentage points
- arts and recreation 0.8 percentage points
- information, media and telecommunications 0.2 percentage points.

Compared to the overall industry of employment for 20 to 29 year olds⁷³, approved JCB1 claims were less predominant in 'Construction' and 'Education and training' and more likely in 'Administrative and support services' and 'Retail trade' (Attachment F, [Table F.18](#)).^{74 75} This difference is likely due to a combination of factors including:

- a differing gender mix of approved JCB claims compared with the Australian labour force for this age group
- the age range of applicants compared to the labour force (53.4 per cent of approved claims were for people aged under 25 years compared with 17.3 per cent of the Australian labour force⁷⁶)
- JCB applicants had all been long-term unemployed which would likely affect the type of industries in which they seek and obtain work
- the highest level of education profile of bonus applicants differs from the general labour force.

All approved applicants had also sustained employment for at least 12 months, whereas the Australian average data relates to people employed in the labour force, not all of whom would be in sustained employment.

There is no statistical difference found in the proportion of claims approved to people employed in service and goods-producing industries compared to the industries in which 20 to 29 year old Australians are employed (Attachment F, [Table F.19](#)).

73 November quarter 2016 data.

74 Employer industry information was available in the JCB monitoring data for around half of approved JCB1 claims (52.9 per cent). These were claims lodged and approved after 1 July 2016.

75 These results are statistically significant.

76 Those aged 15 to 24 years in the labour force in July 2014 expressed as a percentage of those aged 15 to 64 years.

4.4 Impact on sustained employment

Highlights

Qualitative research indicates that the JCB had greater potential to affect people's behaviour in sustaining exits rather than in job search.

The analyses in this section do not find evidence of a JCB impact on how long exits from income support were sustained.⁷⁷

4.4.1 Sustained exit from income support

In this section, quantitative and qualitative evidence are combined to assess the effect of the JCB on sustained employment.

I definitely wouldn't say it's an incentive to get a job, but like me, and like him, if we are already in the job, then yeah, we are more likely to stay. But if I wasn't working now and someone said hey, if I knew about the bonus, I probably wouldn't rush out having that bonus in mind, it would more just be my own peace of mind.

October 2016 (Round 3), received JCB, focus group, Sydney

As in Section 4.2, study populations⁷⁸ are used for this analyses to:

- Analysis 1:** Compare the percentage of LTU young adults who were off income support 52 weeks after exiting income support for young adults at the lower and higher JCB age range boundaries with those slightly older and younger using a Regression Discontinuity Design (RDD).
- Analysis 2:** Compare the proportion of LTU young adults that remained off income support for 52 weeks after exiting income support, before and after the JCB was introduced using Difference in Difference regression (DID).
- Analysis 3:** Compare the proportion of LTU young adults that remained off income support for 104 weeks after exiting income support, before and after the JCB was introduced using DID.

For the reasons discussed in Section 4.2.1 no conclusions could be drawn from analyses at the lower age boundary.

4.4.2 Off income support 52 weeks after exiting

No statistically significant discontinuity is found at the higher end of the JCB age range, indicating no effect from the JCB against this measure. The measure uses RDD⁷⁹ to compare outcome rates of

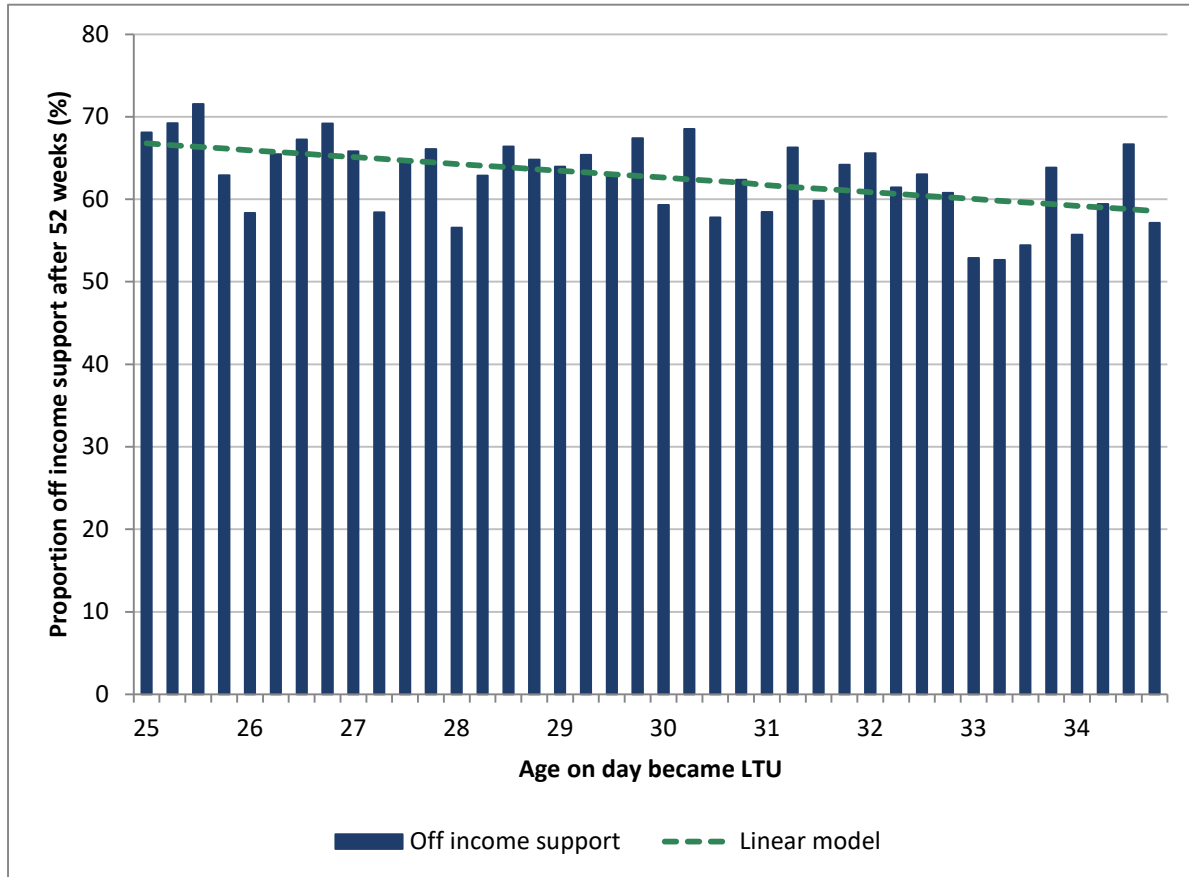
77 See Section 4.5.1 for further analysis that provides some evidence of an impact.

78 Further information about the study populations is provided in Attachment E.

79 A linear model is found to be the best fit for this outcome measure – off income support rates 52 weeks after LTU job seekers left income support (Figure 4.11).

young long-term unemployed job seekers just above and just below the age range for JCB.(Figure 4.11) (Attachment F, Table F.20)

Figure 4.11: Percentage of young long-term unemployed job seekers who were off income support 52 weeks after exiting income support, modelled at the higher end of the JCB age range (per cent)



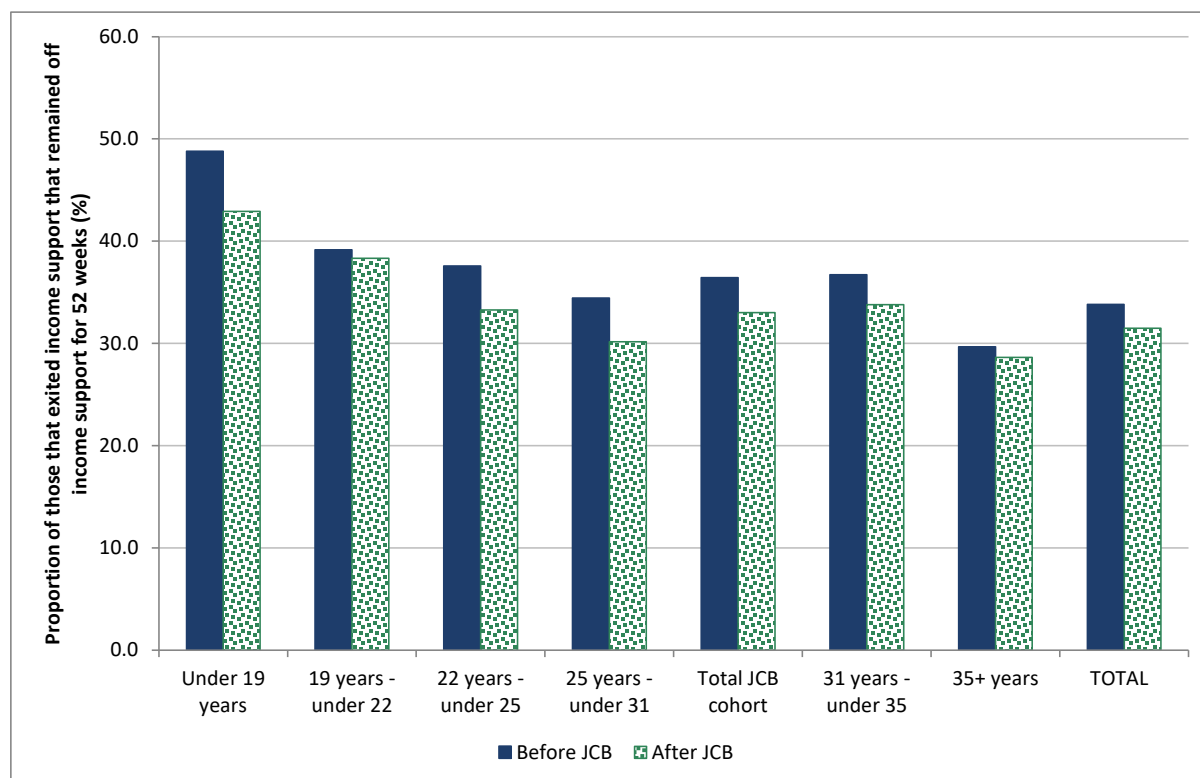
Note: Results are in Attachment F, [Table F.20](#).

Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

4.4.3 Off income support for 52 weeks

Figure 4.12 shows the proportions of the study population who exited income support within 180 days of becoming LTU and sustained their exit for 52 weeks or more. There was an overall 2.3 percentage point difference in these rates for the overall study population (aged 18 to 65 years) but the differential was 3.4 percentage points for those in the JCB age cohort.

Figure 4.12: Proportion that sustained exit from income support for 52 weeks, before and after the introduction of the JCB



Note: Refer to Attachment F, [Table F.21](#).

Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

Regression analysis is used to determine if these differences are a result of differing demographic profiles and macro-economic conditions. Difference in difference analysis compares those in the higher JCB age range (25 to 30 years) to those slightly older (31 to 35 years).

The interaction variable included in the regressions⁸⁰ is not found to be significant in terms of the probability that someone who had exited income support would sustain that exit for at least 52 weeks. (Attachment F, [Table F.22](#)) This indicates that the differences in proportions shown in Figure 4.12 are likely a result of different cohort composition and macroeconomic conditions.

4.4.4 Off income support for 104 weeks

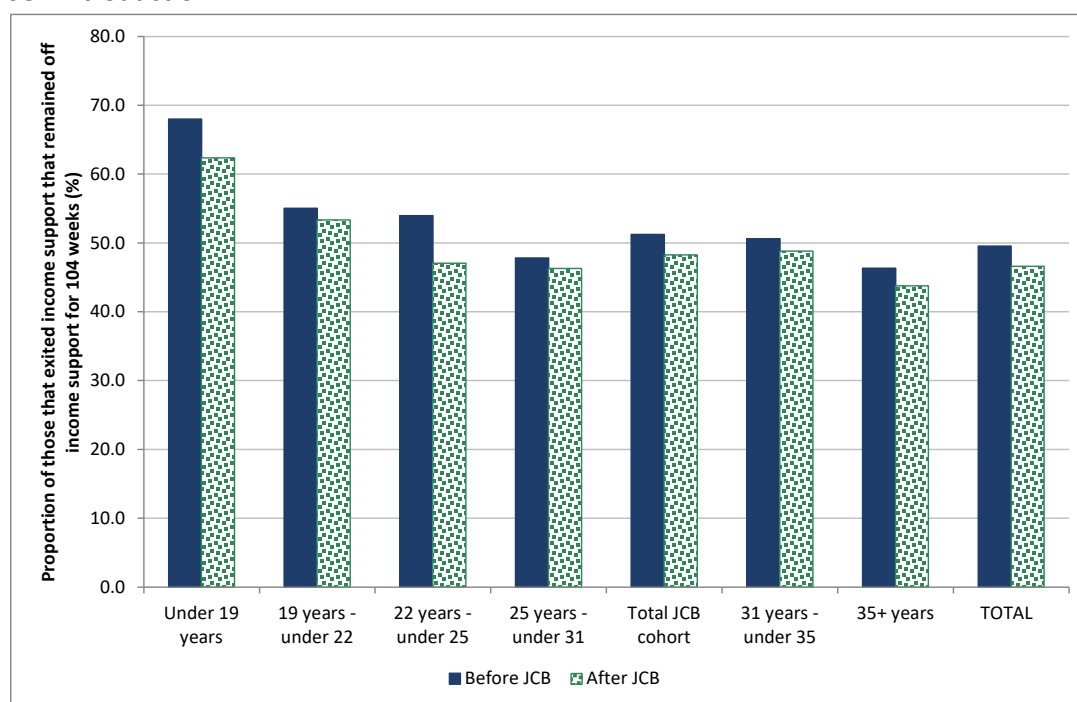
An analysis similar to that above examines whether there was any effect on the probability that a young adult (who had been LTU), who had exited income support would have sustained the exit for

80 For DID analysis the significance of this interaction variable is the aspect of most interest, as if it is found to be statistically significant this would indicate an effect of the JCB. The interaction variable is the combination of whether the person entered income support (and became LTU) before or after JCB introduction combined with the age group that people belonged to. Further information about DID is in Attachment E.

at least two years.⁸¹ For this analysis the study population was reduced to a smaller group who commenced income support in the first three months of the analysis period who exited income support within 90 days of becoming LTU. (This was in order to leave a sufficiently long analysis period for two year exits from income support).⁸²

There was an overall 2.9 percentage point difference in these rates for the overall study population (aged 18 to 65 years). The differential was 3.0 percentage points for those in the JCB age cohort. (Figure 4.13)

Figure 4.13: Proportion that sustained exit from income support for 104 weeks, before and after JCB introduction



Note: Refer to Attachment F, [Table F.23](#).

Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

Once regressed, the interaction variable is again not found to be significant in terms of its impact on the probability that someone who had exited income support would sustain that exit for at least 104 weeks. (Attachment F, [Table F.24](#))

81 Study population numbers were too small to enable conditional analysis of the probability of sustaining an exit to 104 weeks given a person had sustained their exit to 52 weeks, as conducted in the following section in relation to deadweight (Section 4.5).

82 As this is a much smaller cohort to those compared in the 52 week analysis above raw rates achieved for these two study populations should not be compared. Those who leave income support within 90 days of becoming LTU would probably be more job ready than those who exit within 180 days and therefore outcome rates would be expected to differ.

These analyses took in to account differences in demographic characteristics and macro-economic conditions and were not affected by the change from JSA to jobactive. The quantitative analyses considered in this section do not indicate any impact of the JCB on sustained income support exit rates.⁸³

4.4.4 Other quantitative evidence

Quantitative survey data suggests that an appropriately designed and well promoted bonus program might encourage sustained employment. Many factors influence people's behaviour and response to financial incentives, not only demographic factors but also job seekers' attitudes to work, their perceived likelihood of obtaining work and motivation. Designing a program that targets a specific cohort should to consider all such dimensions that influence people's behaviour.

In the Job Seeker Experiences of Employment Services survey (2017), job seekers were asked if they thought a financial bonus might encourage them to try to stay in a job rather than returning to income support. A slightly lower proportion of females than males (56.1 per cent compared with 56.8 per cent)⁸⁴ stated that the offer of a financial bonus would encourage them 'a lot' to stay in a job rather than going back on to benefits.

There was a marked difference in opinion for those in the JCB age cohort compared to older job seekers (60.5 per cent of job seekers aged 18 to 30 years compared with 53.8 per cent of older job seekers). This suggests that (all other things being equal) a financial incentive program trying to encourage sustained employment might be more effective if targeting younger rather than older job seekers. (Figure 4.14)

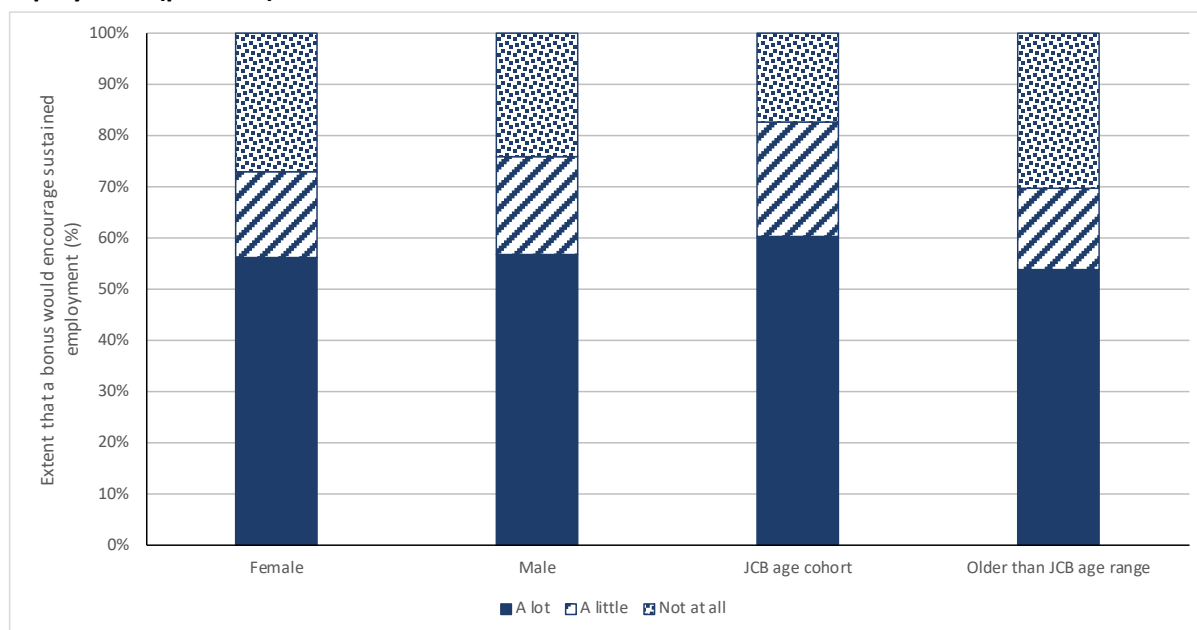
Job seekers who thought they were likely or very likely to find a job in the next 12 months were more likely to indicate that a bonus would encourage them 'a lot' to stay in a job rather than return to benefit (63.1 per cent said it would encourage them 'a lot' compared with 48.6 per cent who thought it unlikely/very unlikely they would find a job). Job seeker attitudes to work affected views as to how likely a bonus would encourage sustained employment.

The job seekers who were asked these 'theoretical' questions were yet to secure employment, whereas the preceding analysis is based on employment data for those who gained employment during the period that the JCB was operating.

83 See Section 4.5.1 for further analysis that provides some evidence of an impact. That analysis is more sensitive to potential impact of the JCB as it is confined to a narrower cohort than the analyses conducted in this section.

84 Statistically significant difference.

Figure 4.14: Job seeker views of the potential effect of a bonus to encourage them to sustain employment (per cent)



Source: Department of Employment 2017 Job Seeker Experiences of Employment Services survey.

4.4.6 Qualitative evidence

Qualitative evidence suggests that the JCB had greater potential to impact behaviour in terms of staying off income support than it did on influencing job search behaviour. This was not a consequence of the lack of an effective communication strategy. Rather once aware, the JCB target group was affected by pre-existing motivations and whether they saw the bonus as of ‘sufficient’ value. Research participants who were currently working were more motivated by the idea of the bonus than people who were unemployed. This was presumably because the bonus seemed more attainable as they were closer to qualifying. They would therefore assign a higher discounted future value to the bonus (Section 4.1.2).

Combined qualitative evidence indicates that, especially for those who act impulsively, the bonus had potential to encourage people to:

- stay in work and persist with a job they may not have liked in order to qualify, but only within reasonable limits

Because I actually knew about it, the JCB, and it made me stay at my job until I found something better when it was really tough, to be honest.

October 2016 (Round 3), received JCB, focus group, Melbourne

My mentality was if I don't like a job, I'd just leave and I wouldn't even line up a job, and then I'd just be like I'm going and I'll figure it out in the future. But with that in the back of my mind, I was just like okay, just grind it out, until I hit the two years, and then go back. It kept me there, and I'm not regretting it and I'm liking my job now and so I guess if that motivation hadn't have been there, I probably would have left this company.

October 2016 (Round 3), received JCB, focus group, Melbourne

If there was sexual harassment, I wouldn't care about a lump sum; I'd be like goodbye, or bullying, really bad bullying.

October 2016 (Round 3), not yet claimed, focus group, Gold Coast

- transition from one job to another and actively avoid becoming unemployed.

It would be a good idea to go and look, just to make sure that you do have a job before you leave.

October 2016 (Round 3), not yet claimed, interview, regional NSW

Respondents in the PPM JCB survey also reported that the increase in motivation to sustain a job was greater than its impact on job search (Figure 4.5).

Most participants who had successfully claimed the JCB1, were aware of the 24 months bonus, and they intended to claim the JCB2.

So I think, yes, it's, the reason why: I'm eligible, but it helps out financially in terms of being a year off unemployed has really sucked into your finances quite heavily. And so this commitment bonus really fits in terms of rectifying bills and cashing up and actually starting to save again.

November 2015 (Round 2), received JCB, male, 25 years or more, metropolitan

They also stated that it was of little significance to stay employed, as nearly all wanted to continue working and stay off income support regardless. None saw any reason that they would not qualify for the 24 months bonus, in either their current job or another, unless some unexpected circumstances arose.

People who had received JCB1 saw JCB2 as more attainable, and therefore were highly motivated to achieve it.⁸⁵

Especially getting that first amount in your account and knowing how much it helped you and going alright, this was money I wasn't able to save, wasn't able to get ahead, alright, all I've got to do is push for another twelve and I can get this again.

October 2016 (Round 3), received JCB, focus group, Sydney

People who were closer to qualifying for the bonus displayed greater motivation to obtain it, again relating to the discounted future value (Section 4.1.2).

That only became a factor when it became almost time to claim it. Like oh, I can almost get this money. And I'm like, may as well stick it out.

October 2016 (Round 3), received JCB, focus group, Sydney

The quantitative analyses presented in this section do not corroborate this finding however in the next section, (Section 4.5.1) some quantitative evidence is found that does lend support to the qualitative research.

⁸⁵ By the time of the October 2016 fieldwork (Round 3) the fact that the JCB was ceasing in December 2016 was known, and therefore not all participants who had achieved the 12 months bonus would qualify for the 24 months bonus in time.

4.5 Other effectiveness and efficiency measures

Highlights

Deadweight for JCB1 is estimated to have been close to 100 per cent.

There is some evidence that JCB2 deadweight was slightly lower (around 95 to 96 per cent). While slightly lower for most demographic groups, the deadweight appears to be lowest for single parents, Indigenous people and ex-offenders.

4.5.1 Deadweight

Deadweight for the JCB refers to the proportion of people who sustained their exit from income support, who would have done so without the JCB incentive. The level of JCB deadweight is confirmed in this evaluation using predictive modelling.⁸⁶

The probability that a person who would be potentially eligible for the JCB⁸⁷ remained off income support for 12 months is calculated before the JCB program commenced (1 July 2013 to 30 June 2014). The generated model is then applied to similar job seekers who exited income support in the first 12 months of the JCB program (1 July 2014 to 30 June 2015). The difference between predicted and actual results for this latter group is shown below (Figure 4.15).

Assuming the differing economic conditions are well accounted for, and no other external factors that might affect outcomes have been overlooked, any differential between predicted and actual outcome rates can be attributed to the JCB.

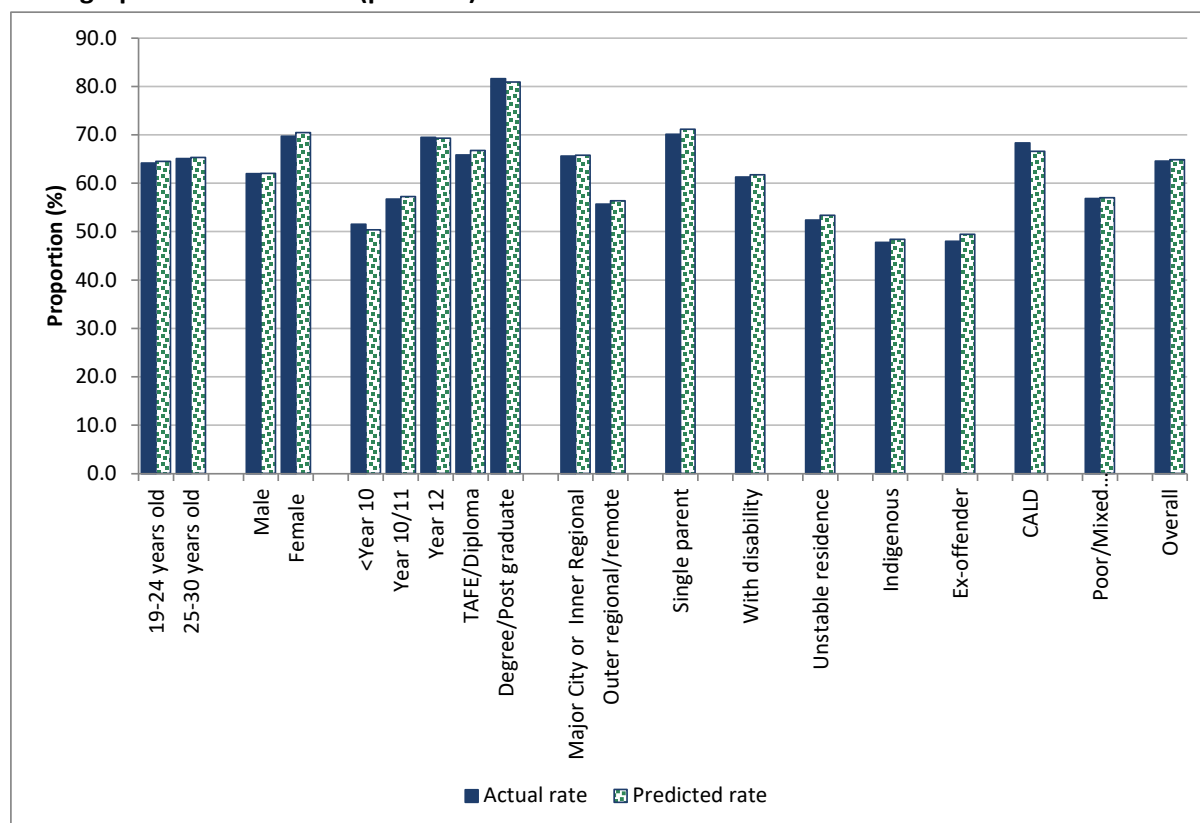
Results show a predicted rate of sustained exits not statistically different to the actual observed rate (with a 0.3 per cent higher rate predicted), suggesting that the deadweight for JCB1 was basically 100 per cent.

Predicted and actual sustained 12 months income support exit rates were not significantly different for most groups examined, with a significant difference only found for CALD people (1.8 percentage point lower predicted rate than actual).

⁸⁶ These models control for differences in job seeker characteristics and macro-economic conditions.

⁸⁷ People aged between 19 and under 31 years, who had been on NSA or YA(O) for at least 12 months continuously and who had exited income support.

Figure 4.15: Actual versus predicted sustained 12 month exits from income support by selected demographic characteristics (per cent)



Note: Refer to Attachment F, [Table F.25](#).

Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

Had the JCB program continued then secondary benefits may have been realised from bonus recipients by their promotion of the program to family and friends, increasing awareness of the program. If increased awareness of the JCB translated into the desired increased motivation on job search behaviour and consequential sustained exits from income support then deadweight for JCB1 would have decreased. Evidence from this evaluation suggests that was not likely to occur (Section 5).

Another comparison made is actual to predicted sustained 24 months off income support rates, considering only those who had sustained exits from income support for 12 months. This analysis explores whether there is evidence of higher sustained rates once people became aware of the JCB (which appears to have occurred for many after 12 months off income support when the myGov notification was sent). Qualitative research indicates that the JCB may have had more of an impact on sustaining exits for JCB2 (Section 4.4.6).

For this conditional analysis, predicted exit rates are lower than actual. This provides some evidence of an effect of the JCB on sustained outcomes in the 12 to 24 month period off income support

(Attachment F, Table F.25). Overall, predicted rates are 4.4 percentage points lower than actual, with the following demographic groups appearing to be more strongly affected by the JCB:⁸⁸

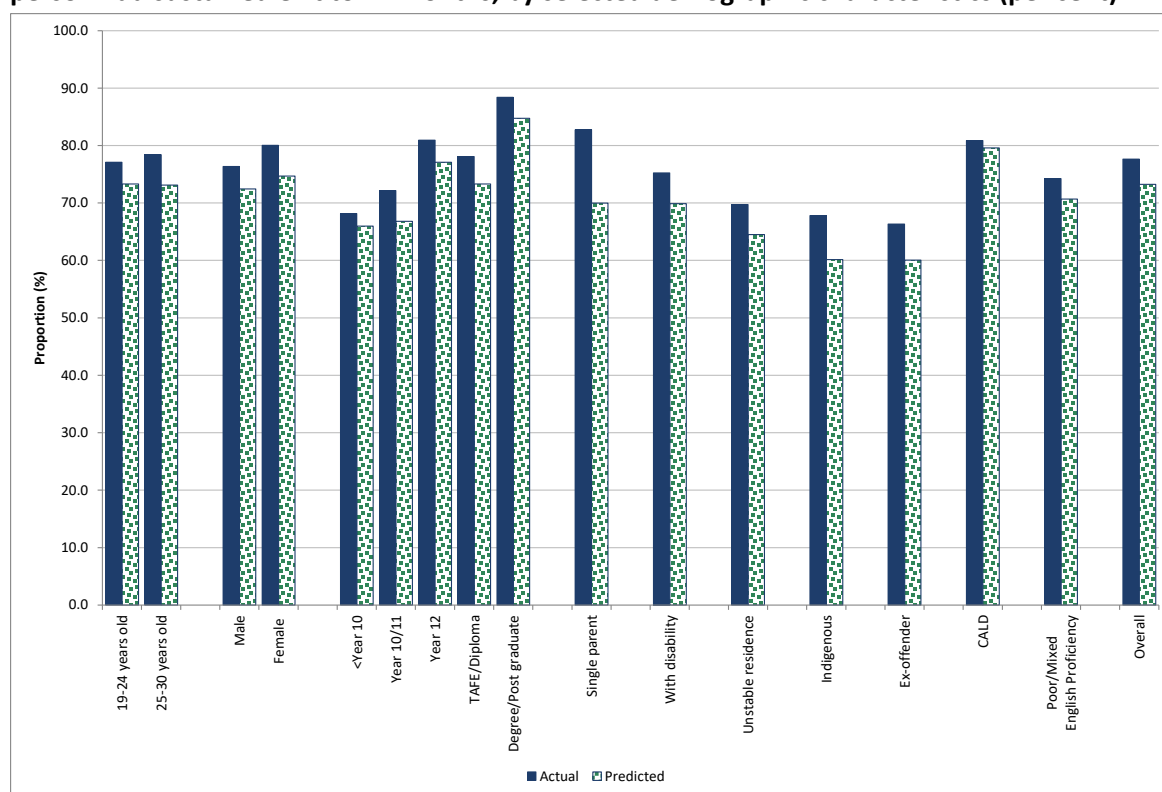
- those aged 25 to 30 years 5.3 percentage point difference
- females 5.3 percentage point difference
- single parents 12.8 percentage point difference
- Indigenous 7.6 percentage point difference
- ex-offenders 6.2 percentage point difference,

while the following were less affected by the JCB:

- those aged 19 to 24 years 3.7 percentage point difference
- males 3.9 percentage point difference
- those with degree or higher education 3.6 percentage point difference.

This conditional analysis suggests that while deadweight for JCB1 was close to 100 per cent, deadweight, while still high, was lower for JCB2, estimated to be around 95 to 96 per cent.

Figure 4.16: Actual versus predicted sustained 24 month exits from income support given the person had sustained exit to 12 months, by selected demographic characteristics (per cent)



Note: Refer to Attachment F, [Table F.25](#).

Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

88 Statistically significant differences – see Attachment F, Table F.25.

4.5.2 Cost per outcome

While the original budget for the first five years of the JCB program (2013–2014 to 2017–2018) was \$157.1 million, actual program expenditure was far lower due to lower program take-up and cessation of the program in December 2016.

Given bonus payments were set at \$2500 for JCB1 and \$4000 for JCB2, based on the monitoring data used in this report, the amount paid to approved applicants was \$21.33 million. The 6584 people who received bonus payments therefore received \$2734 on average. This however is not the ‘true’ cost per outcome (outcome being a sustained exit off income support). To arrive at a more accurate figure savings in income support payments should also be considered.

The previous section demonstrated that there was a very high deadweight component to this program. Predicted outcome rates were very close to the actual rates observed. As we cannot demonstrate an effect on income support from the program, no savings can be reasonably attributed to sensibly amend the cost per outcome figure.

5 Discussion

Highlights

Quantitative and qualitative evidence suggests that JCB had greater potential to affect people's behaviour in terms of remaining off income support than it did for job search behaviour.

Considering people's responses to the JCB using the *Trans-theoretical Stages of Change* model of behaviour change suggests that increased motivation is probably not the primary challenge for most LTU.

Tailoring interventions to individuals' motivational needs, to help them remove their barriers or increase their confidence in their own ability to do so would, in the context of the TTM, be a more effective approach.

5.1 Finding work

There is no evidence of any impact of the JCB on the effectiveness of job search behaviour, with qualitative evidence providing explanations for the quantitative results:

- the lack of an effective communication strategy and designated funding for promotion compromised the program
- low awareness can be attributed to the type and timing of communications, with DHS having issues contacting people after they had left the income support system
- along with communication issues, other factors also affected take-up. Some of these may have been addressed by a well-designed and implemented communication campaign. These challenges included:
 - a general mistrust of government and suspicion as to the genuineness of the positive financial incentive on offer, believing it too good to be true
 - a complex program design meant some found it difficult to qualify, while others were confused about requirements
 - a weak labour market
 - the discounted future value young adults assigned to the bonus amount.

These findings are not surprising. Martinson and Hamilton (2011) present similar findings from evaluations of five earning supplement programs in Canada, USA and the UK. They found that not only program design but also program management and marketing had an effect on take-up. Some common reasons for non-participation in programs were:

- low awareness of the program
- a desire to leave the stigma of welfare behind
- a lack of understanding of eligibility requirements
- mistrust that the benefit was genuine.

Strategies they recommended to address non-participation included:

- market aggressively, early and often during the program

- contact people when they are ready to claim
- avoid assuming that people will remember eligibility requirements later
- use multifaceted marketing strategies
- simplify eligibility requirements and non-work rules, program design and administrative requirements
- explain the program clearly so that targeted people believe the offer is genuine, understand the requirements, can see the benefits, and can take the steps needed to receive the incentive.

Discussions with JCB research participants who had been LTU and had left income support for at least 12 months about their job search experiences indicated that they were motivated to leave the income support system and gain employment. Most thought that living on unemployment benefits was undesirable or unsustainable. Some of the factors participants identified as motivating them to find employment included:

- improved self-esteem
- social expectation, pressure and the desire for improved social standing
- a step toward future goals
- avoidance of compliance requirements
- addressing boredom / lack of direction / lack of meaning living on income support
- pressure / support from family and significant others.

The evaluation did not test the effect of different job search requirements between JSA and jobactive, on the effectiveness of the JCB overall. That is, the evaluation did not measure the extent to which increased focus on job search requirements under jobactive affected the uptake of jobs and therefore the extent to which the JCB could affect sustainability.

5.2 Remaining off welfare

Some quantitative evidence supports the qualitative finding of potential JCB impact on sustained outcomes (Section 4.5.1). Qualitative evidence indicates that, especially for people who had a history of acting impulsively in leaving jobs, the JCB had the potential to encourage participants to:

- stay in work and persist with a job they may not have been happy with in order to qualify, within reasonable limits
- transition from one job to another quickly and actively avoid becoming unemployed.

5.3 The behavioural context

According to the *Trans-theoretical Stages of Change* model of behaviour change (TTM), people move through a series of stages when modifying their behaviour. The five Stages of Change are:

- Pre-contemplation
- Contemplation
- Preparation
- Action

- Maintenance.⁸⁹

People do not necessarily move through these stages in a linear progression, but can move in an upward, spiral process, regressing back to earlier stages when experiencing relapses. Further detail on the TTM can be found in Attachment A.

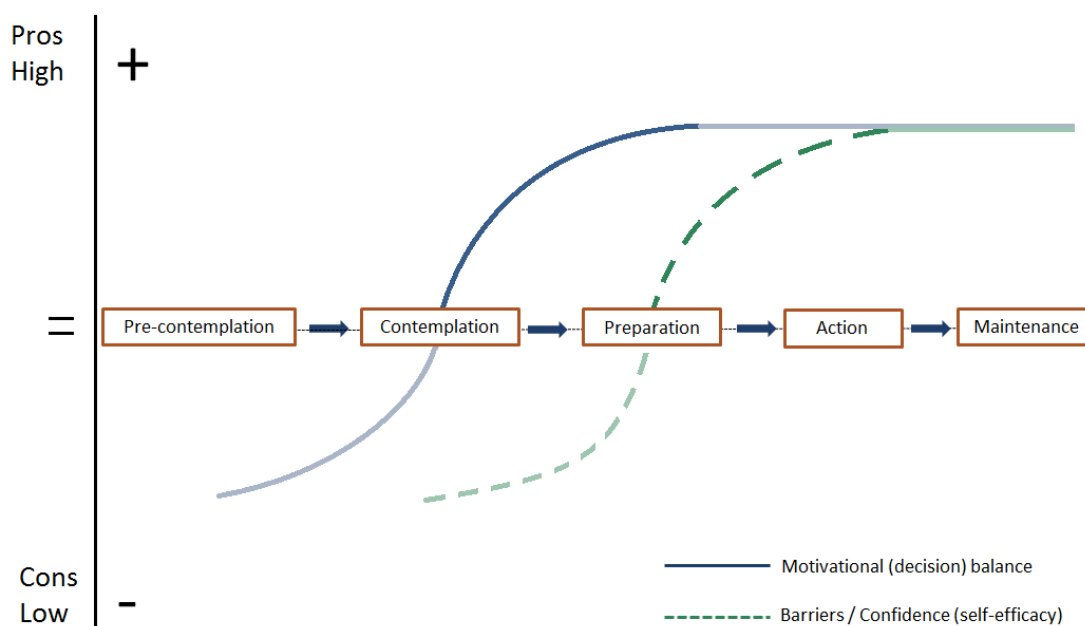
The TTM explains intentional behaviour change over time, using both cognitive and performance-based components, including:

- **Processes of change**
Covert and overt processes (cognitive and behavioural) are used to describe how a person changes to progress through the stages of change and to attain the desired behaviour change.
- **Motivational balance**
As people progress through these five stages the decisional or motivational balance of the comparative pros and cons shifts. Engagement in a specific behaviour requires the pros to outweigh the cons.
- **Self-efficacy**
This concept reflects the individual's confidence in their ability to change and maintain their desired behaviour when situations change that may trigger a relapse or in high-risk situations when they may be tempted to return to old behaviour patterns. Behavioural change is more likely for people whose confidence is higher as they are less likely to 'give up'. Eliminating barriers, minimising the impact of barriers and maintaining confidence in the face of barriers is critical. With high confidence, there is a greater likelihood of a successful behaviour change outcome.

Figure 5.1 shows how motivational balance and self-efficacy increase across the five stages of the TTM.

⁸⁹ Some researchers have added a sixth, later stage, *Termination/Advocacy or Transcendence*, during which people no longer perceive their former behaviours as desirable.

Figure 5.1: Motivational balance and self-efficacy across the *Trans-theoretical Stages of Change* model



Source: This diagrammatic representation was originally developed by Market Access from the literature of Prochaska and DiClemente.

The JCB program sought to influence the behaviour of long-term unemployed job seekers, encouraging them to: increase job search efforts; obtain employment; exit income support; and consequently sustain employment and remain off income support.

Motivation is the key change element in the early stages of change (Pre-contemplation and Contemplation). Motivation remains important in Preparation and continues to have some relevance in Action. For the JCB to have had an effect on job seeker behaviour it had to contribute to job seekers shifting from a negative motivational balance (where the cons outweighed the pros) to a positive one (where the pros outweighed the cons).

Barriers and confidence (self-efficacy) are more critical in the Preparation and Action stages, but are also important in the Contemplation and Maintenance stages. Once a job seeker is sufficiently motivated to become employed they also need to have sufficient confidence in their own ability to overcome the barriers.

5.3.1 Discounted future value

Given the long qualification period for the JCB (12 months) job seekers tended to discount the future value of the bonus depending on the likelihood they could attain it. People closer to qualifying considered the bonus more attainable than those still seeking work or having just commenced employment. It also meant that the likelihood of getting a job also affected the motivational value of the bonus. If people do not believe they can get a job at all then they will discount the value of the entire bonus. Consequently, the bonus had very little motivational potential for job seekers in a weak labour market, with employment barriers to be addressed (Section 3.7.4).

5.3.2 Responses to the JCB

In the TTM barriers and confidence (self-efficacy) are more critical in the Preparation and Action stages, but are also important in the Contemplation and Maintenance stages (Section 5.3). Once a job seeker is sufficiently motivated to become employed they also need sufficient confidence in their own ability to overcome the barriers.

The Round 1 and 3 qualitative research⁹⁰ indicated that the JCB impact on motivation would be minimal. Most participants in the fieldwork were at least in the Contemplation stage of the model i.e. they were aware that a problem exists, that they could and should do something to make their lives better, and that their behaviour needed to change. The vast majority of participants listed many pros and only a few cons to employment. This suggests a positive motivational balance to obtain work without the need for an extra incentive to increase motivation for job search. The pros listed by these participants included:

- improved finances
- opportunity for financial security
- improved self-esteem
- greater capacity for social interaction and improved social standing
- a sense of purpose
- something to do
- avoidance of compliance requirements
- avoidance of dealings with government.

The cons included:

- having less free time
- answering to a boss
- potential physical and mental tiredness
- potential difficulty of returning to benefits if employment is not successful.

It is also more probable that participants were past the Contemplation stage and had been in the Preparation or Action stages when looking for work. In these latter stages of the TTM the more critical issues relate to barriers and the confidence to overcome them (self-efficacy) rather than motivational balance, which in these stages is already positive. Participants perceived their reasons for unemployment as being a function of the barriers they faced and their perceived inability to overcome those barriers. This suggests the JCB could not achieve its objective of changing behavioural outcomes, as it did not have any components that addressed self-efficacy.

Participants in the various rounds of qualitative research conducted for this evaluation were not necessarily representative of all LTU job seekers. The fact that they participated may indicate they

90 This fieldwork gathered views from a diverse range of LTU job seekers, that is, those still unemployed, those employed, some who had claimed and received the bonus and others whose claim had been rejected.

were those with higher motivation levels than average. The fact that evidence from quantitative analysis in this report supports the qualitative findings reinforces the conclusions.

As motivation to obtain employment is already high for many LTU young adults, a program that attempts to increase motivation, without complementary efforts to address employment barriers, (increasing self-efficacy) will be ineffective. Employment services programs such as JSA, jobactive, DES and CDP are designed to assist job seekers with their barriers. Based on the evidence of low JCB promotion among providers, it appears that in practice the JCB did not work in conjunction with these services.

A more effective motivational program to effect behavioural change would target people with low self-confidence rather than a universal program like the JCB. It would also preferably work in conjunction with employment service providers. Tailoring interventions to an individual's motivational needs, to help them remove barriers or increase their confidence in their ability to do so would be a more effective approach.

6 Recommendations

6.1 Program design

Program design should:

- be simple, with easy to meet eligibility requirement (not complex and confusing)
- consider the status of the labour market and how this will affect people's ability to qualify
- ensure design does not discourage people who are making genuine progress towards goals
- consider all types of employment (i.e. permanent, contract, casual, seasonal) recognising the types of employment prevalent among the target cohort
- recognise the discounting future value issue when designing payment schedules
- consider trials (preferably randomised) to determine the most effective payment schedules
- target financial incentives to people with low motivation to seek employment and/or who are at risk of churning back to income support
- address self-efficacy aspects of change by providing assistance in overcoming barriers and building self-confidence within the program or through other employment service programs (e.g. jobactive) that work in conjunction.

6.2 Communication

Communication should:

- ensure sufficient dedicated resources for a strong, well-designed communication campaign
- ensure high levels of awareness in the target cohort and a good understanding of eligibility requirements
- encourage good program take-up by:
 - including promotion early and often during the program
 - clearly identifying key stakeholders
 - contacting people when they are ready to claim⁹¹
 - not assuming that people will remember eligibility requirements later
 - using multifaceted marketing strategies including use of social media and word of mouth
 - having strategies to address known issues that will arise such as:
 - mistrust in government
 - people's desire to disengage from the income support system
 - encouraging people to update contact details

91 Contacting people close to the date for claiming would only be recommended in situations such as where a financial incentive was one in a series of bonuses (where future preferred behaviour could then be encouraged or potentially influenced by claiming) or where by increasing awareness might improve word-of-mouth promotion of the program among the target cohort. Potential deadweight costs would need to be taken in to consideration.

- ensure as many as possible are contacted in the most appropriate and effective manner (time and method).

6.3 Implementation

Implementation requires:

- strong communication and relationships between departments, and a clear understanding of roles and responsibilities
- staff training and development
- IT staff with appropriate expertise and knowledge.

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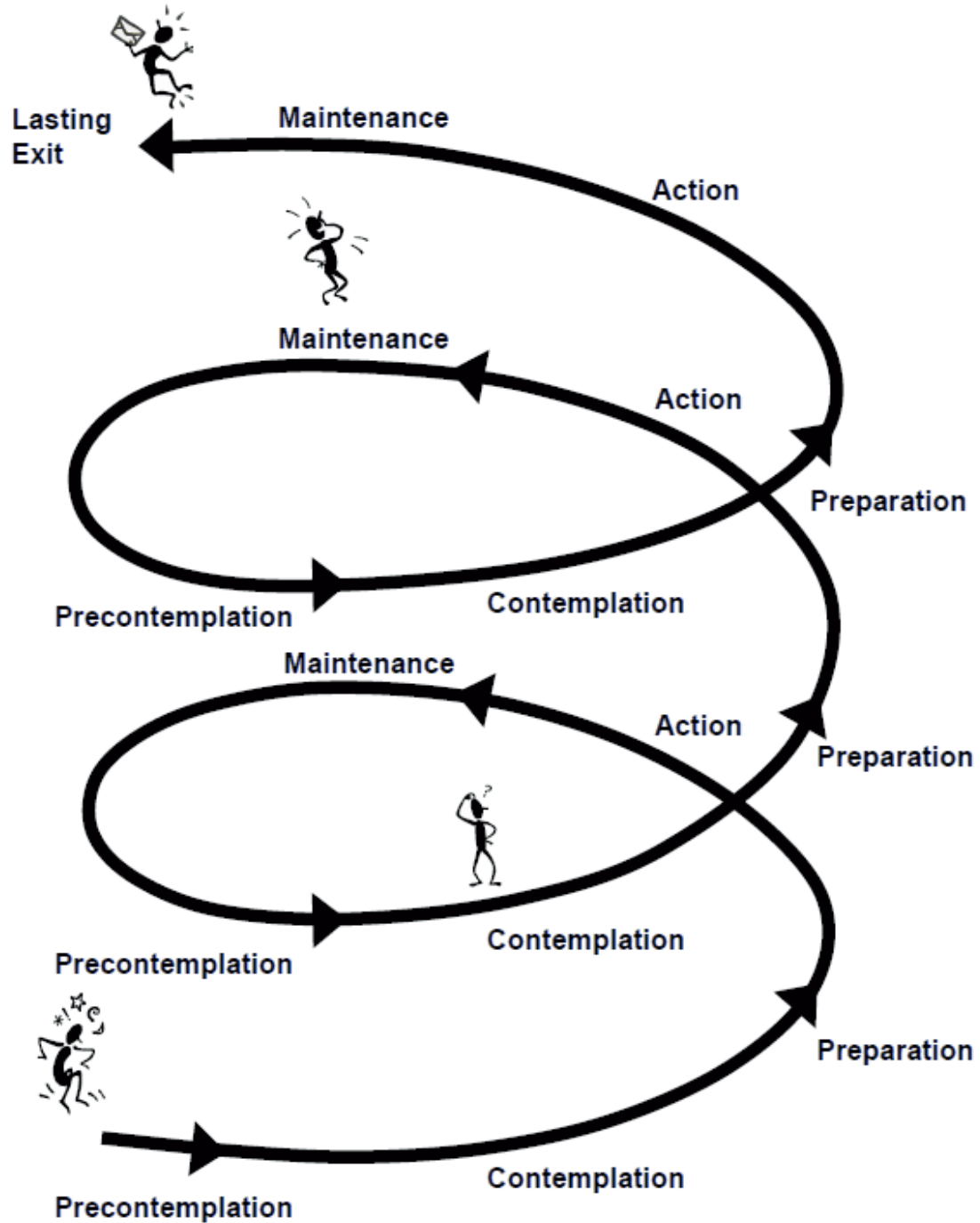
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Attachment A: Behavioural models used in this report

A.1 The *Trans-theoretical Stages of Change* model

DiClemente and Prochaska developed the *Trans-theoretical Stages of Change* model (TTM) in the early 1980s (Prochaska et al, 2013).

Figure A.1: The *Trans-theoretical Stages of Change* model



Source: Department of Health (2004).

The five stages of the *Trans-theoretical Stages of Change* model (TTM) are:

1. Pre-contemplation (Not ready)

People in this stage cannot see the need for change and have no intention to change their behaviour in the foreseeable future (usually measured in terms of the next six months). Most are either unaware or under aware of their problems. In this stage some may be demoralised after multiple unsuccessful attempts at change. The pros for behaviour change are outweighed by the relative cons for change, and therefore the decisional balance is to maintain current behaviour. Those in the Pre-contemplation stage are usually regarded as resistant or unmotivated, avoiding information, discussion or thought about the required behaviour change.

2. Contemplation (Getting ready)

People can remain in this stage for long periods. They are aware that a problem exists, that they can and should do something to improve their lives, and that their behaviour needs to change. They are more aware now of the pros of changing, but also well aware of the cons, they tend to carry equal weight. They openly state that they intend to make changes in the next six months, but have not yet made the commitment to take action. During this stage, people are very open to information, and seek options and strategies to resolve their problems.

3. Preparation (Ready)

The preparation stage is transitional rather than stable, with people now intending to progress to the next Action stage within the next 30 days, after unsuccessfully having tried to change. They see the 'cons' of continuing as outweighing the 'pros' of changing their behaviour, but have made a decision or commitment to change, after realising how serious their situation is. During this stage, they make plans as well as contemplate their situation (reaffirming the need and desire for change).

4. Action

Behavioural changes made during this stage are quite visible and externally recognised. People in this stage have made tangible and overt changes or modifications to their lives. People are considered to be in this stage when they have altered their behaviour for a period of one day to six months. In the Action stage people are open to receiving help and support.

5. Maintenance

People in the Maintenance stage work to consolidate the behavioural changes they have made, and to prevent relapse. As people enter the Maintenance stage, the pros for maintaining the behaviour change should outweigh the cons of maintaining the change, with the risk of people lapsing substantially less in this stage than in earlier stages. Compared to those in the Action stage, these people report the highest levels of self-efficacy (i.e. confidence in their ability to change).

A.2 Hyperbolic discounting

Hyperbolic discounting is a widely accepted model used to explain how people make choices across a range of aspects such as: willpower, health outcomes, consumption choices over time, and personal finance decisions, including choosing between a smaller reward now or a larger reward later.

Hyperbolic discounting fits a declining discount rate to how people discount future rewards. That is, the rate of discounting decreases over time. A number of factors have been identified that influence the extent to which people discount future rewards, and people's preferences can change over time.

For example:

- few people would prefer \$100 in 30 days compared to \$110 in 31 days, but many would choose \$100 today over \$110 tomorrow
- while many would choose \$100 today over \$110 tomorrow, after a month many would change their minds and prefer \$100 at day 30 rather than wait an extra day for \$10 more.

While some people tend to be prone to hyperbolic discounting more than others in general, younger people are more prone to use hyperbolic discounting than older people.

Attachment B: Key evaluation questions

Question 1: Did the Job Commitment Bonus influence take-up and retention of employment among young (18 to 30 years) long-term unemployed people?

Key indicators:

- Number of approved Bonus claims [*Employment and DHS administrative data*]
- Proportion of eligible young long-term unemployed former job seekers claiming the Bonus [*Employment and DHS administrative data*]
- Level of awareness of the Job Commitment Bonus [*Employer survey, Employment Service Provider survey and focus groups*]
- Average duration on income support before getting a job placement, for young long-term unemployed job seekers and a comparison group [*Employment administrative data*]
- Average length of time in employment services, for young long-term unemployed job seekers and a comparison group [*Employment administrative data*]

Question 2: Did employment outcomes and off-income support outcomes of young long-term unemployed people increase following the introduction of the Job Commitment Bonus?

Key indicators:

- Proportion of young, long term unemployed job seekers achieving employment outcomes before and after the introduction of the Job Commitment Bonus [*Post Program Monitoring survey (PPM) data*]
- Percentage of young long term unemployed job seekers that are off income support at 52 and 104 weeks after the program, compared with a similar group prior to introduction of the Job Commitment Bonus. [*Employment administrative data*]
- Length of time young, long term unemployed job seekers take to exit income support (for median and 75 per cent quartile) after the program, compared with a similar group prior to the introduction of the Job Commitment Bonus. [*Employment administrative data*]

Question 3: What other types of financial incentive or support (for example, post placement, job seeker payments and employer subsidies), if any, were received in conjunction with the Job Commitment Bonus?

Key indicators:

- Average EPF (or equivalent) expenditure for those who receive the Bonus compared to those who:
 - do not claim the Bonus but could have
 - obtain employment but return to income support before reaching the 12 or 24 month milestones
 - remain on income support [*Employment and DHS administrative data*]

Regression analysis will be used to determine the likelihood of job seekers achieving the bonus milestones (that is staying off income support for 12 months/ 24 months) based on their demographic characteristics and the amount/type of EPF (or equivalent) expenditure. *[Employment administrative data]*

Question 4: Was the Job Commitment Bonus cost effective?

Key indicators:

- Estimation of deadweight cost. The proportion of job seekers who received the Bonus who would have sustained employment without the Bonus will be estimated using predictive regression modelling of off-income support outcome rates *[Employment and DHS administrative data]*
- Modelled estimates of cost per outcome and income support savings per outcome for claimants. The model will attempt to discount deadweight based on the abovementioned findings.

Attachment C: Scope and timing of qualitative research

March 2015 Round 1

The Department engaged Alliance Strategic Research to conduct qualitative research to inform the JCB evaluation. The research explored awareness of, and attitudes towards, the JCB. It was conducted after the program commenced (1 July 2014) but prior to the date first claims could be lodged (from 1 July 2015). Participants were 18 to 30 year olds who were:

- unemployed job seekers currently in employment services who had been on either NSA or YA(O) continuously for at least the previous 12 months at the time of the sample selection
- employed people who had been on either NSA or YA(O) continuously for at least 12 months and had left income support on or after 1 July 2014.

November 2015 Round 2

The Department engaged the Social Research Centre to conduct quantitative and qualitative research about job seeker experiences with employment services. As part of this project interviews were conducted with people who had claimed and received the JCB and people who had a claim rejected. The objectives of this element of the research were to explore:

- the extent of awareness of the JCB (among the general job seeker cohort)
- how people became aware of the JCB
- views on the JCB
- the impact of the JCB on job search behaviour
- the effect of JCB sustained employment.

October – December 2016 Round 3

The Department engaged Market Access Consulting and Research to conduct qualitative research with young long-term unemployed job seekers who subsequently became potential JCB claimants. The research sample comprised those who had:

- claimed and received the bonus
- claimed the bonus but their claim had been rejected
- not claimed the bonus but may have been eligible to do so.

Through a combination of focus group discussions and in-depth interviews, this research explored:

- awareness of and attitudes about the JCB
- views about the JCB application process and sources of information
- possible barriers to take-up of the bonus
- the extent to which the JCB influenced job seekers to find work and stay off income support
- key learnings and opportunities for future programs
- what motivates job seekers to find work and stay in a job.

July 2017 Round 4

The Department engaged the Social Research Centre to conduct a second round of quantitative and qualitative research about job seekers' experiences with employment services. Part of the research

explored job seeker experiences with looking for work, what motivates them and what types of financial incentive would be attractive to them.

Attachment D: Data sources used in the evaluation

JCB specific datasets provided by DHS

These datasets include lists of job seekers who received notification about the JCB by mail, data from JCB processing such as information about NSA/YA(O) payment cancellation letters and status of claims for the bonus.

Department of Employment administrative data

This includes information on job seekers who have received employment assistance including their Job Seeker Classification Instrument (JSCI) and Employment Services Assessments (ESAs), types of assistance received through employment services, and job placements and employment outcomes.

Income support data in the Research and Evaluation Dataset (RED)

RED consists of unit record level data for Centrelink customers who were on an income support payment (excluding Department of Veterans' Affairs pension) with duration of at least one day since 1 July 1998.

Post Program Monitoring (PPM) JCB survey

This survey data is from a JCB specific PPM module of job seekers who may have been eligible to claim the JCB, with data collected between July 2015 and February 2017. Six hundred respondents were randomly selected at the end of each month, commencing July 2014, from those who had received an exit letter (including the JCB paragraph) that month.⁹² Respondents were surveyed in their twelfth month off income support (provided they had not returned to income support). Overall, 9211 people were surveyed from those who exited income support between July 2014 and December 2015.

Post Program Monitoring (PPM) survey

Since 1987 the Department has conducted the ongoing Post Program Monitoring (PPM) survey to measure the labour market and education status of job seekers who participated in employment services. In most cases, outcomes are measured around three months post-assistance.

Other data sources

Further data sources, including the 2015 and 2016 Employment Service Provider surveys, the 2015 Employer Survey, the Job Seekers' Experiences with Employment Services survey discussed in Attachment C and some ABS publications are also used.

Weighted data is used wherever the Job Seekers' Experiences with Employment Services survey data is presented in this report.

92 For the first month (July 2014) only 500 people were selected.

Attachment E: Technical information

E.1 Monitoring data

From 1 July 2015, people were able to submit claims for the Job Commitment Bonus (JCB). To support the Department's monitoring role for the JCB, the Department of Human Services (DHS) provided unit record data to the Department of Employment (DoE).

Until late September 2016 data for monitoring purposes was provided on a regular basis using a Microsoft Word document, the document being manually compiled by DHS from their internal systems. DoE then transferred this data into a Microsoft Excel spreadsheet for monitoring purposes. These two manual transfer processes introduced the potential for differing interpretation of data and human error.

The delayed delivery of an automated monitoring system was a consequence of DHS resources being allocated to higher priority work for disaster payments, and because of issues with DHS migration to a new reporting system.

The DHS automated system commenced from late September 2016 and JCB claims information was from then provided to the DoE in a Microsoft Excel spreadsheet. There were teething problems with the automated system, with data discrepancies for claims data between the old and new reporting systems. The automated system only provided JCB claims information from 1 July 2016, it did not include details of any claims finalised between 1 July 2015 and 30 June 2016.

For the purposes of this report the DoE master spreadsheet (as at 4 April 2017), derived from the manual and automated DHS information is used. However, not all required data fields were transferred in the DoE spreadsheet. This additional information is obtained either from the DHS automated spreadsheet (dated 3 April 2017) or from the RED database.

Date of exit from income support

The date of exit from income support used in determining a person's eligibility for the JCB was date that they last received payment of income support. This field is not available in the RED database, which provides the dates for which people were eligible for income support not the dates of payment processing.

Monitoring data provided by DHS included the last date of payment for those who had lodged a claim for the bonus. However, to ensure consistency in analysis with those who did not lodge a claim the date of exit used was the end date of the fortnight that job seekers received income support payments for (as found in RED) rather than the actual date of payment processing. Nil payment periods at the end of income support episodes are not included.

Where age at exit from income support is referred to in this report, this refers to a person's age on their exit date (as described above as used for analysis purposes) rather than the actual payment date as used for JCB eligibility, which may have been up to 14 days later. This means that some people at the boundaries, that is those almost turning 19 and those had just turned 31 years of age at their exit date (i.e. as used for analysis) may not have in reality been eligible for the bonus

depending on whether their birthdays fell before or after the actual payment date. This is not considered to be an issue of concern for the analyses in this report.

E.2 Statistical techniques used

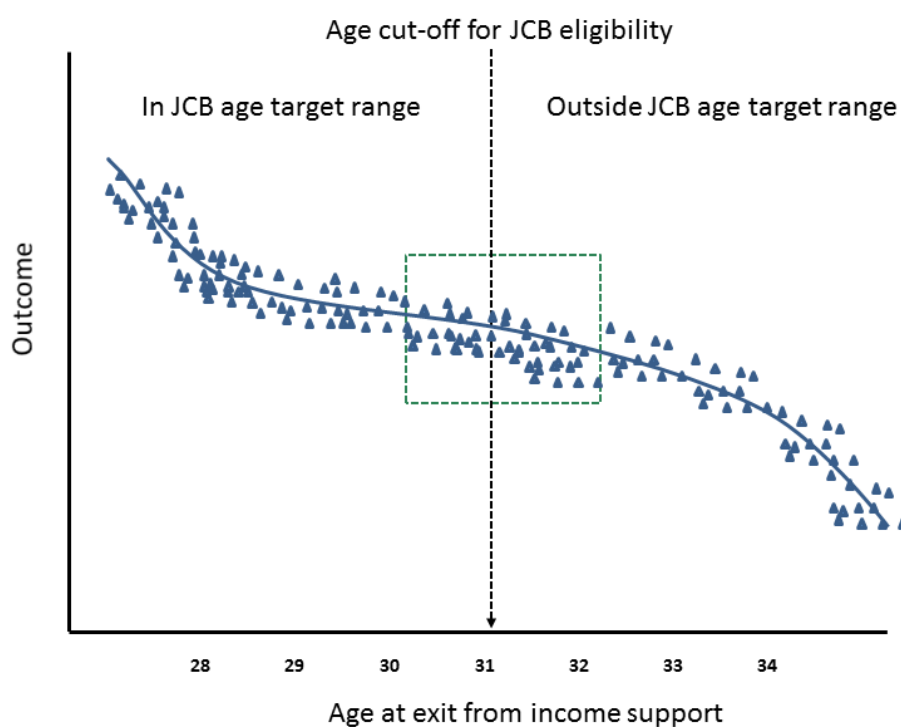
Several indicators considered in this report required the construction of study populations. Several widely accepted statistical techniques are used in these analyses.

Regression discontinuity design analysis

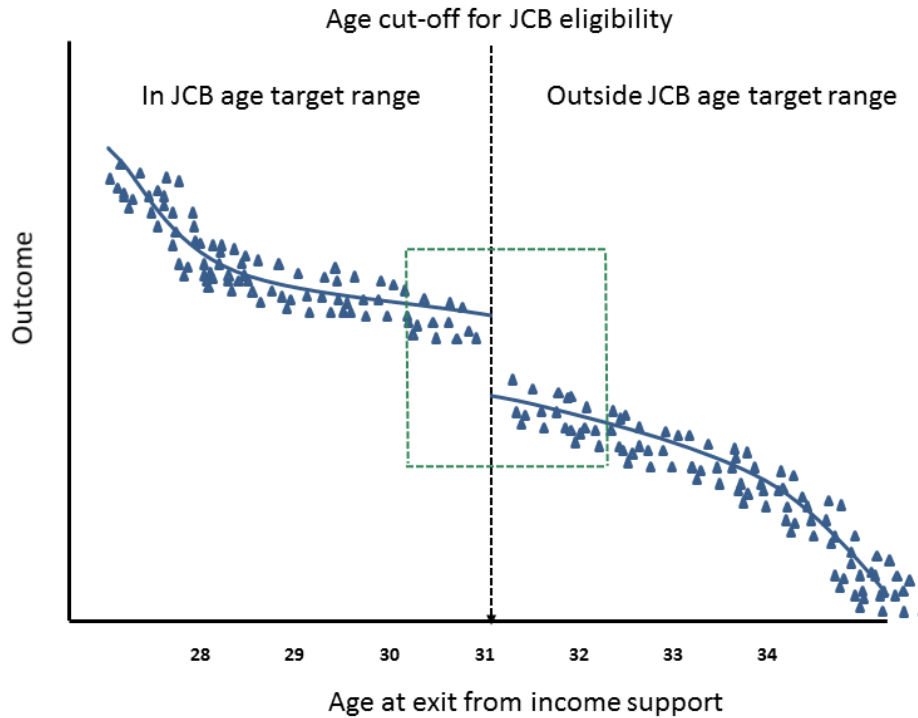
Regression discontinuity design (RDD) analysis is used to estimate program impacts in situations in which candidates are selected for treatment based on whether their value for a numeric rating (such as age) exceeds a designated threshold.

In this report, RDD is used to determine if there is any evidence of JCB program impact. A regression line is estimated for those above and below the JCB age cut-off. The difference in average outcomes between the two regression lines estimates the effect of the JCB program. If a statistically significant discontinuity were to be found it would indicate that the JCB program had an impact on the outcome being assessed (Figure E.1).

**Figure E.1: Diagrammatic representation of RDD analysis
In the absence of an effect from JCB**



In the presence of an effect from JCB



Source: Adapted by the Department from Jacob, R, Zhu, P, Somers, M-A and Bloom, H (2012)

Four models are tested:

1. Linear $Y_i = \alpha + \beta_0 D_i + \beta_1 r_i + \varepsilon_i$
2. Linear interaction $Y_i = \alpha + \beta_0 D_i + \beta_1 r_i + \beta_2 D_i r_i + \varepsilon_i$
3. Quadratic $Y_i = \alpha + \beta_0 D_i + \beta_1 r_i + \beta_2 r_i^2 + \varepsilon_i$
4. Quadratic interaction $Y_i = \alpha + \beta_0 D_i + \beta_1 r_i + \beta_2 r_i^2 + \beta_3 D_i r_i + \beta_4 D_i r_i^2 + \varepsilon_i$

where:

- α = intercept, interpreted as the predicted outcome rate at the age boundary cut-off
- Y_i = outcome for age i being modelled, such as exit from income support
- β = modelled parameter co-efficient
- D_i = 1 if age outside JCB target range, 0 if within the JCB target range
- r_i = the distance of a person's age from the JCB cohort boundary limit (e.g. from 31 years for the higher age limit)
- ε_i = random error for age i .

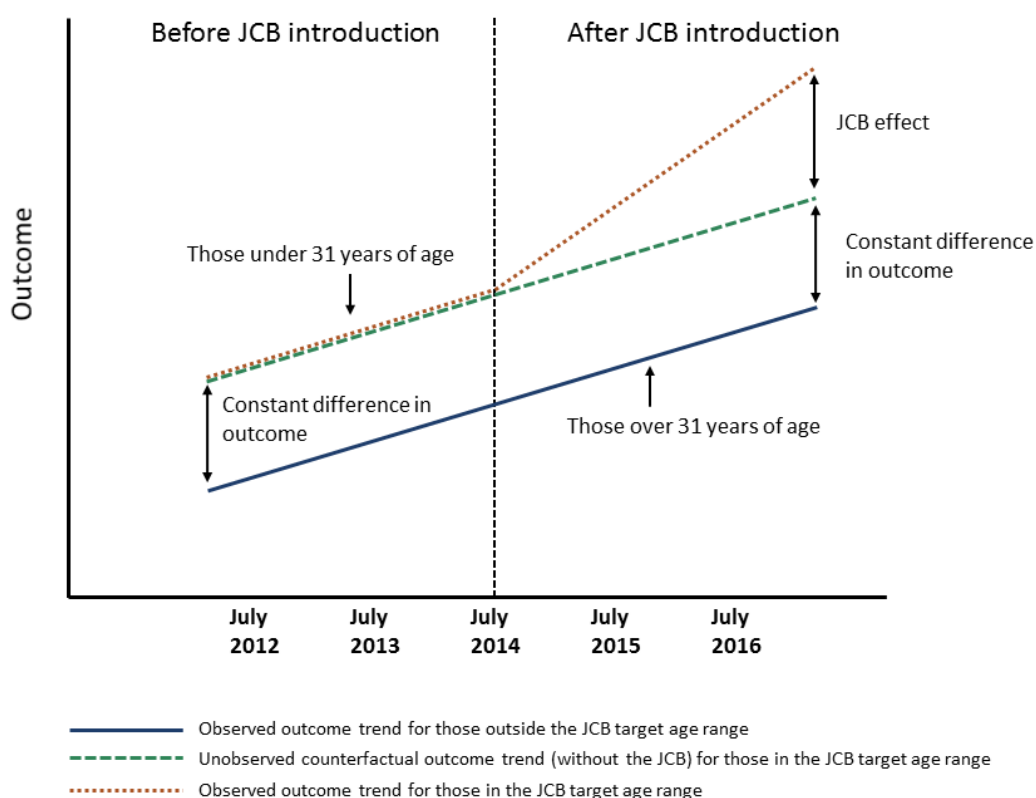
The model with the lowest AICc (Akaike information criterion, a goodness of fit statistic) is selected as the best model.

Difference in differences

For difference-in-difference analyses (DID) two groups are compared longitudinally. In this report DID analyses are used to compare outcomes before and after the introduction of the JCB. Other factors that change over time, which may affect outcomes, are taken in to consideration as these factors will be impacting both groups. In the JCB evaluation these factors include changes in macro-economic conditions, changes to the income support system etc.

Therefore, any difference observed in outcomes between the two groups can be attributed to the intervention (JCB) that is being considered (Figure E.2).

Figure E.2: Diagrammatic representation of DID analysis



Source: Adapted by the Department from Columbia University Mailman School of Public Health, Difference-in-Difference estimation, <https://www.mailman.columbia.edu/research/population-health-methods/difference-difference-estimation>.

Survival analysis

Survival analysis techniques are used for some analyses, some of these based on observed results while some also use regression to control for differences between study populations and macro-economic conditions.

Survival analysis enables the inclusion of those who have not yet reached the outcome under consideration by the end of the analysis period, but might had if the analysis period had been longer.

E.3 Study populations

For these analyses in Section 4 study populations are used. People are included in the study populations if they entered income support during these two 'inflow' periods and were serviced in JSA Streams 1, 2, 3 or 4:

Study population 1: 1 July 2013 to 30 June 2014
Study population 2: 1 July 2012 to 30 June 2013.

People are selected that remained on either NSA or YA(O) income support continuously, therefore becoming LTU during:

Study population 1: 1 July 2014 to 30 June 2015 (after JCB commenced)
Study population 2: 1 July 2013 to 30 June 2014 (before JCB commenced).

The age used for most analyses is the age that people were on the day they became classified as LTU.

Study population 1 is used for the analyses of EPF assistance in Section 3.

The length of the inflow window was shortened for some analyses to either three or six months to enable sufficient time for outcomes to be achieved within the analysis window (Table E.1). One reason for this was to avoid the change in employment service delivery model (from JSA to jobactive) from 1 July 2015.

Table E.1: Description of study populations and dates of analysis

Analysis	Statistic	Inflow length (months)	Inflow period	LTU dates	LTU date occurs	End date for analysis
Job search analysis 2	Average duration on income support before getting a job placement after becoming LTU, of those who were in JSA stream 2, 3 or 4 at date became LTU	12	1 Jul 2013 to 30 Jun 2014	1 Jul 2014 to 30 Jun 2015	During JCB	30 Jun 2015
Job search analysis 3	Probability of obtaining a job placement within 180 days (6 months) of becoming LTU, of those who were in JSA stream 2, 3 or 4 at date became LTU	6	1 Jul 2012 to 31 Dec 2012	1 Jul 2013 to 31 Dec 2013	Before JCB	30 Jun 2014
Job search analysis 3	Probability of obtaining a job placement within 180 days (6 months) of becoming LTU	6	1 Jul 2013 to 31 Dec 2013	1 Jul 2014 to 31 Dec 2014	During JCB	30 Jun 2015
Job search analysis 4	Average length of time in employment services after becoming LTU	12	1 Jul 2013 to 30 Jun 2014	1 Jul 2014 to 30 Jun 2015	During JCB	30 Jun 2015
Job search analysis 5	Length of time taken to exit income support after becoming LTU	12	1 Jul 2013 to 30 June 2014	1 Jul 2014 to 30 Jun 2015	During JCB	30 Jun 2015
Sustained exit analysis 1	Percentage off income support 52 weeks (1 year) after exiting income support, of those who exited income support within 180 days (6 months) of becoming LTU	6	1 Jul 2013 to 31 Dec 2013	1 Jul 2014 to 31 Dec 2014	During JCB	30 Jun 2016 ^(a)
Sustained exit analysis 2	Proportion that remained off income support for 52 weeks (1 year) after exiting income support, of those who exited income support within 180 days (6 months) of becoming LTU	6	1 Jul 2012 to 31 Dec 2012	1 Jul 2013 to 31 Dec 2013	Before JCB	30 Jun 2015

Analysis	Statistic	Inflow length (months)	Inflow period	LTU dates	LTU date occurs	End date for analysis
Sustained exit analysis 2	Proportion that remained off income support for 52 weeks (1 year) after exiting income support, of those who exited income support within 180 days (6 months) of becoming LTU	6	1 Jul 2013 to 31 Dec 2013	1 Jul 2014 to 31 Dec 2014	During JCB	30 Jun 2016 ^(a)
Sustained exit analysis 3	Proportion that remained off income support for 104 weeks (2 years) after exiting income support, of those who exited income support within 91 days (3 months) of becoming LTU	3	1 Jul 2012 to 30 Sep 2012	1 Jul 2013 to 30 Sep 2013	Before JCB	31 Dec 2015 ^(a)
Sustained exit analysis 3	Proportion that remained off income support for 104 weeks (2 years) after exiting income support, of those who exited income support within 91 days (3 months) of becoming LTU	3	1 Jul 2013 to 30 Sep 2013	1 Jul 2014 to 30 Sep 2014	During JCB	31 Dec 2016 ^(a)

Note: (a) While end date is beyond commencement of jobactive, all those who exited would have left service during JSA operation.

Attachment F: Statistical tables

Table F.1: Number of letters with cancellation paragraph sent by month, July 2014 to June 2015

Month	Number of people sent a letter
July 2014	1,278
August 2014	4,544
September 2014	4,998
October 2014	5,479
November 2014	4,936
December 2014	5,532
January 2015	3,971
February 2015	5,195
March 2015	6,090
April 2015	5,012
May 2015	5,331
June 2015	5,233
July 2015	5,050
August 2015	6,832
September 2015	6,201
October 2015	6,176
November 2015	5,896
December 2015	5,379
January 2016	3,441
February 2016	4,238
March 2016	5,954
April 2016	4,902
May 2016	5,171
June 2016	5,274
July 2016	10
Total	122,123

Note: As monitoring data was not available for the number of letters sent the above numbers are estimates, based on the number of paragraphs created each month. As these would have been combined to trigger a letter, it is assumed that one letter was sent for each individual each month. It is uncertain if any people are counted in more than one month.

Source: Department of Human Services administrative data.

Return to [Section 3.3](#).

Table F.2: Proportion of those who were potentially eligible who lodged a claim by highest level of education compared to those with either Year 12 or TAFE education (per cent)

Compared to Year 12/TAFE	Proportion that claimed	Compared to Year 12 or TAFE
Year 12/13 or TAFE/Diploma	24.0	-
Less than Year 10	15.1	-5.2*
Year 10/11	17.6	-3.3*
Degree or equivalent	31.2	7.2*
TOTAL	21.4	-0.3*

* Statistically significant difference compared to Year 12 or TAFE claim rate

Source: DHS and DoE monitoring data.

Return to [Figure 3.3](#).

Table F.3: Proportion of those who were potentially eligible who lodged a claim by selected demographics (per cent)

Demographic characteristic	Proportion that claimed
Indigenous	14.8
Single parents	41.0
With disability	22.7
Ex-offenders	13.5
Not contactable by telephone	12.3
No transport	15.9
Unstable residence	17.9
Poor/Mixed English Proficiency	15.1
CALD	21.5
Overall	21.4

Source: DHS and DoE monitoring data.

Return to [Figure 3.4](#).

Table F.4: Difference in probability that a person have lodged a claim as opposed to being potentially eligible and did not claim (regressed results) (percentage point)

Demographic characteristic	Compared with	MEM
Single parent	Not a single parent	8.1
Lives in ESA of high / extreme disadvantage	Lives in ESA of very low / low disadvantage	4.5
Highest level of education: Degree / post-graduate	Highest level of education: TAFE / diploma	4.5
On income support three or more years	On income support one to two years	4.3
Female	Male	2.9
On income support two to three years	On income support one to two years	2.7
Lives in ESA of moderate disadvantage	Lives in ESA of very low / low disadvantage	2.4
CALD	Not CALD	2.1
25 years or older at time of exit from income support	Less than 25 years at time of exit from income support	1.8
With disability	Without disability	1.4
Low impact from personal factors	No impact from personal factors	1.3
Medium impact from personal factors	No impact from personal factors	1.0
Has no vocational qualifications	Has useful vocational qualifications	0.6
Recent work experience: Paid work part-time <8 hours/seasonal or irregular	Recent work experience: Paid work full-time / part-time >=8 hours	0.3
High impact from personal factors	No impact from personal factors	0.1
Has no useful vocational qualifications	Has useful vocational qualifications	0.1
More than once on income support and/or crisis payment	No job seeker history	0.1
Recent work experience: Unpaid / Not in the labour force	Recent work experience: Paid work full-time / part-time >=8 hours	0.0
Unstable residence	Stable residence	-0.3
Recent work experience: Not working but looking for work	Recent work experience: Paid work full-time / part-time >=8 hours	-1.0
Highest level of education: Year 12/13	Highest level of education: TAFE / diploma	-1.0
Has access to other private transport	Has own transport	-1.4
Has access to public transport	Has own transport	-1.9
Live in an outer regional or remote area	Live in a metropolitan or inner regional area	-2.2
No access to transport	Has own transport	-2.6

Demographic characteristic	Compared with	MEM
Highest level of education: Year 10/11	Highest level of education: TAFE / diploma	-2.7
Poor/mixed English proficiency	Good English proficiency	-2.9
Indigenous	Not Indigenous	-3.1
Highest level of education: Less than Year 10	Highest level of education: TAFE / diploma	-3.4
Medium disadvantage country of birth	Low disadvantage country of birth	-3.5
Not contactable by telephone	Contactable by telephone	-4.2
Ex-offender	Not an ex-offender	-4.5
High disadvantage country of birth	Low disadvantage country of birth	-8.7
Very high disadvantage country of birth	Low disadvantage country of birth	-9.5

Notes:

1. MEM stands for Marginal effect on the mean. MEM are sorted in descending order. For example: single parents (after controlling for all other job seeker characteristics) were 8.1 percentage points more likely to have lodged a claim than those who were not single parents.
2. Demographic characteristics controlled for in the regression analysis are mostly obtained from the JSCI:
 - a. access to transport
 - b. age
 - c. CALD status
 - d. country of birth
 - e. English proficiency
 - f. gender
 - g. geographic level of disadvantage
 - h. highest level of education
 - i. if a single parent
 - j. if an ex-offender
 - k. if contactable by telephone
 - l. if Indigenous
 - m. if with disability
 - n. job seeker history
 - o. personal factors
 - p. proximity to the labour market
 - q. recent work experience
 - r. stability of residence
 - s. time on income support
 - t. vocational qualifications.

Source: DHS and DoE monitoring data, DoE administrative data and Research and Evaluation Database (RED).

Return to [Table 3.4](#).

Table F.5: Difference in probability that a person will have lodged a claim as opposed to not having claimed considering how much EPF support received (regressed results) (percentage point)

Demographic characteristic	Compared with	MEM (ppt)
Single parent	Not a single parent	7.2
More than \$2500 EPF	Less than \$300 EPF	6.5
Highest level of education: Degree / post-graduate	Highest level of education: TAFE / diploma	5.9
Female	Male	3.9
CALD	Not CALD	3.8
Between \$300 and \$1000 EPF	Less than \$300 EPF	3.8
25 years or older at time of exit from income support	Less than 25 years at time of exit from income support	2.8
Live in an outer regional or remote area	Live in a metropolitan or inner regional area	2.0
With disability	Without disability	1.9
Lives in ESA of high / extreme disadvantage	Lives in ESA of very low / low disadvantage	1.8
Between \$1001 and \$2500 EPF	Less than \$300 EPF	1.5
Has no vocational qualifications	Has useful vocational qualifications	1.3
Lives in ESA of moderate disadvantage	Lives in ESA of very low / low disadvantage	1.3
Low impact from personal factors	No impact from personal factors	-0.2
Highest level of education: Year 12/13	Highest level of education: TAFE / diploma	-0.2
Medium impact from personal factors	No impact from personal factors	-0.5
Indigenous	Not Indigenous	-0.7
More than once on income support and/or crisis payment	No job seeker history	-0.8
Unstable residence	Stable residence	-0.9
Recent work experience: Unpaid / Not in the labour force	Recent work experience: Paid work full-time / part-time >=8 hours	-1.2
Has access to public transport	Has own transport	-1.8
Highest level of education: Year 10/11	Highest level of education: TAFE / diploma	-1.9
Recent work experience: Paid work part-time <8 hours/seasonal or irregular	Recent work experience: Paid work full-time / part-time >=8 hours	-2.4
High impact from personal factors	No impact from personal factors	-2.4
Recent work experience: Not working but looking for work	Recent work experience: Paid work full-time / part-time >=8 hours	-2.6

Demographic characteristic	Compared with	MEM (ppt)
Poor/mixed English proficiency	Good English proficiency	-2.6
Has access to other private transport	Has own transport	-2.7
Has no useful vocational qualifications	Has useful vocational qualifications	-3.3
Ex-offender	Not an ex-offender	-3.6
Not contactable by telephone	Contactable by telephone	-3.8
No access to transport	Has own transport	-4.8
Highest level of education: Less than Year 10	Highest level of education: TAFE / diploma	-4.9
Very high disadvantage country of birth	Low disadvantage country of birth	-7.0
Medium disadvantage country of birth	Low disadvantage country of birth	-8.3
High disadvantage country of birth	Low disadvantage country of birth	-9.9

Notes:

1. MEM stands for Marginal effect on the mean. MEM are sorted in descending order. For example: single parents (after controlling for all other job seeker characteristics) were 7.2 percentage points more likely to have lodged a claim than those who were not single parents.
2. Demographic characteristics controlled for in the regression analysis are mostly obtained from the JSCI:
 - a. access to transport
 - b. age
 - c. CALD status
 - d. country of birth
 - e. English proficiency
 - f. gender
 - g. geographic level of disadvantage
 - h. highest level of education
 - i. if a single parent
 - j. if an ex-offender
 - k. if contactable by telephone
 - l. if Indigenous
 - m. if with disability
 - n. job seeker history
 - o. personal factors
 - p. proximity to the labour market
 - q. recent work experience
 - r. stability of residence
 - s. time on income support
 - t. vocational qualifications.

Source: DHS and DoE monitoring data, and DoE administrative data.

Return to [Section 3.5.3](#).

Table F.6: Difference in probability that a person will have lodged a claim as opposed to not having claimed considering type of EPF support received (regressed results) (percentage point)

Demographic characteristic	Compared with	MEM (ppt)
Single parent	Not a single parent	7.7
Highest level of education: Degree / post-graduate	Highest level of education: TAFE / diploma	5.9
EPF wage subsidy highest expenditure	No EPF expenditure	5.9
EPF other categories highest expenditure	No EPF expenditure	5.3
EPF transport and licensing highest expenditure	No EPF expenditure	4.8
Female	Male	3.9
CALD	Not CALD	3.8
EPF provider services highest expenditure	No EPF expenditure	3.5
EPF training highest expenditure	No EPF expenditure	3.0
25 years or older at time of exit from income support	Less than 25 years at time of exit from income support	2.6
With disability	Without disability	2.3
Live in an outer regional or remote area	Live in a metropolitan or inner regional area	1.8
Lives in ESA of high / extreme disadvantage	Lives in ESA of very low / low disadvantage	1.8
Lives in ESA of moderate disadvantage	Lives in ESA of very low / low disadvantage	1.4
Has no vocational qualifications	Has useful vocational qualifications	1.4
Low impact from personal factors	No impact from personal factors	0.0
Highest level of education: Year 12/13	Highest level of education: TAFE / diploma	-0.2
Medium impact from personal factors	No impact from personal factors	-0.4
Indigenous	Not Indigenous	-0.8
More than once on income support and/or crisis payment	No job seeker history	-0.9
Unstable residence	Stable residence	-1.1
Recent work experience: Unpaid / Not in the labour force	Recent work experience: Paid work full-time / part-time >=8 hours	-1.2
Has access to public transport	Has own transport	-1.7
Highest level of education: Year 10/11	Highest level of education: TAFE / diploma	-1.8
High impact from personal factors	No impact from personal factors	-1.9
Recent work experience: Paid work part-time <8 hours/seasonal or irregular	Recent work experience: Paid work full-time / part-time >=8 hours	-2.5

Demographic characteristic	Compared with	MEM (ppt)
Recent work experience: Not working but looking for work	Recent work experience: Paid work full-time / part-time >=8 hours	-2.6
Has access to other private transport	Has own transport	-2.7
Poor/mixed English proficiency	Good English proficiency	-3.0
EPF professional services highest expenditure	No EPF expenditure	-3.5
Ex-offender	Not an ex-offender	-3.6
Has no useful vocational qualifications	Has useful vocational qualifications	-3.9
Not contactable by telephone	Contactable by telephone	-4.2
No access to transport	Has own transport	-4.6
Highest level of education: Less than Year 10	Highest level of education: TAFE / diploma	-5.1
Very high disadvantage country of birth	Low disadvantage country of birth	-7.1
Medium disadvantage country of birth	Low disadvantage country of birth	-8.4
High disadvantage country of birth	Low disadvantage country of birth	-9.7

Notes:

1. The EPF expenditure category against which the largest amount was committed for each job seeker is used for this analysis.
2. MEM stands for Marginal effect on the mean. MEM are sorted in descending order. For example: single parents (after controlling for all other job seeker characteristics) were 7.7 percentage points more likely to have lodged a claim than those who were not single parents.
3. Demographic characteristics controlled for in the regression analysis are mostly obtained from the JSCI:
 - a. access to transport
 - b. age
 - c. CALD status
 - d. country of birth
 - e. English proficiency
 - f. gender
 - g. geographic level of disadvantage
 - h. highest level of education
 - i. if a single parent
 - j. if an ex-offender
 - k. if contactable by telephone
 - l. if Indigenous
 - m. if with disability
 - n. job seeker history
 - o. personal factors
 - p. proximity to the labour market
 - q. recent work experience
 - r. stability of residence
 - s. time on income support
 - t. vocational qualifications.

Source: DHS and DoE monitoring data, and DoE administrative data

Return to [Table 3.5](#).

Table F.7: Difference in probability that a person will have lodged a claim as opposed to not having left income support within 12 months of becoming LTU by level of EPF expenditure from commencement to 12 months after becoming LTU (regressed results) (percentage point)

Demographic characteristic	Compared with	MEM (ppt)
More than \$2500 EPF	Less than \$300 EPF	5.7
Highest level of education: Degree / post-graduate	Highest level of education: TAFE / diploma	4.8
Between \$300 and \$1000 EPF	Less than \$300 EPF	4.3
Between \$1001 and \$2500 EPF	Less than \$300 EPF	3.2
25 years or older at time of exit from income support	Less than 25 years at time of exit from income support	1.2
CALD	Not CALD	1.0
Lives in ESA of moderate disadvantage	Lives in ESA of very low / low disadvantage	1.0
Female	Male	0.4
Lives in ESA of high / extreme disadvantage	Lives in ESA of very low / low disadvantage	0.4
Has no vocational qualifications	Has useful vocational qualifications	0.3
Highest level of education: Year 12/13	Highest level of education: TAFE / diploma	0.0
Recent work experience: Paid work part-time <8 hours/seasonal or irregular	Recent work experience: Paid work full-time / part-time >=8 hours	-0.2
With disability	Without disability	-0.2
Single parent	Not a single parent	-0.2
Live in an outer regional or remote area	Live in a metropolitan or inner regional area	-0.5
Low impact from personal factors	No impact from personal factors	-0.6
More than once on income support and/or crisis payment	No job seeker history	-0.6
Unstable residence	Stable residence	-0.9
Poor/mixed English proficiency	Good English proficiency	-1.0
Recent work experience: Unpaid / Not in the labour force	Recent work experience: Paid work full-time / part-time >=8 hours	-1.1
Highest level of education: Year 10/11	Highest level of education: TAFE / diploma	-1.3
Has access to other private transport	Has own transport	-1.7
Recent work experience: Not working but looking for work	Recent work experience: Paid work full-time / part-time >=8 hours	-1.7
Indigenous	Not Indigenous	-1.8
Has no useful vocational qualifications	Has useful vocational qualifications	-1.8
Ex-offender	Not an ex-offender	-1.9

Demographic characteristic	Compared with	MEM (ppt)
Medium impact from personal factors	No impact from personal factors	-2.0
Has access to public transport	Has own transport	-2.0
Not contactable by telephone	Contactable by telephone	-2.6
No access to transport	Has own transport	-2.7
Highest level of education: Less than Year 10	Highest level of education: TAFE / diploma	-2.7
High impact from personal factors	No impact from personal factors	-3.4
Medium disadvantage country of birth	Low disadvantage country of birth	-3.6
High disadvantage country of birth	Low disadvantage country of birth	-4.1
Very high disadvantage country of birth	Low disadvantage country of birth	-4.5

Notes:

1. MEM stands for Marginal effect on the mean. MEM are sorted in descending order. For example: single parents (after controlling for all other job seeker characteristics) were 0.2 percentage points less likely to have lodged a claim than those who were not single parents.
2. Demographic characteristics controlled for in the regression analysis are mostly obtained from the JSCI:
 - a. access to transport
 - b. age
 - c. CALD status
 - d. country of birth
 - e. English proficiency
 - f. gender
 - g. geographic level of disadvantage
 - h. highest level of education
 - i. if a single parent
 - j. if an ex-offender
 - k. if contactable by telephone
 - l. if Indigenous
 - m. if with disability
 - n. job seeker history
 - o. personal factors
 - p. proximity to the labour market
 - q. recent work experience
 - r. stability of residence
 - s. time on income support
 - t. vocational qualifications.

Source: DHS and DoE monitoring data, and DoE administrative data.

Table F.8: Difference in probability that a person will have lodged a claim as opposed to not having churned back on to income support within 12 months of becoming LTU by level of EPF expenditure from commencement to 12 months after becoming LTU (regressed results) (percentage point)

Demographic characteristic	Compared with	MEM (ppt)
Highest level of education: Degree / post-graduate	Highest level of education: TAFE / diploma	18.7
More than \$2500 EPF	Less than \$300 EPF	16.8
Between \$300 and \$1000 EPF	Less than \$300 EPF	8.9
Single parent	Not a single parent	8.1
Lives in ESA of moderate disadvantage	Lives in ESA of very low / low disadvantage	6.2
Between \$1001 and \$2500 EPF	Less than \$300 EPF	5.8
Lives in ESA of high / extreme disadvantage	Lives in ESA of very low / low disadvantage	5.6
25 years or older at time of exit from income support	Less than 25 years at time of exit from income support	5.3
CALD	Not CALD	5.0
Has no vocational qualifications	Has useful vocational qualifications	3.8
Female	Male	2.5
Low impact from personal factors	No impact from personal factors	2.0
With disability	Without disability	1.9
Poor/mixed English proficiency	Good English proficiency	1.1
Recent work experience: Paid work part-time <8 hours/seasonal or irregular	Recent work experience: Paid work full-time / part-time >=8 hours	0.8
Live in an outer regional or remote area	Live in a metropolitan or inner regional area	0.6
Indigenous	Not Indigenous	-0.2
Recent work experience: Unpaid / Not in the labour force	Recent work experience: Paid work full-time / part-time >=8 hours	-0.6
Highest level of education: Year 12/13	Highest level of education: TAFE / diploma	-0.7
Recent work experience: Not working but looking for work	Recent work experience: Paid work full-time / part-time >=8 hours	-3.3
Has access to other private transport	Has own transport	-3.8
Medium impact from personal factors	No impact from personal factors	-4.7
No access to transport	Has own transport	-4.7
More than once on income support and/or crisis payment	No job seeker history	-5.0
Has access to public transport	Has own transport	-5.7
Ex-offender	Not an ex-offender	-6.3

Demographic characteristic	Compared with	MEM (ppt)
Unstable residence	Stable residence	-7.8
Highest level of education: Year 10/11	Highest level of education: TAFE / diploma	-8.1
High disadvantage country of birth	Low disadvantage country of birth	-9.7
Medium disadvantage country of birth	Low disadvantage country of birth	-10.5
High impact from personal factors	No impact from personal factors	-12.4
Very high disadvantage country of birth	Low disadvantage country of birth	-13.7
Highest level of education: Less than Year 10	Highest level of education: TAFE / diploma	-14.2
Has no useful vocational qualifications	Has useful vocational qualifications	-14.6
Not contactable by telephone	Contactable by telephone	-15.9

Notes:

1. MEM stands for Marginal effect on the mean. MEM are sorted in descending order. For example: single parents (after controlling for all other job seeker characteristics) were 8.1 percentage points more likely to have lodged a claim than those who were not single parents.
2. Demographic characteristics controlled for in the regression analysis are mostly obtained from the JSCI:
 - a. access to transport
 - b. age
 - c. CALD status
 - d. country of birth
 - e. English proficiency
 - f. gender
 - g. geographic level of disadvantage
 - h. highest level of education
 - i. if a single parent
 - j. if an ex-offender
 - k. if contactable by telephone
 - l. if Indigenous
 - m. if with disability
 - n. job seeker history
 - o. personal factors
 - p. proximity to the labour market
 - q. recent work experience
 - r. stability of residence
 - s. time on income support
 - t. vocational qualifications.

Source: DHS and DoE monitoring data, and DoE administrative data.

Table F.9: Employees with paid leave entitlements, 18 to 30 year olds

Age and gender	Employees with paid leave
18-24, males	56.2
18-24, females	50.9
25-30, males	78.2
25-30, females	78.5
18-24 year olds	53.6
25 - 30 year olds	78.3
Males	67.4
Females	64.6
Overall, 18-30 year olds	66.1

Source: Derived from customised data extract provided by the ABS from the Labour Force Survey, Australia. Calculations conducted by the Department of Employment.

Return to [Figure 3.5](#).

Table F.10: Preferred payment options

	One payment	Two payments	Four payments	Both appeal	Neither appeal	Total
Total	30.0	60.1	-	6.4	3.5	100.0
Total	34.5	-	56.3	3.8	5.4	100.0
Total	-	39.1	50.6	3.9	6.5	100.0
Female	32.7	60.9	-	2.8	3.5	100.0
Female	35.9	-	54.0	5.5	4.7	100.0
Female	-	39.2	49.5	3.8	7.6	100.0
Male	26.4	59.7	-	10.4	3.5	100.0
Male	33.4	-	58.3	2.3	6.0	100.0
Male	-	38.6	52.0	3.9	5.4	100.0
Female , JCB age group	28.5	71.5	-	-	-	100.0
Female , JCB age group	46.8	-	49.4	-	3.8	100.0
Female , JCB age group	-	38.5	57.5	-	4.0	100.0
Male, JCB age group	22.3	67.5	-	7.0	3.3	100.0
Male, JCB age group	33.1	-	64.6	-	2.4	100.0
Male, JCB age group	-	37.9	58.1	1.7	2.2	100.0
JCB age cohort	25.5	69.5	-	3.4	1.6	100.0
JCB age cohort	39.6	-	57.3	-	3.1	100.0
JCB age cohort	-	38.2	57.9	1.1	2.9	100.0
Older than JCB age range	32.7	54.4	-	8.2	4.7	100.0
Older than JCB age range	31.6	-	55.8	5.9	6.7	100.0
Older than JCB age range	-	39.6	46.6	5.4	8.4	100.0

Note: Job seekers were asked to choose between potential bonus payment options: a lump sum payment, two equal payments or four equal payments. Respondents were presented with two payment options only (i.e. one payment compared to two payments, one compared to four or two compared to four).

Source: Department of Employment 2017 Job Seeker Experiences of Employment Services survey.

Return to [Section 4.1.4](#)

Table F.11: Employment outcomes for those aged 18 to 30 years who had been on either NSA or YA(O) and unemployed 12 months or longer

Characteristic	Oct12 – Sep13	Jan13 – Dec13	Apr13 – Mar14	Jul13 – Jun14	Jan14 – Dec14	Apr14 – Mar15	Jul14 – Jun15	Jul15 – Jun16	Oct15 – Sep16
Total	31.8	31.5	34.2	35.2	38.3	37.2	36.2	35.5	35.4
LTU	34.2	33.3	38.6	39.9	46.6	46.2	43.6	40.7	40.3
VLTU	30.5	30.4	31.5	31.2	31.8	30.4	30.3	32.4	32.8
18 to 24 years	32.0	30.8	33.4	33.5	37.4	35.7	35.3	37.9	36.7
24 to under 30 years	30.6	32.0	34.4	36.2	39.6	39.0	37.1	33.7	34.4
Female, total	35.1	36.2	37.8	39.5	39.4	38.7	39.1	38.1	37.9
Female, LTU	40.5	39.2	42.2	44.7	46.5	46.2	46.1	45.4	44.3
Female, VLTU	33.0	33.0	33.5	34.0	34.9	34.2	33.4	34.3	34.7
Female, 18 to 24 years	35.1	37.4	38.8	39.3	38.2	36.8	38.9	39.0	39.2
Female, 24 to under 30 years	34.3	31.7	32.3	37.6	44.4	45.0	41.8	37.4	36.8
Male, total	28.2	28.8	31.9	32.3	36.7	35.0	33.7	33.6	33.6
Male, LTU	28.5	28.0	33.6	35.5	44.6	43.4	42.2	37.7	37.7
Male, VLTU	27.9	28.3	30.0	29.2	29.9	27.9	27.9	31.0	31.3
Male, 18 to 24 years	27.6	26.5	29.6	29.2	36.1	32.6	31.4	37.1	34.6
Male, 24 to under 30 years	30.6	32.6	36.1	36.0	37.0	35.1	35.8	31.4	32.9
Highest level of education: Less than Year 10	19.3	14.9	16.7	19.1	23.8	22.6	20.7	22.1	22.7

Characteristic	Oct12 – Sep13	Jan13 – Dec13	Apr13 – Mar14	Jul13 – Jun14	Jan14 – Dec14	Apr14 – Mar15	Jul14 – Jun15	Jul15 – Jun16	Oct15 – Sep16
Highest level of education: Year 10 or 11	24.6	23.7	25.2	28.4	29.6	27.2	26.9	23.6	24.1
Highest level of education: Year 12	44.1	43.2	41.4	37.3	43.8	43.9	47.3	38.2	40.0
Highest level of education: Post secondary - university	58.4	56.1	65.9	56.6	56.4	57.0	54.9	61.8	61.5
Highest level of education: Post secondary - vocational	33.9	35.2	40.2	41.3	41.5	41.0	37.7	39.1	37.9

Notes:

1. LTU refers to those job seekers who had been unemployed 12 to less than 24 months at the time of survey selection. VLTU refers to those who had been unemployed 24 months or longer.
2. Job seekers were surveyed three months after sample selection. For instance, employment outcomes shown for January 2014 to December 2014 refer to responses from people in employment service during this period who were surveyed between April 2014 and March 2015.
3. Data for the October 2013 to September 2014 selection was not available.
4. The sample selection methodology for those who were serviced under JSA differed from that for those in jobactive. Caution should be used when comparing results between the two employment service delivery model periods. For this reason, data for three time periods: October 2014-September 2015, January 2015 to December 2015 and April 2015 to March 2016, is not be presented as these periods include the point of change between the employment services model (which occurred on 1 July 2015).

Source: Department of Employment Post Program Monitoring survey.

Return to [Figure 4.7](#).

Table F.12: RDD model parameters for the average number of days to first job placement after becoming LTU by model type, higher end of the JCB age range

	Linear	Linear interaction	Squared	Squared interaction
Constant	85.542 <i><.0001</i>	83.808 <i><.0001</i>	85.490 <i><.0001</i>	80.963 <i><.0001</i>
r_i	3.200 <i>0.118</i>	2.645 <i>0.258</i>	3.771 <i>0.174</i>	0.019 <i>0.999</i>
d_i	-8.604 <i>0.470</i>	-10.389 <i>0.409</i>	-10.321 <i>0.437</i>	-13.702 <i>0.470</i>
$d_i r_i$		2.431 <i>0.617</i>		15.614 <i>0.419</i>
r_i^2			0.144 <i>0.754</i>	-0.420 <i>0.784</i>
$d_i r_i^2$				-2.395 <i>0.597</i>
AICc	356.392	358.732	358.903	363.858

Source: Department of Employment administrative data and Research and Evaluation Database (RED).

Table F.13: Difference in difference regression analysis of probability of obtaining a job placement within 180 days of becoming LTU, higher end of the JCB age range

Demographic characteristic	Compared with	MEM (ppt)	Statistical significance
After JCB introduction (Xi)	Before JCB introduction	0.7	0.561
31 to under 35 years (Yi)	25 to under 31 years (in JCB target)	0.1	0.920
Interaction variable (Xi Yi)	No interaction	1.6	0.447
Female	Male	11.9	<.0001
Poor/Mixed English Proficiency	Good English Proficiency	-2.5	0.105
With disability	No disability	3.5	0.001
Unstable residence	Stable residence	-4.1	0.000
Indigenous	Not Indigenous	4.8	0.002
Ex-offender	Not ex-offender	2.5	0.038
Single parent	Not a single parent	4.8	0.095
Not contactable by phone	Contactable by phone	5.3	0.019
CALD	Not CALD	1.6	0.389
Other	Major city or Inner regional	0.8	0.597
Has job seeker history	No job seeker history	-1.0	0.494
Unemployment rate	Continuous variable	-0.6	0.164
Personal factors: High impact	Personal factors: No impact	4.9	<.0001
Personal factors: Low impact	Personal factors: No impact	4.2	0.006
Personal factors: Medium impact	Personal factors: No impact	-1.8	0.438
Access to transport: Other private transport	Own transport	4.1	0.030

Demographic characteristic	Compared with	MEM (ppt)	Statistical significance
Access to transport: Public transport	Own transport	6.9	<.0001
Access to transport: No access to transport	Own transport	4.9	0.006
Country of birth: Medium disadvantage	Country of birth: Very low/low disadvantage	4.0	0.233
Country of birth: High disadvantage	Country of birth: Very low/low disadvantage	7.3	0.007
Country of birth: Very high disadvantage	Country of birth: Very low/low disadvantage	5.7	0.261
Highest level of education: Less than Year 10	Highest level of education: TAFE/Diploma	5.0	0.015
Highest level of education: Year 10/11	Highest level of education: TAFE/Diploma	3.7	0.018
Highest level of education: Year 12	Highest level of education: TAFE/Diploma	2.9	0.133
Highest level of education: degree / Post graduate	Highest level of education: TAFE/Diploma	-0.9	0.716
Geographic area: Low to moderate disadvantage ESA	Geographic area: Very low disadvantage ESA	-5.3	0.034
Geographic area: Moderate to high disadvantage ESA	Geographic area: Very low disadvantage ESA	-5.3	0.041
Vocational qualifications not useful	Has useful vocational qualifications	-0.9	0.722
No vocational qualifications	Has useful vocational qualifications	-1.1	0.467
Recent work experience: Part-time (<8 hours/week)/Seasonal work	Recent work experience: Full-time/Part-time (8–30 hours/week)	2.2	0.486
Recent work experience: Outside the labour force/unpaid	Recent work experience: Full-time/Part-time (8–30 hours/week)	5.5	0.000
Recent work experience: Unemployed	Recent work experience: Full-time/Part-time (8–30 hours/week)	0.9	0.478

Notes:

1. MEM stands for Marginal effect on the mean. MEM are sorted in descending order. For example: single parents (after controlling for all other job seeker characteristics) were 4.8 percentage points more likely to have obtained a job placement than those who were not single parents.
2. Demographic characteristics controlled for in the regression analysis are mostly obtained from the JSCI:
 - a. access to transport
 - b. age
 - c. CALD status
 - d. country of birth
 - e. English proficiency
 - f. gender
 - g. geographic level of disadvantage
 - h. highest level of education
 - i. if a single parent
 - j. if an ex-offender
 - k. if contactable by telephone
 - l. if Indigenous
 - m. if with disability
 - n. job seeker history
 - o. personal factors
 - p. proximity to the labour market
 - q. recent work experience
 - r. stability of residence
 - s. time on income support
 - t. vocational qualifications.

Source: Department of Employment administrative data and Research and Evaluation Database (RED).

Return to [Section 4.2.2](#).

Table F.14: RDD model parameters for the time in employment services after becoming LTU by model type, higher end of the JCB age range

	Linear	Linear interaction	Squared	Squared interaction
Constant	249.514 <.0001	252.319 <.0001	249.535 <.0001	270.232 <.0001
r_i	1.871 0.474	2.769 0.357	1.636 0.645	19.304 0.126
d_i	4.853 0.752	7.740 0.632	5.558 0.745	-1.999 0.933
$d_i r_i$		-3.933 0.531		-34.481 0.160
r_i^2			-0.059 0.921	2.646 0.175
$d_i r_i^2$				1.091 0.848
AICc	376.904	379.083	379.515	382.075

Note: It was not possible to analyse for the lower end of the JCB age range as there was insufficient time in the analysis window to achieve sufficient exits to determine median time in service.

Source: Department of Employment administrative data and Research and Evaluation Database (RED).

Table F.15: RDD model parameters for the time to exit income support after becoming LTU by model type, higher end of the JCB age range

	Linear	Linear interaction	Squared	Squared interaction
Constant	244.918 <.0001	250.351 <.0001	245.097 <.0001	267.203 <.0001
r_i	2.240 0.257	3.979 0.074	0.257 0.922	19.534 0.031
d_i	2.694 0.815	8.288 0.482	8.654 0.495	-17.687 0.296
$d_i r_i$		-7.620 0.101		-7.534 0.660
r_i^2			-0.500 0.260	2.489 0.074
$d_i r_i^2$				-6.660 0.104
AICc	354.149	353.738	355.341	354.367

Source: Department of Employment administrative data and Research and Evaluation Database (RED).

Return to [Figure 4.8](#).

Table F.16: Employment by industry by age group, May 2014 (per cent)

Industry	15 to 29	15 to 64	(+/-)
Agriculture, Forestry and Fishing	1.7	2.4	(0.7)
Mining	1.9	2.4	(0.5)
Manufacturing	6.5	8.1	(1.6)
Electricity, Gas, Water and Waste Services	0.8	1.3	(0.5)
Construction	9.8	9.0	0.8
Wholesale Trade	2.5	3.4	(0.9)
Retail Trade	17.9	10.7	7.2
Accommodation and Food Services	13.5	6.7	6.8
Transport, Postal and Warehousing	3.5	5.1	(1.6)
Information Media and Telecommunications	1.9	1.7	0.2
Financial and Insurance Services	3.2	3.7	(0.5)
Rental, Hiring and Real Estate Services	1.8	1.8	-
Professional, Scientific and Technical Services	6.6	7.8	(1.2)
Administrative and Support Services	2.8	3.3	(0.5)
Public Administration and Safety	3.8	6.6	(2.8)
Education and Training	5.1	7.8	(2.7)
Health Care and Social Assistance	9.4	12.2	(2.8)
Arts and Recreation Services	2.5	1.7	0.8
Other	4.9	4.2	0.7
Total	100.0	100.0	-

Note: Difference figures may be subject to rounding discrepancy.

Source: ABS Cat. 6291.0.55.003 Labour Force Survey, Australia, electronic delivery.

Return to [Section 4.3.2](#).

Table F.17: Employment by service and non-service industry by age group, May 2014 (per cent)

Industry Type	15 to 29	30 to 64	(+/-)
Goods producing industry	20.4	23.5	3.1
Service industry	79.6	76.5	(3.1)
Total	100.0	100.0	-

Note: 'Agriculture, Forestry and fishing', 'Manufacturing', 'Mining' and 'Construction' are classified as goods-producing industries, with 'Electricity, Gas, Water and Waste Services' viewed as both a goods-producing and service industry. All other industries in ANZSIC are service industries. Figures for "Electricity, Gas, Water and Waste Services' have been equally allocated to Goods producing and Service industry figures.

Source: ABS Cat. 6291.0.55.003 Labour Force Survey, Australia, electronic delivery.

Return to [Section 4.3.2](#).

Table F.18: Major industry of employment for 20-29 year olds

Industry	August 2008	May 2014	February 2017
Retail	14.5	14.3	14.0
Health care and Social Assistance	8.3	10.8	11.6
Construction	10.1	10.3	10.8
Accommodation and Food Services	8.8	9.8	10.5
Professional, Scientific and Technical services	8.5	7.7	8.7
Manufacturing	9.1	6.7	6.3
Total	59.2	59.5	61.9

Note: Data observed in the quarter before the start of the GFC, prior to the JCB's introduction and after the cessation of the JCB program.

Source: ABS Cat. 6291.0.55.003 Labour Force Survey, Australia, electronic delivery.

Return to [Section 4.3.2](#).

Table F.19: Industry classification of jobs of approved JCB1 claims compared with the Australian average, November quarter 2016 (per cent)

Industry	Females approved for JCB1	Males approved for JCB1	Total approved JCB1	Australian average 20 - 29 year olds	ppt Difference (Total to Australian average)
Agriculture, forestry and fishing	0.6	2.8	1.8	3.2	-1.3
Mining	0.2	0.3	0.3	1.3	-1.1
Manufacturing	3.9	11.2	8.0	6.7	1.3
Electricity, gas, water and waste services	0.4	0.5	0.5	0.9	-0.4
Construction	1.6	8.2	5.3	9.4	-4.0
Wholesale trade	3.8	6.2	5.2	2.8	2.3
Retail trade	18.3	15.7	16.8	12.5	4.3
Accommodation and food services	10.9	7.9	9.3	8.5	0.7
Transport, postal and warehousing	1.5	3.9	2.9	4.3	-1.4
Information media and telecommunications	0.9	1.4	1.2	1.6	-0.4
Financial and insurance services	3.9	2.7	3.3	2.8	0.5
Rental, hiring and real estate services	2.3	2.1	2.2	2.1	0.1
Professional, scientific and technical services	6.2	6.7	6.5	8.8	-2.3
Administrative and support services	10.0	12.4	11.3	3.7	7.6
Public administration and safety	5.4	5.1	5.3	5.4	-0.2
Education and training	3.6	1.6	2.5	7.3	-4.9
Health care and social assistance	19.8	5.2	11.6	12.1	-0.5
Arts and recreation services	2.1	2.2	2.2	2.2	0.0
Other services	4.4	3.7	4.0	4.4	-0.3
Total	100.0	100.0	100.0	100.0	0.0

Notes:

1. Industry of main job.
2. Bonus claims – Those who claimed and approved for JCB1 after 1 July 2016 – this accounted for 3,199 claims in total. The industry relates to employment in the JCB1 period. If multiple jobs were claimed then the job that the person had been employed in the longest in the 12 months qualifying period for the JCB1 is used. This may not necessarily have been the main job (in terms of hours or earnings).

Source: ABS Labour Force survey, Australia (electronic delivery), Department of Employment administrative and DHS monitoring data.

Return to [Section 4.3.2](#).

Table F.20: RDD model parameters for the proportion off LTU off income support 52 weeks after exit by model type, higher end of the JCB age range

	Linear	Linear interaction	Squared	Squared interaction
Constant	61.794 <.0001	62.012 <.0001	61.793 <.0001	63.962 <.0001
r_i	-0.829 0.060	-0.759 0.133	-0.817 0.169	1.041 0.596
d_i	-0.102 0.968	0.122 0.964	-0.138 0.961	-1.197 0.692
$d_i r_i$		-0.306 0.769		-3.185 0.324
r_i^2			0.003 0.975	0.288 0.345
$d_i r_i^2$				3.717 0.489
AICc	232.981	235.505	235.602	239.682

Source: Department of Employment administrative data and Research and Evaluation Database (RED).

Return to [Figure 4.11](#).

Table F.21: Proportion that sustained exit from income support for 52 weeks, before and after JCB introduction

Age group	Before JCB	After JCB	Difference
Under 19 years	48.8	42.9	5.9
19 years - under 22	39.2	38.3	0.8
22 years - under 25	37.6	33.3	4.3
25 years - under 31	34.4	30.2	4.3
Total JCB cohort	36.4	33.0	3.4
31 years - under 35	36.7	33.8	2.9
35+ years	29.7	28.6	1.0
Overall	33.8	31.5	2.3

Source: Department of Employment administrative data and Research and Evaluation Database (RED).

Return to [Figure 4.12](#).

Table F.22: Difference in difference analysis for probability of sustaining exit from income support for 52 weeks, higher end of the JCB age range

Demographic characteristic	Compared with	MEM (ppt)	Statistical significance
After JCB introduction (X)	Before JCB introduction	-3.0	0.032
31 to under 35 years (Y)	25 to under 31 years (in JCB target)	2.0	0.247
Interaction variable (X*Y)	No interaction	2.1	0.377
Female	Male	-1.7	0.227
Poor/Mixed English Proficiency	Good English Proficiency	1.7	0.429
With disability	No disability	0.0	0.985
Unstable residence	Stable residence	1.9	0.288
Indigenous	Not Indigenous	4.2	0.094
Ex-offender	Not ex-offender	5.3	0.001
Single parent	Not a single parent	0.4	0.929
Not contactable by phone	Contactable by phone	1.0	0.796
CALD	Not CALD	-6.6	0.001
Other	Major city or Inner regional	3.5	0.098
Has job seeker history	No job seeker history	7.8	<.0001
Unemployment rate	Continuous variable	0.1	0.885
Personal factors: High impact	Personal factors: No impact	7.8	0.000
Personal factors: Low impact	Personal factors: No impact	5.4	0.027
Personal factors: Medium impact	Personal factors: No impact	-2.7	0.459
Access to transport: Other private transport	Own transport	1.0	0.639
Access to transport: Public transport	Own transport	4.1	0.001

Demographic characteristic	Compared with	MEM (ppt)	Statistical significance
Access to transport: No access to transport	Own transport	3.2	0.236
Country of birth: Medium disadvantage	Country of birth: Very low/low disadvantage	3.8	0.296
Country of birth: High disadvantage	Country of birth: Very low/low disadvantage	4.3	0.251
Country of birth: Very high disadvantage	Country of birth: Very low/low disadvantage	10.1	0.069
Highest level of education: Less than Year 10	Highest level of education: TAFE/Diploma	13.4	<.0001
Highest level of education: Year 10/11	Highest level of education: TAFE/Diploma	7.7	<.0001
Highest level of education: Year 12	Highest level of education: TAFE/Diploma	4.3	0.041
Highest level of education: degree / Post graduate	Highest level of education: TAFE/Diploma	-10.6	<.0001
Geographic area: Low to moderate disadvantage ESA	Geographic area: Very low disadvantage ESA	-4.9	0.050
Geographic area: Moderate to high disadvantage ESA	Geographic area: Very low disadvantage ESA	-6.4	0.017
Vocational qualifications not useful	Has useful vocational qualifications	0.3	0.920
No vocational qualifications	Has useful vocational qualifications	-6.0	0.001
Recent work experience: Part-time (<8 hours/week)/Seasonal work	Recent work experience: Full-time/Part-time (8–30 hours/week)	-4.2	0.234
Recent work experience: Outside the labour force/unpaid	Recent work experience: Full-time/Part-time (8–30 hours/week)	0.1	0.949
Recent work experience: Unemployed	Recent work experience: Full-time/Part-time (8–30 hours/week)	1.5	0.299

Notes:

1. MEM stands for Marginal effect on the mean. MEM are sorted in descending order. For example: single parents (after controlling for all other job seeker characteristics) were 0.4 percentage points more likely to have sustained their exit from income support than those who were not single parents.
2. Demographic characteristics controlled for in the regression analysis are mostly obtained from the JSCI:
 - a. access to transport
 - b. age
 - c. CALD status
 - d. country of birth
 - e. English proficiency
 - f. gender
 - g. geographic level of disadvantage
 - h. highest level of education
 - i. if a single parent
 - j. if an ex-offender
 - k. if contactable by telephone
 - l. if Indigenous
 - m. if with disability
 - n. job seeker history
 - o. personal factors
 - p. proximity to the labour market
 - q. recent work experience
 - r. stability of residence
 - s. time on income support
 - t. vocational qualifications.

Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

Return to [Section 4.4.3](#).

Table F.23: Proportion that sustained exit from income support for 104 weeks, before and after JCB introduction

Age group	Before JCB	After JCB	Difference
Under 19 years	68.0	62.4	5.6
19 years - under 22	55.0	53.4	1.7
22 years - under 25	54.0	47.1	6.9
25 years - under 31	47.8	46.3	1.5
Total JCB cohort	51.2	48.3	3.0
31 years - under 35	50.6	48.8	1.8
35+ years	46.3	43.8	2.6
Overall	49.5	46.6	2.9

Source: Department of Employment administrative data and Research and Evaluation Database (RED).

Return to [Figure 4.13](#).

Table F.24: Difference in difference analysis for probability of sustaining exit from income support for 104 weeks, higher end of the JCB age range

Demographic characteristic	Compared with	MEM (ppt)	Statistical significance
After JCB introduction (X)	Before JCB introduction	-1.0	0.715
31 to under 35 years (Y)	25 to under 31 years (in JCB target)	0.0	0.996
Interaction variable (X*Y)	No interaction	2.1	0.640
Female	Male	-4.8	0.072
Poor/Mixed English Proficiency	Good English Proficiency	-4.3	0.305
With disability	No disability	3.3	0.264
Unstable residence	Stable residence	11.3	0.001
Indigenous	Not Indigenous	7.1	0.169
Ex-offender	Not ex-offender	3.3	0.313
Single parent	Not a single parent	-0.9	0.912
Not contactable by phone	Contactable by phone	-6.9	0.289
CALD	Not CALD	-6.8	0.050
Other	Major city or Inner regional	6.2	0.142
Has job seeker history	No job seeker history	12.4	<.0001
Unemployment rate	Continuous variable	-0.8	0.437
Personal factors: High impact	Personal factors: No impact	9.1	0.028
Personal factors: Low impact	Personal factors: No impact	-1.1	0.815
Personal factors: Medium impact	Personal factors: No impact	-1.5	0.836
Access to transport: Other private transport	Own transport	0.4	0.926
Access to transport: Public transport	Own transport	4.5	0.070

Demographic characteristic	Compared with	MEM (ppt)	Statistical significance
Access to transport: No access to transport	Own transport	8.1	0.129
Country of birth: Medium disadvantage	Country of birth: Very low/low disadvantage	1.5	0.811
Country of birth: High disadvantage	Country of birth: Very low/low disadvantage	11.7	0.077
Country of birth: Very high disadvantage	Country of birth: Very low/low disadvantage	10.1	0.290
Highest level of education: Less than Year 10	Highest level of education: TAFE/Diploma	12.0	0.039
Highest level of education: Year 10/11	Highest level of education: TAFE/Diploma	11.0	0.003
Highest level of education: Year 12	Highest level of education: TAFE/Diploma	2.8	0.496
Highest level of education: degree / Post graduate	Highest level of education: TAFE/Diploma	-14.1	<.0001
Geographic area: Low to moderate disadvantage ESA	Geographic area: Very low disadvantage ESA	-8.0	0.138
Geographic area: Moderate to high disadvantage ESA	Geographic area: Very low disadvantage ESA	-7.4	0.201
Vocational qualifications not useful	Has useful vocational qualifications	8.1	0.157
No vocational qualifications	Has useful vocational qualifications	-6.1	0.080
Recent work experience: Part-time (<8 hours/week)/Seasonal work	Recent work experience: Full-time/Part-time (8–30 hours/week)	-0.3	0.961
Recent work experience: Outside the labour force/unpaid	Recent work experience: Full-time/Part-time (8–30 hours/week)	4.3	0.199
Recent work experience: Unemployed	Recent work experience: Full-time/Part-time (8–30 hours/week)	5.1	0.067

Notes:

1. MEM stands for Marginal effect on the mean. MEM are sorted in descending order. For example: single parents (after controlling for all other job seeker characteristics) were 0.9 percentage points less likely to have sustained their exit from income support than those who were not single parents.
2. Demographic characteristics controlled for in the regression analysis are mostly obtained from the JSCI:
 - a. access to transport
 - b. age
 - c. CALD status
 - d. country of birth
 - e. English proficiency
 - f. gender
 - g. geographic level of disadvantage
 - h. highest level of education
 - i. if a single parent
 - j. if an ex-offender
 - k. if contactable by telephone
 - l. if Indigenous
 - m. if with disability
 - n. job seeker history
 - o. personal factors
 - p. proximity to the labour market
 - q. recent work experience
 - r. stability of residence
 - s. time on income support
 - t. vocational qualifications.

Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

Return to [Section 4.4.4](#).

Table F.25: Actual and predicted rates of sustained exit from income support by selected characteristics (per cent and percentage point difference)

Demographic characteristic	Actual rate sustain to 12 months	Predicted rate sustain to 12 months	ppt difference sustain to 12 months	Actual rate sustain to 24 months, given sustained to 12 months	Predicted rate sustain to 24 months, given sustained to 12 months	ppt difference sustain to 24 months, given sustained to 12 months
Age at exit from income support: 19-24 years	64.1	64.5	-0.3	77.1	73.3	3.7*
Age at exit from income support: 25-30 years	65.1	65.3	-0.2	78.4	73.1	5.3*
Gender: Male	62.0	62.0	0.0	76.4	72.5	3.9*
Gender: Female	69.7	70.4	-0.7	80.0	74.7	5.3*
Highest level of education: <Year 10	51.6	50.4	1.2	68.2	66.0	2.2
Highest level of education: Year 10/11	56.7	57.2	-0.5	72.2	66.8	5.4*
Highest level of education: Year 12	69.5	69.3	0.2	80.9	77.1	3.8*
Highest level of education: TAFE/Diploma	65.8	66.7	-0.9	78.1	73.3	4.7*
Highest level of education: Degree/Post graduate	81.6	80.9	0.8	88.4	84.8	3.6*
Single parent	70.1	71.1	-1.0	82.7	70.0	12.8*
With disability	61.3	61.7	-0.4	75.2	69.9	5.3*
Unstable residence	52.4	53.3	-0.9	69.7	64.5	5.2*
Indigenous	47.8	48.4	-0.6	67.8	60.2	7.6*
Ex-offender	48.0	49.4	-1.4	66.3	60.1	6.2*
CALD	68.3	66.5	1.8*	80.9	79.6	1.3
Poor/Mixed English Proficiency	56.8	57.0	-0.1	74.2	70.7	3.6*
Overall	64.6	64.8	-0.2	77.6	73.2	4.4*

Note: * Statistically significant difference.

Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

Return to [Figure 4.15](#) or return to [Figure 4.16](#).